Infrastructure 39, Statkraft UK

Senedd Cymru | Welsh Parliament

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment, and Infrastructure Committee

Bil Seilwaith (Cymru) | Infrastructure (Wales) Bill

Ymateb gan Statkraft UK | Evidence from Statkraft UK

General principles

What are your views on the general principles of the Bill, and is there a need for legislation to deliver the stated policy intention?

In general, Statkraft UK welcomes the ambitions of the Bill to simplify the consenting process and agree with the central objective to ensure effective alignment with the Nationally Significant Infrastructure Projects (NSIP) regime

As a company, we are committed to supporting the Welsh Government in its efforts to enable the construction of new, major infrastructure to boost the Welsh economy, create jobs and deliver on the Government's renewable energy generation targets. Specifically, we support the Welsh Government's overall objectives of the Bill that are outlined in Chapter 3 of the Explanatory Memorandum.

Statkraft is committed to using our experience and expertise, drawn from over 125-years in the renewables sector, to help Wales meet its proposed target of producing 100% of its electricity from renewable sources by 2035.

We are Europe's largest renewable power generator and proud to have a growing footprint in Wales. Our team of nearly 50 permanent staff in Wales, working from Rheidol and Cardiff, are dedicated to supporting the country's energy transition.

In addition to owning and operating Rheidol Hydro Power Station and Altwalis Wind Farm we have facilitated a further 30-plus renewable projects in Wales through power purchase agreements. Collectively this totals 750GWh of renewable electricity every year - equivalent to the needs of nearly 200,000 or 15% of Welsh homes.

Our development pipeline includes solar and wind as well as pioneering grid stability and green hydrogen projects. Located across Wales, these projects, which represent planned investment of up to £400 million, will support the drive towards net zero and energy independence, create local jobs, provide community benefits and encourage biodiversity on the land where we operate.

The Bill is very much a high-level framework and relies on the subsequent Regulations to provide detail of how the framework will be implemented in practical terms. As such, without this detail it is difficult to comprehensively comment on the proposed Bill. However, we are invested in the development of these documents and welcome this opportunity to provide feedback and comment on the Bill.

The points raised below are focused on certainty on timescales to reach a decision and highlight where we believe there are risks of these being be increased by Welsh Ministers without valid reason or the consent of the applicant. The absence of statutory timescales creates uncertainty for developers as this has the potential to lead to overall project delays that cannot be quantified or planned for at the outset. The express goal of our comments is to assist the Welsh Government create a framework that generates maximum investment certainty.

Uncertainty around timescales has the potential to conflict with the second objective of the Bill, certainty, which is outlined in Chapter 3 of the Explanatory Memorandum and below:

Certainty - To provide certainty in terms of timescales for all involved, so that the public are clear on when decisions are made, and proceedings are not unnecessarily prolonged, and to enable developers to plan projects with more accuracy.

What are your views on the Bill's provisions (set out according to parts below), in particular are they workable and will they deliver the stated policy intention?

Part 1 - Significant infrastructure projects

We note there is an absence of hydrogen infrastructure and related activities within the definition of Significant Infrastructure Projects. Whilst there are provisions under Section 17 that grant powers to Welsh Ministers to add, vary or remove types of SIPs, we view the new Bill as an opportunity to include emerging technologies such as hydrogen. Statkraft is an active developer of hydrogen

projects. Whilst our current projects within the public domain are of a scale that is suitable for decisions by local planning authorities, we see the hydrogen sector growing in Wales in the near future and the potential for larger scale developments of this nature. As such, we would welcome opportunities to consult with the Welsh Government on how this new technology could be appropriately defined as an SIP and included in the Bill.

Part 2 - Requirement for infrastructure consent

No response.

Part 3 - Applying for infrastructure consent

The process for applying for infrastructure consent is clear. We look forward to reviewing the Regulations that will provide further detail on the timescales and content of pre-application procedures and consultation.

Section 32 (5) notes that an application is accepted as valid on the day in which Welsh Ministers give the applicant notice of their decision to validate the application. We note this differs from the Development Management Procedure Order, which deems an application as valid from the date in which the examining authority receives the application. Currently, there is no detail on timescales in which an application's validity is determined within this section. This could lead to a reduction in incentives for the examining authorities to validate applications in an efficient and timely manner as the statutory determination period does not commence until after they do this. In some cases, this could potentially incentivise authorities to delay validation in order to avoid the commencement of the statutory determination period (as has been common under the current regime).

However, if the Bill were to outline statutory timescales in this section, this would provide developers with greater certainty around timescales and ultimately assist in achieving the overall objectives of the Bill. Section 33 (7) allows Welsh Ministers to extend the deadline for receiving representations in response to an application for Infrastructure Consent while allowing this to occur more than once. Whilst we can acknowledge there is a need for this to take place under certain circumstances, we believe there should be sufficient justification that should accompany these extensions if required. Again, allowing such broad mechanisms for extending consultation periods compromises the overall objective for timeliness and efficiency of the Bill.

Part 4 - Examining applications

The commitment to decide an application for infrastructure consent before then end of 52 weeks is supported. However, the detail of how examination is carried out within the 52-week window requires further attention, and we would welcome insights into the regulatory provisions that will provide this framework.

Part 5 - Deciding applications for infrastructure consent

Section 57 (6), which allows Welsh Ministers to grant consent for a "materially different" proposal gives uncertainty to developers. Again, the regulatory provisions for this will be key to understanding how this mechanism is to work and in what context. It is concerning as an applicant to potentially receive consent for a "materially different" proposal. This would also give rise to objections from statutory consultees who may have not been granted the opportunity to comment for the alternative proposal under the assessment process.

Part 6 - Infrastructure consent orders

Section 84, which grant powers to correct errors in decision documents is a welcomed initiative that will be effective in making the post determination process efficient and timely.

Part 7 - Enforcement

No response.

Part 8 - Supplementary functions

No response.

Part 9 - General provisions

No response.

What are the potential barriers to the implementation of the Bill's provisions and how does the Bill take account of them?

No response.

How appropriate are the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum)?

No response.

Are any unintended consequences likely to arise from the Bill?

No response.

What are your views on the Welsh Government's assessment of the financial implications of the Bill as set out in Part 2 of the Explanatory Memorandum?

No response.

Are there any other issues that you would like to raise about the Bill and the accompanying Explanatory Memorandum or any related matters?

No response.