



# Economy, Energy & Planning

05/03/2026

The Climate Change, Environment and Infrastructure Committee has invited the Cabinet Secretary for Economy, Energy and Planning to attend a general scrutiny session on 5 March 2026.

This paper is intended to inform the discussion, providing an update on policy developments in these areas, and progress the Welsh Government has made.

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# 1. Strategic Development Plans

Strategic Development Plans provide an opportunity to plan on a wider than local basis, address cross boundary issues, achieve a better quality of life for residents, enable businesses to grow and maximise investment.

The Strategic Development Plan (SDP) Regulations came into force 28 February 2022. All four Corporate Joint Committees (CJCs) have been able to exercise the strategic planning function from 30 June 2022. Local Authorities (LAs) have been working together to initiate CJCs and ensure speedy progress on SDPs can be made.

The previous Minister wrote to all four CJCs in 2023 setting out our expectations which include the submission of a Delivery Agreement, demonstration of some technical work, and the employment of an officer by 2024.

An updated Draft SDP Manual was published on the 9 September 2022 for informal consultation setting out more detail on the scope and content of a plan. A formal consultation is anticipated for the winter of 2026.

Ministers have met with all the CJC leaders on an ongoing basis to discuss Regional Transport Plans and SDPs. It is important to have ongoing discussions so all parties can understand their expectations, with Welsh Government officials assisting in the provision of technical advice for SDPs, as well as utilising Transport for Wales for RTPs.

We welcome the progress from South-East Wales in being the first region in Wales to formally agree a Delivery Agreement (20 August 2025). This is an important milestone as, now agreed by Welsh Ministers, it marks the formal commencement of the SDP process.

North Wales CJC have consulted on a Draft Delivery agreement and are anticipated to formally agree and receive sign off by Welsh Ministers on a Delivery Agreement by the end of March 2026. This will mark their formal commencement of the SDP process.

South-West Wales CJC are progressing technical work on a Draft Delivery Agreement, although there are concerns regarding the finance being in place to progress an SDP.

## 2. Promoting the Welsh Language through the planning system

The Welsh language is part of the social and cultural fabric of Wales, and its future well-being will depend upon a wide range of factors, particularly education, demographic change, community activities and a sound economic base to maintain sustainable communities and places for the language to thrive.

The Welsh Government's aims and ambitions for the Welsh language are set out in the Welsh Language Strategy – Cymraeg 2050: a million Welsh speakers. The strategy recognises the need to provide accessible opportunities to use the language in education, social and work settings. The strategy also identifies the imperative need to create favourable circumstances to increase the number of Welsh speakers. This involves securing goodwill towards the language and providing language infrastructure such as technology and legislation but is also concerned with securing an economic and social future for Welsh speaking communities.

Through the Planning (Wales) Act 2015 the Welsh language became, for the first time, a consideration in planning legislation created in Wales. Our planning system is plan-led, in which decisions on planning applications must be taken in accordance with the adopted development plan, unless outweighed by other material considerations. The Planning (Wales) Act and Technical Advice Note 20 state the Welsh language should be ingrained into Local Development Plans through the Sustainability Appraisal, which should include a Welsh language impact assessment. It therefore becomes a consideration in planning decisions and appeals where relevant.

Planning Policy Wales (PPW) states that development plans and proposals should be prepared within the context of the key planning principles of the planning system. Planning authorities should ensure that social, economic, environmental, and cultural benefits are considered in the decision-making process and assessed in accordance with the five ways of working to ensure a balanced assessment is carried out to implement the Well-being of Future Generations Act and the Sustainable Development Principle. Key factors in the assessment process include cultural considerations where it should be considered how far a proposal supports the conditions that allow for the use of the Welsh language.

The future of the language across Wales will depend on a wide range of factors beyond the town and country planning system, particularly education, demographic change, community activities and a sound economic base to maintain thriving sustainable communities. The planning system can contribute to the future wellbeing of the Welsh language, by establishing the conditions to allow sustainable communities to thrive. For example, creating conditions for well-paid employment opportunities and a range of quality housing options are integral to planning for sustainable communities.

In February 2025, the Commission for Welsh-speaking Communities published its report on Town and Country Planning. The Welsh Government will publish its response to the report in the near future.

### 3. Planning resource in Local Planning Authorities

Ensuring that Wales has enough planners and related professionals, with the right skills in the right areas, is fundamental to the delivery of our policies.

A range of immediate measures has been introduced to speed up decisions on infrastructure schemes, including renewable energy projects.

- Additional resources have been provided to Planning and Environment Decisions Wales.
- Natural Resources Wales has been provided with additional funding.
- New Fee Regulations took effect on 01st December 2025. This marks the largest investment in our planning services in recent years. Over time, these changes will strengthen the resilience and capacity of our planning services and ensure financial sustainability.
- Planning Directorate has funds available to support additional capacity in local planning authorities.
- We are supporting bursaries through the Pathways to Planning scheme.

To gain a fuller understanding of future workforce requirements we have commissioned the Royal Town Planning Institute Cymru to undertake a workforce planning study. It will provide a detailed picture of the resource and skills situation across the planning service. This will allow consideration of a more focused targeting of resources. The report will be published by the end of February 2026.

Welsh Government is currently working with Net Zero Industry Wales to develop an approach where developers make a financial contribution to a fund held by NZIW that can be utilised by planning and consenting bodies in Wales to address immediate resource pressures.

This approach recognises the high volume of projects in Wales covering net zero and renewable energy infrastructure that is currently placing unprecedented demands on consenting bodies in Wales.

With resources held by NZIW this approach looks to address the current pressures within consenting bodies in Wales while maintaining the independence between those bodies and the developers.

## 4. Implementation of the Planning (Wales) Bill - Stakeholder Engagement

Engagement has been central to the development of the Planning (Wales) Bill and accompanying Planning (Consequential Provisions) (Wales) Bill. A commitment to working collaboratively with practitioners, stakeholders and the wider public has shaped every phase of the project and will continue to do so through to its future implementation.

Significant stakeholder engagement was undertaken through the Law Commission's scoping paper and **public consultation**, which highlighted the complexity of existing legislation and generated strong support for consolidation. During the drafting process of the Bills, the Welsh Government continued to work closely with practitioners and other stakeholders to ensure they preserved the existing legal effect and accurately reflected how the law operates in Wales. Following the introduction of the Bills to the Senedd in September 2025, stakeholders consistently offered positive feedback during the Legislation, Justice and Constitution Committee's (LJCC) oral evidence sessions, praising the high level of engagement, openness, accessibility, and constructive dialogue throughout the process.<sup>1</sup>

Subject to Senedd approval of the Bills and receiving Royal Assent, responsibility for implementation will sit with the next government. However, as set out in the Explanatory Memorandum to the Bills and supported by evidence given by the Counsel General and Minister for Delivery to the LJCC, it is anticipated the positive approach to engagement will continue during the 18-month implementation period.

Subject to the agreement of the next Government, both the Explanatory Memorandum and the committee evidence anticipate a package of measures and activities to support stakeholders during this period. This includes providing:

- Accessible, bilingual guidance to support all stakeholders to understand the Bills and how they affect them. This will be tailored to the needs of different audiences. In particular, practitioners will receive guidance to help them identify and implement any necessary changes prior to commencement, such as updating back-office systems, amending forms and revising website content.
- Updates to key guidance and policy documents which impact decision-making and plan-making, such as the Development Management Manual, the Development Plans Manual, and Planning Policy Wales (PPW).

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<sup>1</sup> [See transcripts for oral evidence sessions – Initial Consideration \(15 September 2025 – 16 December 2025\)](#) and the [LJCC Report on the Planning \(Wales\) Bill and the Planning \(Consequential Provisions\) \(Wales\) Bill. November 2025](#)

- Familiarisation webinars, open to local authorities, the private sector, and the third sector.

The most significant part of the implementation phase is the making of the subordinate legislation required to commence the Bills. In addition, numerous statutory instruments (SIs) will need to be amended and restated to align with the new primary legislative framework. Practitioners have warmly welcomed this approach as a major step toward greater clarity and usability. This consolidation of SIs will not only enhance accessibility, but also provide the coherent, modernised bilingual structure that practitioners have repeatedly said they need when working with the new Bill.

Given the volume of instruments involved and the need to commence the Bills in a timely manner, this work is proposed to be delivered in two distinct phases. Phase one will be timed to coincide with commencement of the Bills. It is anticipated to include bringing forward Welsh Statutory Instruments making consequential amendments to existing planning-related subordinate legislation, as well as making new provision for the protection of trees. In addition, a small number of the instruments most frequently used by practitioners or requiring substantial updates will be restated as part of this implementation stage. Phase two will focus on restating the remaining legislation in a phased approach after the commencement of the Bills. Further detail is anticipated to be set out in the next Government's Accessibility of Welsh Law programme, to be published in the next Senedd term. The [Government's response](#) to recommendation 6 of the LJCC's Initial Committee Consideration report on the Bills offers further insight into this phased approach and ongoing engagement with stakeholders.

The Welsh Government's approach to implement the Bills is to provide stakeholders with the tools they need to help them navigate the changes, while providing channels for raising specific questions as they begin to apply the new legislation in practice. The Welsh Government will maintain regular engagement with stakeholders through routine government business and established events, such as quarterly meetings with the Planning Officers Society Wales (POSW), to ensure that the implementation is smooth, supportive and collaborative.

The Bill is not something practitioners need to fear. Its effect remains the same: it introduces no new policies or substantive provisions, and organisational practices will not change. While some terminology has been modernised, the drafting is clear and accessible, and familiarity will develop naturally as practitioners begin using the consolidated legislation.

A final, detailed implementation programme will be published by the next government following the Bills receiving Royal Assent.

## 5. Ports

### **Infrastructure**

Welsh ports provide a vital ‘land bridge’ link for freight and goods between Ireland, GB and beyond. Ports such as Pembroke Dock, Fishguard and Holyhead are vital gateways for the UK’s national economy. We will continue to work with all key stakeholders to sustain these key routes in what are likely to be challenging years ahead in recovering lost traffic and eventual growing trade.

What would give them greater certainty would be to return to conditions where barrier-free trade was as close as possible to the circumstances we enjoyed before Brexit. We will also continue to raise the strategic importance of these trade routes with the Irish Government through the British and Irish Council.

Our Welsh ports and harbours are a focal point for inward investment, acting as a catalyst for economic development, delivering local jobs and services and benefits to the wider economy of Wales.

### **Climate Change and Environment**

We have an ambition to develop a modern and productive Ports infrastructure which acts as a catalyst for sustainable growth, which has manifested through:

- 10-year Wales Infrastructure Investment Plan for a zero-carbon economy.
- The Wales Transport Strategy.
- The Marine Energy Programme.

Welsh Ports have the opportunity to be at the forefront of advances in more sustainable maritime technologies, supporting the transition to more efficient and lower-carbon logistics networks in Wales.

Our ports can support innovation in maritime propulsion systems and attract greener shipping to Wales. There is also possibility of using renewable energy, generated in and around Wales, to provide power to our ports and vessels using those ports.

Support to unlock the planned investment into ports is essential. The recent Offshore Wind Task and Finish group highlighted the need for market certainty on future pipelines to de-risk the investment needed to invest in port infrastructure ahead of signed contracts. Together with de-risking investment through market certainty, there is a need for government to identify the specific areas where investment from government will be prioritised, to develop hubs of activity for the offshore wind market. In Wales, Port Talbot and the wider south west Wales region offer a huge opportunity for the UK.

Given the importance of ports for the supply chain, a specific commitment from the UK Government for the National Wealth Fund to target investment in Welsh ports should be prioritised. This would include the Port of Port Talbot and Milford Haven Port Authority for south Wales, and the Port of Mostyn to support fixed offshore wind in north Wales.

## **Freeports**

The Celtic and Ynys Môn Freeports are set to enable the delivery of development-ready land, tax incentives and simplified customs zones. The Freeport Programme in Wales is a joint initiative between the Welsh and UK Governments, designed to:

- Promote regeneration and high-quality job creation.
- Establish national hubs for global trade and investment and to foster an innovative environment.

The two strategic Freeports are now operational with designated tax sites:

- Anglesey Freeport, developing sites and support for a number of low carbon development opportunities and the electrification of port land and sea vehicles.
- Celtic Freeport – South/West Wales offering commercial incentives and ready-to-develop sites aligned with offshore wind growth strategy.

Both Freeports offer high-impact investment platforms that combine world-class locations, innovation and infrastructure

In terms of securing low carbon investment, capital development funds and the tax incentives offered in the Freeports will attract companies investing in green/low carbon technologies including tidal, nuclear, floating offshore wind, and carbon capture, utilisation, and storage. Celtic Freeport is also developing plans for producing alternative fuels (including hydrogen) and for advancing clean maritime transport. The Investment will upskill local people and create jobs in green engineering and construction, sustainable logistics and digital infrastructure. By supporting the build-out of clean energy clusters, our Freeports in particular will help anchor long-term economic activity and employment in the low carbon sector.

## **Shipping**

Much of international and domestic shipping policy is reserved to the UK Government.

## **Climate Change and Environment**

The UK Government will lead on international climate change negotiations on behalf of the devolved governments at the upcoming International Maritime Organization (IMO) to reduce greenhouse gas (GHG) emissions from international shipping.

The UK Emissions Trading Scheme Authority (comprised of Welsh Government, UK Government, Scottish Government, and Northern Ireland Executive) has expanded the scope of the scheme to include domestic maritime from 1 July 2026. The Authority has also consulted on the inclusion of international maritime.

The Welsh Government continues to support the UK Governments UK Shore project and encourages our ports to bid for funding through this programme such as the Clean Maritime Demonstration Competitions.

UK Shore helps provide support and incentives to drive investment into shore power and electric recharging infrastructure across UK ports to power a greener future shipping industry.

The Infrastructure (Wales) Act 2024 can support onshore power and electric charging infrastructure. This will establish a new process for consenting major infrastructure projects in Wales, including significant energy, waste, water and transport, projects. The Act will streamline and unify the decision-making process, helping to support port investment and the development of shore power for the shipping industry.

### **Maritime and Logistics plan**

Under Llwybr Newydd - the Wales Transport Strategy 2021, we committed to develop a new Wales National Ports and Maritime Plan for Wales with Climate Change and the Environment being a key priority focus to consider how Welsh Port infrastructure development can contribute to decarbonising the Economy and Transport through the development of renewable energy opportunities at our Ports.

We recognise that the plan is overdue, but with the closure of the port of Holyhead in December 2024 and its clear impact on the industry, it was imperative that we reacted to that priority and waited for the conclusion of the Irish Sea Taskforce (set up as a response to that closure) before starting on this plan.

As a result of the Irish Sea taskforce and the Debate on the Economy, Trade and Rural Affairs Committee report: Holyhead Port Storm Damage and Closure - Initial Findings in July, it became apparent that stakeholders would prefer Government to publish a joint Freight and Logistics Plan, and Ports and Maritime Strategy. Following the conclusion of the Irish Sea taskforce meetings we issued a written statement on the recommendations. We decided that a combined port and maritime, freight and logistics plan would be preferable, given the strong links and interdependencies between the sectors.

As a result, one of the key recommendations of the Irish Sea Task force is for the Welsh Government to publish a set of priorities for a Port and Maritime, Freight and Logistics Plan before the end of Government term in preparation for the next Government. As part of that work, it will also establish a freight council and a truck stop mapping exercise for Wales which will be published by the end of this term of Government.

Preparatory work for the plan has already commenced. The Cabinet Secretary for Economy Energy and Planning and Cabinet Secretary for Transport and North Wales have agreed to a draft scope for the work, following internal consultation. This has been further refined following external consultation and feedback from key stakeholders and is currently being developed into a set of priorities. Before the end of Government term, we will publish this set of priorities in what we are now calling the Maritime and Logistics plan in preparation for the next Government. The published document will enable the next Government to clearly see what the priorities of the sectors are and be able to move them forward as the preparation work will be done.

We are currently developing some preparatory work on the formation of what we are now calling the Maritime and Logistics Council (MLC). We see the MLC as a natural follow on from the Irish sea taskforce. We do expect there to be the flexibility and ability to make changes to the membership even after the first meeting. The MLC's remit is likely to be wide ranging therefore flexibility is key. We hope to be able to update Committee on the

membership soon. We have aspirations for the new MLC to become a supportive driving force to help the next government deliver tangible benefits to the sectors.

## 6. Cardiff Airport

We have acknowledged the policy tensions between owning an airport, the significant economic benefits the Airport can deliver for Wales, and our need to address the climate emergency.

Cardiff Airport is committed to its business and infrastructure becoming carbon neutral, however, due to the current economic climate it is extremely challenging for any regional airport to achieve the objective of achieving Net Zero by 2050 across all of its operations. Despite this, the Airport has reduced carbon emissions from its ground operations to 700 tonnes of CO<sub>2</sub> annually, with an aim to reduce this further in the coming years.

The Welsh Government's strategy for the Airport aims to encourage the development and local adoption of more sustainable aircraft propulsion technologies and to reduce carbon emissions from the Airport's infrastructure and will enable the Airport to continue on its path to net zero.

The Airport has committed to the use of sustainable aviation fuel (SAF) and to offer this to airlines at Cardiff Airport as soon as practicably possible. However, we see SAF as an intermediate carbon reduction solution, as the industry looks to the development of new zero-emission aircraft, such as hydrogen-fuelled and electric powered aircraft.

The Airport is investing in a new solar farm to power its operations by April 2026.

Aviation policy is a reserved matter for the UK Government (UKG). The nature of air travel in the UK means that passengers, as well as freight operators, have the option to use airports across the UK, which has implications for the potential effectiveness of Welsh policies.

It is widely recognised that the greatest challenge in terms of making civil aviation sustainable is not related to any specific technical solution, but making positive change happen at the required pace.

We continue to work with the UK Government and other devolved governments, on progressing the SAF Bill through parliament, on the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) and on the UK Emissions Trading Scheme (UK ETS) Authority and how SAF could interact with the UK ETS scheme, as well as engaging on the Jet Zero initiative.

In late 2023, Ministers confirmed their intent to pursue a policy of ongoing, scalable financial support to Cardiff International Airport Limited to enable its economic growth potential and agreed that officials should complete work on the details of a long-term subsidy.

Last year, a case was referred to the Competition and Markets Authority for a Welsh Government subsidy package of up to £205.2 million, to be provided to the Airport on a phased basis, over ten-years.

On 2 April 2025, we issued a [Written Statement](#) following a decision to formally proceed with the subsidy. Following the Statement in April, the details of the Subsidy were published on the transparency database.

### **The Sustainable Aviation Fuel (SAF) Bill.**

We have recommended that the Senedd consents to the relevant provisions in the SAF Bill which introduces a new revenue certainty mechanism to support the production of SAF in the UK. It would do this by designating a counterparty (a company wholly owned by the government) to engage in contracts with SAF producers to guarantee the price of the sale of eligible SAF. To finance the revenue certainty mechanism, the Bill would introduce a levy on conventional aviation fuel suppliers. The revenue certainty mechanism is intended to be a time-limited measure to stimulate an early market and help support the production of SAF across the UK. It will no longer be needed once investors have confidence in the market price, and the first-of-a-kind technology has proved itself at commercial scale.

The Bill is intended to realise the economic benefits associated with developing the domestic sustainable aviation fuel industry, help secure the supply of such fuel, and establish the UK as a global leader in the decarbonisation of the aviation sector.

With a long-established aerospace sector, its rich industrial history and highly skilled workforce, Wales is looking towards a more sustainable future. We are well placed to play a significant role in developing feedstocks of SAF from non-agricultural sources. We are already making positive progress in this regard and we look forward to Wales securing the additional future economic benefits that this will bring, such as the jobs and wealth generated from SAF plants located in Wales.

The Bill provides a suitable platform with a unique opportunity to tackle climate change for the aviation sector, on a UK wide approach. Moving to implementation, if this Bill is passed, we will ensure the Welsh Government continues to work closely with our partners and stakeholders in Wales, and across the UK.

## 7. Trydan Gwyrdd Cymru

Trydan Gwyrdd Cymru (Trydan), is the first state owned renewables developer in the UK and is wholly owned by Welsh Government. Trydan was first established in 2024 to develop renewable energy projects, particularly onshore wind, on the Welsh public estate, and maximise their value for the people of Wales. Trydan's establishment is in line with our **policy** to promote local ownership of renewable generation by Welsh organisations, to retain value in the Welsh economy.

Trydan Gwyrdd Cymru's goals are to:

- develop 1 GW of new renewable generation capacity by 2040, subject to grid capacity being available.
- be an exemplar developer, working with industry and communities.
- advise and work with the public sector, to realise locally owned renewable energy generation.

The Trydan team, based in Merthyr Tydfil, are working alongside Natural Resources Wales to develop wind farms on the woodland estate. The first three grid-scale wind projects were launched in July 2025, with the first round of public engagement for these projects held in Q4 2025. Further wind projects will be brought forward in 2026 subject to availability of development revenue. In addition to the wind projects, Trydan announced its first grid-scale solar project in December 2025, holding the first round of public engagement in January 2026.

Public sector led renewable energy developments on the Welsh public estate could make an important contribution to Wales's existing renewable energy generation and local ownership targets:

- Wales to generate electricity equal to 100% of its consumption from renewable sources by 2035.
- 1.5 GW of renewable energy capacity in Wales locally owned by 2035.
- all new renewable energy projects to have some local ownership.

Having wind farms where all the value stays in Wales is important for Welsh people to have confidence that they will benefit from a clean power system.

## 8. Ynni Cymru

Ynni Cymru is an organisation whose purpose is to expand locally owned renewable energy generation across Wales. It complements the great work already being undertaken by the Welsh Government Energy Service and by key community organisations like Community Energy Wales, especially around scaling up and increasing the impact of renewable energy assets across Wales. The team has an office at M-SParc, Ynys Môn.

Ynni Cymru continues to put Wales at the forefront of developing and delivering Smart Local Energy Systems (SLES). A SLES joins up different energy generation, storage, demand and infrastructure assets in a local area, making them operate more intelligently and deliver local benefits. There are multiple benefits from delivering Smart Local Energy projects, including retaining value locally, improving energy resilience and security, reducing greenhouse gas emissions, and enhancing network stability.

By March 2026, Welsh Government will have invested over £22.9 million through Ynni Cymru since 2024, supporting 79 projects across communities, the public sector, and small businesses. These projects will cut energy bills, strengthen local resilience, and move Wales closer to net zero and a just energy transition for all. This whole system approach, bringing together power and heat generation with smart controls and supporting EV charging, helps reduce the amount of large-scale infrastructure we will need.

Some great examples of projects include: Holywell Town Football Club installing a full smart energy system, cutting energy costs by up to 80% and freeing resources for grassroots programmes; and establishing the South Cornelly Local Energy Market, which has delivered a fair, community-owned model delivering up to 50% savings on household bills and reinvesting revenue locally.

The Ynni Cymru team is using the learning from delivering these projects to identify and inform where changed to regulation or market mechanisms which would enable similar projects to proliferate across Great Britain.

## 9. Nuclear Sector

On 13 November 2025, the UK Government announced that Wylfa on Anglesey had been selected as the site of the UK's first small modular reactor (SMR) nuclear power station, recognising the strong nuclear heritage and expertise of the area.

A part of the Industrial Strategy, this project is the first of its kind and expected to support over 3,000 high quality jobs in the local community and represents an initial investment of £2.5bn in Northwest Wales. Subject to contractual negotiations now underway between Great British Energy - Nuclear (GBE-N) and Rolls Royce SMR, further investment will be agreed to complete the initial phase.

The site will host 3 Rolls Royce reactors initially, with scope for an additional 5 reactors in future. SMRs are designed to be quicker to build than some traditional nuclear power stations, as modules are manufactured in off-site factories for on-site assembly. Each RR reactor is expected to deliver power for the equivalent of around 1,000,000 homes. North Wales, with its renowned strength and depth in advanced manufacturing, is ideally placed to support the manufacture of SMR modules for Wales, the UK and overseas.

This will provide a huge opportunity for nuclear construction related skills that will build on the Wales supply chain support for Hinkley Point C nuclear power station, especially supply chain companies in South Wales who are well integrated into that supply chain. To support the Wylfa developments is the Bangor University Nuclear Futures Institute, which is now the second largest university nuclear research group in the UK behind Manchester's Dalton Institute. Should all proceed as planned, alongside decommissioning work at Trawsfynydd nuclear power-station, North West Wales will have a major nuclear capability (people, skills, RD&I, supply chain, etc.).

To add to this is a proposal to build a medical radioisotopes and research reactor ARTHUR - primarily to supply medical radio-isotopes to the NHS and other health services but also to provide a source of neutrons which can be used for many other industrial purposes.

The vision is to build an end-to-end system of nuclear technical capability, from basic RD&I, through nuclear development and construction, conventional nuclear power operation to decommissioning and to build a hub for all the skills, training, education, apprenticeships, graduate teaching and post graduate research as a major UK critical mass and strength. Such a critical mass would pull on and collaborate with nuclear strengths and capability right across the North West Nuclear Arc - a geographical region which encompass Anglesey, Gwynedd, North East Wales and Cheshire, Greater Manchester, Lancashire and Cumbria - the greatest agglomeration of nuclear capability and capacity in the whole of the UK.

## 10. Renewable Energy Sector Deal and progress toward Renewable Energy Targets

The Renewable Energy Deep Dive Steering Group of stakeholders was formed in 2020 and resulted in 21 recommendations ranging from investment in skills to calls for the devolution of the Crown Estate. The third, and final, update on progress on the recommendations was issued in March 2024. The report demonstrated our efforts to transition our energy system from a reliance on fossil fuels to a strong, long-term, and sustainable renewables sector that retains the wealth for our communities in Wales. One of the remaining actions to be taken forward under the Deep Dive includes the development of a partnership initiative/ charter with the commercial renewable sector in Wales.

To fulfil this commitment, we are working with a Renewable Energy Sector Deal Task and Finish Group with the aim of publishing the sector deal in March 2026.

The sector deal is about ensuring we all understand the part we play in the delivery of renewable energy targets for the benefit of communities across Wales, within our legal requirements under the Wellbeing of Future Generations Act and Environment Act. This will mean removing barriers to retaining benefit and value in Wales, securing a just transition for communities, and making Wales an even more attractive place for new investment. Welsh Government has been clear Wales must feel the benefit of our renewable revolution.

The Sector Deal will highlight the areas of work required to help Welsh Government achieve its ambitious renewable energy target for Wales to generate renewable energy to meet our needs now and for the future.

Our target is to meet the equivalent of 100% of our annual electricity consumption from renewable sources by 2035, and to continue to keep pace with consumption thereafter. The Energy Generation in Wales report highlighted that in 2023, renewable electricity generation in Wales was equivalent to 53% of its electricity consumption, including losses. However, as electricity consumption is projected to increase significantly, this target is effectively a moving one.

Paramount to achieving our renewable energy targets is ensuring renewable energy generation in Wales has tangible economic and social benefits that are retained and realised by local communities across Wales. The purpose of a sector deal is therefore both to help us meet our targets and to ensure economic and social benefits for the people of Wales. The work on the sector deal commenced in summer 2025 with a large evidence gathering event to seek a range of views on the need for a sector deal and also what the focus might be. Following this a Renewable Energy Sector Deal Task and Finish Group was established consisting of developers, community representatives and Welsh Government officials. The Task and Finish Group has met throughout the autumn and winter and has identified supporting actions sitting within 7 key themes. The 7 themes are: enabling

environment; market and investment conditions; skills and the workforce; the grid in Wales; innovation and research; infrastructure and supply chains; and community ownership and benefits. Work on the sector deal is ongoing with the aim of publishing the deal in March.

The Sector Deal will address actions which encompass all technologies. This is different to the approach pursued by other Governments of the United Kingdom. The Welsh Government has resisted sector specific energy targets, and it would be problematic to justify a sector deal focussed on one industry. Therefore our preferred approach is for the sector deal to address the actions required across all sectors. These will cover actions required of the Welsh Government and the renewable energy sector (both the established technologies and the more innovative technologies). The Sector Deal could also evolve over time, so it does not become a stagnant document, reacting to current issues.

## 11. Implications of the GB Energy Act (2025) for Wales

The Great British Energy Act (2025) received Royal Assent on 15 May. The Act itself created the conditions for a new company to be established, requiring agreement of the Welsh Ministers to activity in areas devolved to Wales. In September 2025 the Secretary of State for DESNZ published the [Statement of Strategic Purpose](#) for Great British Energy (GBE). The Cabinet Secretary provided consent to this high level vision for GBE's activity with caveats around detailed operation, and subject to governance arrangements being established between Welsh and UK Governments.

The UK Government has now also published the Local Power Plan. This outlines the ambitions for GBE's activity to support community and local energy. To date UK Government has provided [about £9m for activities in Wales](#), which is being overseen by the Welsh Government to complement and build on our existing investments in renewable energy. Alongside other investment, this has supported the launch of the Ymestyn grant scheme, which provides some additionality to the existing set of offers in Wales.

It is important for GBE's funding and activity to complement the existing offer and landscape in Wales, which is well-established. The Welsh Government Energy Service (WGES) provides expertise and advice, enabling access to the Wales Funding Programme, which offers low-interest loans for public sector decarbonisation, Ynni Cymru's support for multi-technology smart local energy systems, and the Development Bank of Wales's local energy loan fund for community enterprises, and Welsh Government's Local Energy Grant Fund. We look forward to working with GBE as they develop their thinking on future provision across the UK.

Trydan Gwyrdd Cymru, Wales's public energy company developing renewable energy projects on the Welsh Government estate, is already working with GBE to share its expertise, particularly in effective working with Natural Resources Wales on public land. This could be a great opportunity in England for GBE to emulate Wales and develop a publicly- owned pipeline of wind projects.

Welsh Government is supportive of plans for GBE to work in partnership with The Crown Estate to bring forward offshore renewable energy projects and secure the economic benefits that large scale development can offer. The Welsh Government remains committed to seeking the devolution of the Crown Estate to ensure the benefits of the green industrial revolution remain within Wales.