

Senedd Cymru
Pwyllgor yr Economi, Masnach a Materion Gwledig
Economi Gwyrdd
GE13
Ymateb gan: Wind2

Welsh Parliament
Economy, Trade, and Rural Affairs Committee
Green Economy
GE13
Evidence from: Wind2



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Economy, Trade and Rural Affairs Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

Senedd Economy, Trade and Rural Affairs Committee: Green Economy inquiry

Summary

Decarbonising energy generation is a fundamental prerequisite for forging a green economy, yet Wales is beginning to fall behind other UK nations on onshore wind and solar. At the very time Wales needs to accelerate its transition to green energy, progress is stalling. The Welsh Government's own figures show that renewable energy capacity has only increased by 11% in the last 5 years. If Wales is to meet its target of 100% of electricity demand being sourced from renewable energy by 2035 and net zero by 2050, current installed renewable capacity in Wales will need to be quadrupled in just over 10 years.

Longstanding grid issues continue to act as a barrier; and as the UK economy and households increasingly shift towards electrification there is a real threat that businesses and communities in Wales will be left behind, particularly in Mid Wales where the problems with the grid are the greatest.

About Wind2

Wind2 and its sister company Solar2 are independently Welsh owned and headquartered specialist renewable energy developers focussed on onshore wind and solar PV in Great Britain. The founders of Wind2 & Solar2, together with their management teams have a substantial track record of onshore wind farm development throughout the UK. Responsible for the delivery of approximately 1GW of renewable energy through their involvement with RDC Partners and West Coast Energy (sold to Engie in 2014). Wind2 & Solar2 are working on the development of a significant pipeline of renewable energy projects in the UK with staff based in our Head Office in Mold-North Wales, Edinburgh, Perth, the Highlands and Wells.

Wind2 welcomes the opportunity to respond to the Committee's consultation on the Green Economy which was launched on the 23rd January 2024.

Through Wind2 & Solar2, RDC Partners and West Coast Energy, we have been involved in developing wind farms in Wales since the mid 1990s. We have been involved in projects such as Cefn Croes in Ceredigion which was the largest windfarm in Wales when built and Tirgwynt in Powys which was developed as an innovative joint venture with a consortium of local landowners. The Tirgwynt Wind Farm trust donated £500,000 to the Carno Recreation Trust, which was put towards the construction of a new school for the 43 pupils attending Ysgol Carno Welsh Medium Primary School. Tirgwynt took over 20 years to develop from the start of development to generation, taking far too long to deliver the environmental and community benefits. Our experience is that timescales for development of renewable projects in Wales are often very long, Political support has not been particularly strong or consistent and policies (such as TAN8) have not been helpful to developers. We have always maintained our Head Office in North Wales over nearly 30 years but most of our renewable development success has been in Scotland which has enjoyed a long period of strong Political support and seen high renewable energy growth rates, a sustainable employment industry and benefits to communities in return. We are currently actively developing a small number of early-stage onshore wind projects in Wales and would, with our Welsh roots, want to develop significantly more wind and solar in Wales, dependent on political support.

The Welsh Government have set a target that 100% of Wales's electricity demand will be sourced from renewable energy by 2035 and that Net Zero will be achieved by 2050. Current installed renewable capacity in Wales is about 2GW and about 9GW is required to meet the 2035 target. This requires the current installed capacity to quadruple in just over 10 years. The Energy Generation in Wales 2022 report noted that only 43MW of renewable capacity was installed in 2022 and that renewable energy capacity has only increased by 11% in the last 5 years. To transition from this very slow growth rate to ramping up to installing 1GW per year requires a major change in approach and commitment from all parties involved in every aspect of renewable generation development and implementation. This against a backdrop of global efforts to accelerate the growth of renewable generation, which creates international competition for resources.

Developers like ourselves are ready to play our part in developing renewable projects to help achieve the targets. The key actions we would ask of the Welsh Government to facilitate the targeted growth are as follows:

- Set a clear delivery plan for reaching the renewable energy target by 2035 and the Net Zero target by 2050.
- Increase the necessary resources in consenting and planning to process the expected growth in the number of planning applications for renewable generation. Identify ways to handle planning applications more time efficiently.
- Provide strong leadership and clear/consistent policy to demonstrate that Wales is an attractive place to invest in the green economy.
- Collaborate with the other home nations on key strategic matters that are reserved to the UK Government, such as the electricity networks.

Questions:

1. **Within its devolved powers, what should be the Welsh Government's key priorities to maximise the potential economic opportunities from green economy sectors? To what extent does its current approach reflect these?**

The key priority should be to create a clear deliverable plan to reaching the renewable

energy targets which the Welsh Government has already set. The plan should set out clear objectives and timescales and measurable milestones. The sector needs a clear policy signal from the Government which will help secure investment into renewable development in Wales. Previous consultations have recommended the creation of an Onshore Wind Sector Deal through discussion between the Government and the renewable industry. A similar initiative was signed in Scotland in 2023 and provides a framework for Government to work in partnership with the renewables industry to tackle blockers to accelerated growth of renewable energy. The initiative would provide a strong signal of Welsh Government support for the growth of renewable energy in Wales and a blueprint for tackling obstacles to growth.

Another key priority is to increase resources in consenting and planning to allow timely review and decision making of planning applications. The Onshore Wind Sector Deal in Scotland, has for example set a target that the ECU will determine S36 planning applications within 12 months, and a similar target for Wales would help build investor confidence and help towards achieving the Government's 2035 target for renewable generation.

2. What are the key barriers to Wales making the most of opportunities in the green economy, and what steps should be taken to overcome these?

One of the key barriers is grid infrastructure in Wales. The current grid network in Wales has very little spare capacity and is largely located in the north and south of Wales with a sparse network in the centre. The planned growth in renewable generation and the transition to Net Zero with the increase in electricity demand, which that implies, requires a major reinforcement of the network in Wales. In addition, to attract further investment to Wales, there needs to be available and spare capacity. We welcome the publication of the Future Energy Grids for Wales report in July 2023 which analyses this crucial challenge and concludes that we need to "re-wire the country". The report notes that "most of the levers to delivering the new networks we so desperately need lie outside Wales". This highlights the need for the Welsh Government to provide strong leadership in this area which is a fundamental start point to transitioning to the Green Economy and to liaise closely with the UK Government, Ofgem and NGESO to "re-wire the country".

Planning and consenting delays are another key barrier. As previously mentioned, the Scottish Government have set a target to reduce the time for determining Section 36 planning consents to 12 months and the introduction of similar targets in Wales would be a helpful step towards reaching the renewable energy growth targets. Planning consent times are dependent on resources within planning departments and statutory consultees. As previously noted, increasing resources in these areas is needed to allow timely determination of planning applications. We responded to the Government's Net Zero Sector Skills consultation in Dec 2023 and commented on the need to engage with educational establishments in Wales to provide the education and training to facilitate growth in resources in these areas and to help retrain employees in industries which the Green Economy will replace.

Planning policy is also fundamental to achieving growth targets for renewable generation. We responded to the consultation on Future Wales and Planning Policy Wales Chapter 6 and were disappointed that the subsequent changes to Chapter 6, will in our view, make consenting onshore wind farms in Wales significantly more difficult and out of step with other parts of the

UK, especially Scotland. In our consultation response we commented that wind farm developments typically help address both the climate and nature emergencies through Habitat Management Plans and Biodiversity Net Gain proposals but our feeling was that these benefits were not taken account of. We compare this with the new NPP4 in Scotland which creates a more positive framework for determining onshore wind applications, recognising the need to support the ambitious growth targets for renewables in Scotland.

3. What actions should the Welsh Government take to support development of Wales-based supply chains in green economy sectors?

This is a challenge for Wales as the race to decarbonise and the transition to the green economy is happening on a global scale and there is competition between nations for the resources and skills to deliver the transition. The key action that the Welsh Government should take is to demonstrate that Wales has renewable energy investment potential, that the Welsh Government has a plan to achieve the targets set out for 2035 and 2050 and that it is fully committed to those targets. Creating investor confidence is key to support the development of Wales based supply chains. Tackling the barriers to development highlighted in the response to Q2 are also essential to demonstrate that the targets are achievable, as without tackling these barriers the targets won't be met. Reducing development timescales is imperative as based on typical planning timescales and connection dates in grid connection offers, then current early-stage projects won't start construction until post 2030. Focus is required to fast track projects into construction much earlier in order to start building the supply chain. In the meantime, the Government can provide support in building training and skills in Wales in preparation for the anticipated construction, operation and maintenance work to come.

4. What skills challenges exist in relation to transitioning to a green economy? What actions should be taken, and by whom, to ensure the skills are there to meet the growing demands of a green economy?

We responded to the Welsh Government's Net Zero Sector Skills consultation in Dec 2023 and commented on the need to engage with educational establishments in Wales to provide the education and training to facilitate growth in resources in these areas and to help retrain employees in industries which the Green Economy will replace. We made the point in our response that the most important action that the Government can take to secure the skills and resources to meet the target of 100% renewable energy by 2035 is to give clear support to investors both in terms of the Welsh Government's commitment to meet the 2035 target but also in supporting the planning process through resources, supportive planning policy and through consistent and decisive decision making. Our experience as a renewable energy developer which has been head quartered in North Wales for our entirety and with offices in Scotland, is that it's considerably easier to recruit new staff in Scotland. This is because of the large pool of skilled resources working in Scotland which has grown on the back of sustained political support through closer engagement with the industry and more consistent planning policy resulting in the growth of installed renewable generation in Scotland.

Wind2 take investing in the future of Wales and the Green Economy very seriously, and whilst we are a small independently owned renewable energy developer, over 10% of our team are graduate employees or apprentices. This investment is testament to our commitment in attracting new talent to the industry and helping towards bridging the skills gap.

5. What will workers and employers need for a just transition to a Net Zero economy to be achieved, and what actions should the Welsh Government take to deliver the elements of this that lie within its devolved powers?

The requirement to address shortages of skills and resources in the renewable energy sector presents an opportunity to increase the number of individuals gaining qualifications in renewable energy and the circular economy skills and of skilled professionals transitioning into renewables from other sectors. It also offers the opportunity to align the sector's skills development and transition needs with the Welsh Government's broader objectives for diversity in the workplace. Wind energy developers are already investing in skills and training. As an example Wind2 is participating in the Wrexham University, Low Carbon Energy Efficiency and Sustainability Degree Apprenticeship programme and offers internships to local students. We have also recently taken on a Welsh University graduate in our Technical Team.

The opportunities are across Wales and off the coast for offshore wind and tidal. Opportunities exist in onshore wind and solar right across Wales but particularly in mid Wales. Wind and solar can co-exist with farming in mid Wales and provide an opportunity for farmers to diversify and for close working with communities to help share the benefits that renewable energy offers. There are opportunities for upskilling and training within the farming community to contribute to the growth in the renewables sector in Wales.

6. How will the Welsh Government need to work in partnership with others to realise the potential of the green economy and deliver a just transition? To what extent is the partnership working that is needed being undertaken?

As noted in our response to Q1, the suggestion has been made to create an Onshore Wind Sector Deal, similar to the Sector Deal signed in Scotland in 2023, which creates a framework for Government to work in partnership with the Sector to urgently address the barriers to transitioning to the Green Economy. We believe that there needs to be closer partnership working between the renewables industry and the Welsh Government and note for instance that there was comparatively little industry representation in the group involved in the Renewable Energy Deep Dive in 2023, and this was reflected in the conclusions of that work. The transition to the green economy has the potential to create many jobs in Wales, to bring economic prosperity, environmental benefits and benefits to local communities. We believe that collaboration with key stakeholders including the public and private sector and the general community in addition to the UK Government, renewable energy developers, Ofgem and NEGSO is the key to success.

7. The Welsh Government says it will face considerable budgetary constraints in the short term. How should it prioritise investment to support development of the green economy over the shorter and longer-term? What innovative approaches to financing could be considered to maximise potential investment and benefits?

Private investment can provide funding to develop, build and operate renewable generation. The point we're emphasising in this consultation response is that the Welsh Government needs to provide clear and consistent signals of their long-term support for renewable energy, so that Wales is seen as an attractive Country for investment in renewable energy and the resulting halo effect that will have on the surrounding supply chain. If the Government provide this clear

support, the private sector investment will be forthcoming. In addition, there are opportunities for shared investment with communities where there is appetite. There are budgetary constraints at this time, but we would argue that the development of the green economy should be prioritised in view of the Climate Emergency and that the Welsh Government should prioritise investment in increasing resources in planning & related activities, and skills programmes.

Sarah Smith



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Managing Director
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