

## ROCP 48, RWE Renewables

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Senedd Cymru | Welsh Parliament

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

Adolygiad o flaenoriaethau'r Pwyllgor ar gyfer y Chweched Senedd | Review of the Committee's priorities for the Sixth Senedd

Ymateb gan RWE Renewables | Evidence from RWE Renewables

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## Your views

### **1. What are your views on the Committee's three strategic priorities: Climate Change; Sustainable Communities; and Protecting and enhancing the natural environment?**

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RWE welcomes the opportunity to input into the Committee's review of its priorities for the Sixth Senedd. As Wales' largest power producer and generator of renewable energy, RWE plays a critical role in driving Wales' decarbonisation, working with Welsh Government and wider partner organisations. Through our past and future investments RWE is helping to create a clean, affordable and secure power system, which can act as the springboard to the decarbonisation of wider economic sectors across Wales, such as industry and transport.

We are currently involved in over 3 gigawatts (GW) of power generation in Wales across 12 sites, of which around 1GW is renewable. Our existing renewable energy portfolio already generates one third of Wales' renewable energy production – enough to power 550,000 homes - whilst our 2.2GW Pembroke Gas Power station, which has exciting plans for decarbonisation as part of the Pembroke Net Zero Centre, powers an additional 3.5 million homes. We are also developing several large-scale electrolytic hydrogen production projects in Wales.

Over the last decade, RWE and partners have invested over £3 billion to deliver energy projects in Wales. Our major investments include Pembroke Power Station, the Gwynt y Môr Offshore Wind Farm, and around £250m building onshore wind projects at Brechfa Forest West, Clocaenog Forest and Mynydd y Gwair. We also have an ambitious development pipeline, including 7 onshore and 1 offshore wind projects.

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RWE is supportive of the Committee's three current strategic priorities as they currently stand. We have made observations for specific topics / focus areas that could merit further attention from the Committee as it looks ahead to its future work within these priority areas. We have elaborated further on these topics in our response to Question 4.

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**2. To what extent are the Committee's three strategic priorities still relevant, reflecting on social, economic and environmental developments since they were set at the start of the Sixth Senedd?**

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The topics as currently defined capture the broad range of issues covered by the Committee's remit and provide sufficient scope to cover emerging topics over the period of the sixth Senedd.

We note that such a breadth can create questions around capacity to meaningfully focus on any one particular area. We suggest efforts to prioritise where the Committee gives it main focus, specifically recommending that this be on matters that are currently under consideration from Welsh Government and that have upcoming 'real world' impacts (for example bills and legislation) and on broader policy proposals that seek to meet longer-term goals (for example renewable energy rollout).

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**3. What are your view on the Committee's detailed priorities/outline programme of work for Years 3 to 5 of the Sixth Senedd (set out in its report, Priorities for the Sixth Senedd?)**

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RWE notes the relevance to its business of a number of the detailed priorities/outline programme of work set out by the Committee. As a developer of clean energy projects across a range of technologies, and a key partner in Wales' decarbonisation journey, we particularly support the Committee's continued focus on topics such as renewable energy, Wales' broader journey to net zero and infrastructure and planning topics, which have material impacts on our ability to deliver projects.

We would urge a strong continued focus on renewable energy, especially around deployment rates and associated challenges delivering projects. This topic is all the more important since the Welsh Government's recent adoption of its updated target to meet (at least in our recommendation) the equivalent of 100% of Wales' annual electricity consumption from renewable energy by 2035.

Ensuring continued scrutiny of Welsh Government efforts to progress the

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proposals outlined in the Renewable Energy Deep Dive is an important activity. Similarly, work to focus on barriers to deployment remain a critically important topic. RWE continues to face a range of hurdles and barriers which requires the attention and action of Welsh Government, with the risk that without this Wales misses out on the opportunities presented by further renewables project. Work to scrutinise the Welsh Government's Infrastructure Bill, further assessment of the operation of the planning system, the difficulty of securing grid connections for both generation and demand, marine licensing and consenting and the resourcing and operation of consenting bodies such as NRW are all key topics of importance.

RWE supports the call from our Trade Association RUK Cymru for the development of a delivery plan and review process for renewables in Wales, suggested as a series of technology-specific taskforces – for example covering onshore and offshore wind – made up of key stakeholders from across government and industry. We note the work taking place in Scotland, driven by the Scottish Government, to develop an 'Onshore Wind Sector Deal' which seeks to chart the course and tackle the barriers faced in meeting ambitious deployment targets, in close collaboration with industry. We would advise that this could be a model to follow in Wales and may be a theme the Committee wishes to pick up as part of its ongoing work programme.

In support of this call for continued focus on renewables deployment, we note the recent publication from the Low Carbon Contracts Company following the Contract for Difference Auction Round 5 results, where Figure 5 on Page 4 demonstrates the extremely small proportion of Welsh projects that are set to make up the UK's total CfD portfolio by 2030 (available to view here - <https://www.lowcarboncontracts.uk/news/announcement/cfd-allocation-round-5-results>).

Whilst we recognise that a number of the constraints do not sit within the Welsh Government's remit, ensuring Welsh Government is doing all it can in its power to bring forward renewables projects should remain a key area of focus for the Committee.

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#### **4. To what extent are the Committee's detailed priorities/outline programme of work still relevant, reflecting on social, economic and environmental developments since they were set at the start of the Sixth Senedd?**

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Notwithstanding the Committee's broad priority topics, RWE has a number of further suggestions that could merit future scrutiny by the committee:

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Firstly, the role of new decarbonisation technologies and ensuring that the Welsh deployment environment is supportive of facilitating these is a key emerging area of interest for companies like RWE. Examples of such technologies include hydrogen, carbon capture and storage and floating offshore wind in the Celtic Sea. Each of these technologies require the development and deployment of associated infrastructure if they are to play their full role in Wales' decarbonisation journey. Ensuring Welsh Government support for these, as well the early identification, mitigation and removal of potential barriers to deployment, will become an increasingly prominent topic in the coming years. As an example of this, we note that the Infrastructure Bill does not yet currently appear to reference the full range of energy infrastructure required to facilitate the energy transition, for example: hydrogen distribution pipework; standalone hydrogen production or associated facilities; CO2 pipework, liquefaction facilities and jetty infrastructure for shipping; shared heat networks; water supplies for green hydrogen electrolysis etc.

Secondly, we would urge the Committee to consider the topic of industrial decarbonisation (perhaps, if helpful, in conjunction with the Senedd Economy Committee). With a significant number of major industrial sites and processes, many of which require coordinated approaches, this is an important piece of Wales' decarbonisation puzzle. Initiatives such as the South Wales Industrial Cluster (SWIC) require tailored, coordinated solutions, and ensuring Welsh Government is cognisant of the needs and challenges for wider industry will be an important factor in driving emissions reductions and preventing Wales seeing 'decarbonisation by deindustrialisation'.

As a key member of SWIC through the presence of our Pembroke Net Zero Centre, RWE is increasingly working with broader industrial players in the cluster to build understanding how interventions can support each other's decarbonisation journeys and to consider joint decarbonisation projects. The work and resourcing of Net Zero industry Wales in driving this forward is a key factor for the Welsh Government.

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**5. Are there any other matters related to the Committee's priorities/work programme/ways of working that you would like to comment on?**

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RWE welcomes the Committee's openness and ability for companies to contribute insight and expertise via written and oral submissions. We will continue to support the work of the Committee going forwards via these opportunities.

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One potential suggestion may be around the potential scope for deeper collaboration with the Westminster Select Committees, for example the Welsh Affairs or Energy Security and Net Zero Committees, in addressing some of the cross-jurisdictional issues between the Welsh and UK Governments that feature in the energy transition (for example grid connections and capacity).

## **6. Other information**

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No response.

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