

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 14	PME 14
Renewables UK	Renewables UK

30th September 2015

Dear Sir/Madam,

Response to call for evidence: developing the potential of the maritime economy for Wales

Declaration of interests

RenewableUK represents over 500 organisations in the field of wind and marine renewable generation technologies, including wave and tidal energy. We have represented tidal lagoons since 2014. These technologies represent around 12% of the overall installed electricity generation capacity and 50% of the total electricity generated by all renewable technologies in the UK in 2013. Furthermore, the Department of Energy and Climate Change considers that our technologies will provide over 70% of the new renewable energy generation the UK needs in 2020.

Executive summary

While the development of wave and tidal energy is at a relatively early stage, the UK is currently the global leader in these technologies. RenewableUK is encouraged that the Enterprise and Business Committee of the National Assembly for Wales is carrying out an inquiry into how Wales can realise the potential of the Maritime Economy. What is now necessary is practical support from UK and the devolved governments to realise the potential for marine energy. Scottish Government has done some good work in this area – particularly around coordination of agencies – and should be looked to as an example. It is hoped that this will encourage and motivate a similar approach from the UK Government and other devolved governments and regional bodies.

Please see below for our responses to your consultation questions.

1. Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

The Welsh Government's approach to addressing EU funding and the role of ports is positive and will be key to delivering marine energy in Wales.

2. Are there any examples of best practice in this area?

The route followed by Scottish Government (Scottish Enterprise) has significant merit in that agencies are joined up and work well together. In addition, developers are consulted with directly to find ways of making the grant support system work, rather than changing projects to fit potentially inappropriate criteria.

3. How can we use existing EU funding sources to support the sector?

Government should assist the industry in their efforts to access and make efficient use of

European funding sources. In order to do this, lessons should be learnt from projects that have already received EU investment.

4. What should Welsh Government and others do to identify and make use of these?

RenewableUK recommends the following:

- *Supporting a co-fund bid from the European Commission*
- *Providing identification and communication of available European funding*
- *Influencing calls, through organisations such as the UK Ocean Energy Stakeholder Group, to provide more appropriate funding for innovative projects, e.g. by providing the right levels of capital support and flexible terms*
- *Directing enterprise agencies at a national level to assist and facilitate collaborative proposals*
- *Ensuring that newly created blue economy categories can be leveraged on top of any UK funding*
- *Ensuring to use the experience built up in marine renewables elsewhere to better inform Wales' starting point i.e. do not re-invent the wheel.*

5. How do the Enterprise Zones help to promote the ports and related businesses?

They are a useful as additional focus points/stakeholder groupings – it will be interesting to see how their role evolves in the future.

6. How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

- *Being vocal and contributing positively to consultations on the development of marine energy. Formalising support in this way is critical (over and above anecdotal support) as their involvement will bring understanding and engagement. This should lead to synergies and reduce cost, so bringing commercialisation much closer than it is today. Projects, including small sites, will allow the use of locally based supply chain, especially marine operations.*
- *In practical terms ports should ensure developer access to deep water sites where relevant.*

7. What support should be provided to ensure this benefit is properly realised?

- *Local value created should be properly accounted for. For example, indicative aspirational content/expenditure targets could be built in to project plans. The supply chain plan requirements for offshore wind are an example of this type of goal-setting.*
- *There is need for an integrated approach to long term transport and economic development planning for ports.*
- *There is a long-term need to plan for skills and training to realise big infrastructure opportunities*

8. How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

The projects must be realised as soon as practically possible. Not only could Swansea Bay lagoon save over 236,000 tonnes of carbon emissions each year but the construction of this “first of a kind” project could be the critical step to kick-starting a tidal lagoon industry.

9. Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help overcome these.

- *Lack of time in the water is a barrier at present – increasing this is critical to de-risking development.*
- *Lessons should be learnt from existing test facilities to make the most of the hard won learning and build on it.*
- *Wales should work with organisations like Scottish Government to ensure continued support from DECC on the development of wave and tidal technology.*
- *Consenting can be a particular challenge in Wales. The costs and long timeframes can contribute to development risk. Regulatory bodies such as The Crown Estate and Natural Resources Wales could work together to ensure a streamlined, coordinated consent process to save resources.*
- *Setting timescales for the marine licencing process would also de-risk development.*

10. Please tell us anything else you would like to mention this topic.

- *RenewableUK supports the 3MW Crown Estate leasing process. This should allow for small sites with community scale devices to demonstrate they can work.*
- *Don't underestimate the value of marine operations for long term GVA. Whilst manufacturing is important there are lot of marine ops in wave and tidal energy for installation and O&M.*
- *Grid access is critical. If grid is not available then help create sources of local demand and power storage solutions.*

For further information please contact the RenewableUK Marine Strategy Group secretariat:

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