



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Iau, 29 Medi 2011
Thursday, 29 September 2011

Cynnwys **Contents**

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 3 Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—Tystiolaeth gan Brifysgol
Caerdydd
Inquiry into Energy Policy and Planning in Wales—Evidence from Cardiff
University
- 15 Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru— Tystiolaeth gan Ysgol
Fusnes Caerdydd
Inquiry into Energy Policy and Planning in Wales— Evidence from Cardiff Business
School
- 28 Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—Tystiolaeth gan y Sefydliad
Cynllunio Trefol Brenhinol yng Nghymru
Inquiry into Energy Policy and Planning in Wales—Evidence from the Royal Town
Planning Institute Cymru
- 37 Grŵp Gorchwyl a Gorffen ar y Polisi Pysgodfeydd Cyffredin—Cytuno'r Cylch
Gorchwyl
Common Fisheries Policy Task and Finish Group—Agreement of Terms of
Reference
- 38 Grŵp Gorchwyl a Gorffen ar y Polisi Amaethyddol Cyffredin—Cytuno'r Cylch
Gorchwyl
Common Agriculture Policy Task and Finish Group—Agreement of Terms of
Reference

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol

Committee members in attendance

Mick Antoniw	Llafur Labour
Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Rebecca Evans	Llafur Labour
Russell George	Ceidwadwyr Cymreig Welsh Conservatives
Vaughan Gething	Llafur Labour
Llyr Huws Gruffydd	Plaid Cymru The Party of Wales
Julie James	Llafur Labour
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
David Rees	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol

Others in attendance

Dr Richard Cowell	Uwch-ddarlithydd Cynllunio a Pholisi Amgylcheddol, Prifysgol Caerdydd Senior Lecturer in Environmental Planning and Policy, Cardiff University
Dr Calvin Jones	Yr Uned Ymchwil i Economi Cymru, Ysgol Fusnes Caerdydd Welsh Economy Research Unit, Cardiff Business School
Dr Roisin Willmott	Cyfarwyddwr Cenedlaethol, y Sefydliad Cynllunio Trefol Brenhinol yng Nghymru National Director, the Royal Town Planning Institute Cymru

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol

National Assembly for Wales officials in attendance

Dr Virginia Hawkins	Clerc Clerk
Catherine Hunt	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **Yr Arglwydd Elis-Thomas:** Croeso i'r cyfarfod hwn o'r Pwyllgor Amgylchedd a Chynaliadwyedd. Croeso i'r Aelodau—nid oes unrhyw un o'r cyhoedd wedi cyrraedd, ond croeso i unrhyw un sy'n ein gwyllo. Gwnaf y cyhoeddiadau domestig arferol. Os bydd larwm tân, mae drysau yr allanfeydd yn amlwg. Gwnaf yr alwad arferol i ddiffodd ffonau symudol, galwyr a BlackBerrys. Yr ydym yn amlwg yn gweithredu'n ddwyieithog, felly mae'r clustffonau arferol ar gael ar gyfer cyfieithiad. Nid oes angen i ni gyffwrdd y botymau ar y meicroffonau. Nid wyf wedi cael rhybudd fod unrhyw un am ddatgan unrhyw fuddiant, ac nid wyf wedi derbyn unrhyw ymddiheuriadau.

Lord Elis-Thomas: Welcome to this meeting of the Environment and Sustainability Committee. I welcome Members—no member of the public has yet arrived, but welcome to anyone who is watching us. I will make the usual domestic announcements. If a fire alarm sounds, the fire exit doors are obvious. I will make the usual call to switch off mobile phones, pagers and BlackBerrys. We obviously operate bilingually, so the usual headsets are available for translation. We do not have to touch the buttons on the microphones. I have not been notified that anyone wishes to declare an interest, and I have not received any apologies.

Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—Tystiolaeth gan Brifysgol Caerdydd

Inquiry into Energy Policy and Planning in Wales—Evidence from Cardiff University

[2] **Yr Arglwydd Elis-Thomas:** Yr ydym wedi cychwyn ymchwiliad ar bolisi ynni a chynllunio yng Nghymru. Yr ydym wedi cymryd tystiolaeth gan y Prif Weinidog a Gweinidog yr Amgylchedd a Datblygu Cynaliadwy. Felly, yr ydym yn cyrraedd sesiwn bwysig iawn, yn fy nhyb i beth bynnag, sef sesiwn ar gefndir yr ymchwiliad, yn edrych ar y mater o safbwynt ysgolheigaidd.

Lord Elis-Thomas: We have started an inquiry into energy policy and planning in Wales. We have taken evidence from the First Minister and the Minister for Environment and Sustainable Development. We have now reached a very important session, to my mind at least, which is a session on the background of the inquiry, looking at the issue from a scholarly point of view.

[3] I warmly welcome Dr Richard Cowell. We are very grateful to you for your paper and for joining us this morning. I will begin with a very general question. From the point of view of an academic in the field and an expert witness for us, what particular role do you think that you can bring to the table? It seems to me that, in this inquiry, we are dealing with a subject that has become hugely emotive and even political, and perhaps the science—including the climate change science—and the objective of the construction of renewable energy and other forms of energy might have been lost. What would you say to that?

[4] **Dr Cowell:** Perhaps I should start by saying that I am not a hard science academic—my background is in the social sciences, namely research into planning, environmental policy, politics and decision making. However, I have been researching the relationship between land-use planning systems and sustainability for 20 years, it now frightens me to realise. I am particularly focused on the relationship between major industrial and infrastructural developments. For the last seven or so years, I have been particularly interested in the relationship between planning and renewable energy; therefore, I could give evidence and, hopefully, carefully reasoned arguments about how we should understand that relationship,

what we should expect planning to do and how recent reforms might have had an impact on that relationship.

[5] **Lord Elis-Thomas:** Would you agree with the contention that I made at the beginning that this issue has become laden with perceptions, attitudes and strong emotional issues?

[6] **Dr Cowell:** Yes, I think that that is pretty self-evident. The move towards a low-carbon energy system transforms many things that people know and value; one should not be surprised at the scale of the change required. As far as challenging people's sense of what the landscape should be, their way of life attracts emotive responses. Given that the planning system is often one of the most accessible arenas for public engagement in decision making, in terms of the numbers of people who get engaged and interested in projects in comparison with policies, one should not be surprised that there is a lot of emotion flying around when dealing with renewable energy infrastructure within the planning system.

[7] **Lord Elis-Thomas:** There is one final question from me: would you agree that the complexity of the planning system may have led to frustrations among the public about how they can influence the system, and that that has clouded the issue even further?

[8] **Dr Cowell:** I would agree to some extent. The complexity of the planning system is often befuddling to members of the public, and the arrangements for major infrastructure are particularly so. The issue of whether this is a major driver of concern is one that perhaps requires a little more careful thinking. People are perhaps more concerned with the substantive impacts, the distributive effects and the sense of fairness of the procedure in relation to these sorts of developments, rather than being concerned about complexity per se. However, it is rather difficult if one wants to think of new and better ways to bring the public into the decision-making process because one has to start from a rather complex and fragmented position. I should perhaps add that one of the subtexts in my evidence is that one should be quite careful in tempering expectations regarding how simple the decision-making process could be when dealing with large, complex infrastructure impacts on many important environmental and social conditions, and which require some consideration at different spatial scales.

[9] **Rebecca Evans:** In your paper, you discuss the local opposition and societal conflict that can arise in response to proposals for energy projects. You refer to incentivising acceptance. Could you give us some examples of how Governments elsewhere are successfully incentivising acceptance?

[10] **Dr Cowell:** Yes. Many people would see the early phase of the development of wind energy in Denmark and Germany as being successful. It was relatively unopposed. The whole mode of development was rather different. It did not involve larger international corporations. It was often built up by local co-operatives, farmers and so on. In both countries, wind power has since been upscaled, and therefore the association between development, communities and benefits has rather broken down. In France, the planning system requires communes—municipalities and local governments, if you like—to set up wind power development zones. That is linked to financial incentives in certain respects. If a developer wants to develop a windfarm whose megawattage is over a certain level and wants to obtain financial support from the Government to make it viable, the developer needs to develop within a zone. So, financial support for the developer is linked to the choice of location. Also, there are systems of financial incentives for the local government or commune that will host the wind energy development, which are operated through the tax system. Those would be the prime examples. By contrast, the fact that major corporate wind energy developers in the UK now routinely provide relatively large amounts of community benefits is, in some ways, a British solution, given the absence of other kinds of solutions that apply on the continent.

[11] **Rebecca Evans:** I was interested to read your comments on page 7 of your evidence, relating to collaboration between the different tiers of government. I believe that you have already referred to this issue in your answer to my previous question. Could you provide us with some more details about the different models that exist, and the German model in particular? How do these models work in practice?

[12] **Dr Cowell:** I will expand on that. I have just produced a book chapter in which I reviewed the different spatial planning approaches to dealing with social conflicts in relation to renewable energy delivery. I note that, in the Netherlands, where the national Government involved relatively few stakeholders in setting up wind power development zones, local government did not buy into the process, by and large. However, local government bought into it rather better in cases where the provinces involved with central Government worked more collaboratively with local levels of government to identify possible areas. In that chapter, I also refer to Valencia in Spain, where a national wind power plan set out to achieve a particular target; it again involved relatively few stakeholders in identifying development zones and it then found, as projects came forward, that municipalities and the public were not responding positively. In Germany, it is fair to say that relations between different levels of government are probably more collaborative from the start. Maybe I should backtrack a little here. A federal Act in Germany made wind power privileged, which meant that wind energy developers can develop where they like, subject to relevant environmental criteria, unless the lowest level of government puts in place a wind power development zone. So, it incentivised local authorities to come up with appropriate areas. That was supported by actions at the intermediate regional level, in terms of guiding local authorities on the areas that they might choose. I think that I referred in the chapter to Schleswig Holstein, where there is a large consultative process on coming up with the zones. I do not have any more details about the process, but it did identify a very large number of areas. I think that Schleswig Holstein has a large number of wind energy developments.

[13] I proposed those thoughts tentatively; there is no perfect set of intergovernmental relations that will automatically resolve conflicts. Many of these things reflect prior governmental traditions: some governments are just more collaborative in their relations between tiers than others. Any points should be seen against the backcloth of other things that make wind power or renewable energy generally more acceptable on local levels, such as the level of ownership, the level of job spin-off and so on. Those things almost certainly also colour it, rather than it simply being the nature of the relations between governmental tiers.

[14] **Lord Elis-Thomas:** That was fascinating. If you have further detail in written form that you would like us to look at, we would be happy to do so. I think that it is important to put the activity of the Welsh Government, the various energy statements and the TAN 8 initiative in the European regional context, as you have informed us today.

[15] **Llyr Huws Gruffydd:** Yr oeddwn yn mynd i holi, ond yr ydych wedi cyffwrdd â hyn eisoes i raddau helaeth, pa mor unigryw yw'r sefyllfa o ddefnyddio dull gofodol i gynllunio, o safbwynt yr ardaloedd chwilio strategol. Yr ydych wedi sôn am rai enghreifftiau. Byddai gennym ddiddordeb, fel y soniodd y Cadeirydd, i glywed am enghreifftiau pellach os oes gennych ragor ohonynt. Nid oes tystiolaeth galed gennym o benderfyniadau gan y Comisiwn Cynllunio Seilwaith a'r Ysgrifennydd Gwladol ynglŷn â pharchu'r cynlluniau gofodol neu'r hyn a

Llyr Huws Gruffydd: I wanted to ask you, but you have touched on this already to a great extent, how unique it is to use the spatial approach to planning, for example, the use of strategic search areas. You have mentioned a few examples. As the Chair said, we would be interested in hearing further examples if you have any. We do not have any hard evidence yet of decisions by the Infrastructure Planning Commission and the Secretary of State in terms of respect for the spatial plans or what would happen if major schemes were proposed to develop outside

fyddai'n digwydd pe bai cynlluniau mawr i ddatblygu y tu allan i'r ardaloedd chwilio strategol yn cael eu cyflwyno. Beth ydych chi'n meddwl yw'r ystyriaethau pwysicaf yn hynny o beth? A ydyw gofid o ran uchafswm allbwn neu gapasiti yr ardaloedd chwilio strategol yn cyfyngu ar ddatblygiadau? Neu, a ydyw'n fwy o ofid i Gymru nad oes gennym mewn gwirionedd reolaeth dros benderfyniadau pe bai ceisiadau sylweddol yn cael eu cyflwyno i ddatblygu y tu allan i'r ardaloedd chwilio strategol?

the SSAs. What do you think the most important considerations are in that regard? Are concerns about the maximum output or capacity of the SSAs limiting development, or is it more of a concern for Wales that, in reality, we do not have control over decisions if major projects were proposed outside the SSAs?

[16] **Dr Cowell:** There are three parts to that question, at least. In a sense, you have asked for my opinion on how I think, in advance of any decisions coming through, the IPC might treat Welsh guidance. Will it be unduly limiting in the treatment of new major projects, thus thwarting the attainment of targets? Will it not give adequate weight to the spatial dimensions of the guidance and would some of these issues be resolved, to some extent, if the Welsh Government had greater control?

[17] My reading of it, and I think the word that has come through, is that there is a concern that the IPC will ignore Welsh guidance. But it cannot blank it; it cannot issue reasoned decisions on major projects without acknowledging their due relevance to those projects to which they pertain, which I guess are particularly relevant to large-scale wind projects. However, the national policy statement guidance certainly suggests that they have the flexibility to regard other things as more important when other applications come forward. An optimistic reading might be that that is nothing more than the standard British planning doctrine, which is to treat each application on its merits, where even applications below 50 MW go to local planning authorities or, in a public inquiry, to the Welsh Government.

[18] There is the flexibility to decide that a project within a strategic search area is not adequate. Potentially, at least, if a very good application came from outside an SSA, it would be entertained. So, the concern is that the wording of that linkage in the national policy statement is unduly flexible, particularly perhaps in the way that it treats TAN 8. This can only be a guess, because you can never work out how policy statements can be interpreted until you see them written into a decision, but my view is that I would be surprised, given the overall tenor of the national policy statement, which is all about the need to maximise low-carbon energy and to allow developers, apart from nuclear, locational and technological flexibility, if it were then to exercise the power to be unduly limiting about renewable energy development, notwithstanding emerging remarks about the status of the strategic search areas having targets and so on, which are very late on the rails in all of this.

9.15 a.m.

[19] Given that, until the issuing of the national policy statements, the trajectory of planning policy in Wales was to stick with this spatial planning approach, whereas the view in Whitehall was implacably opposed to it. Actually, Whitehall was very keen on local authorities not spatially limiting renewable energy. There might be a greater risk of them interpreting it flexibly, or giving developers more spatial flexibility and less weight to the spatial guidance. That can only be a guess, based on extrapolating wider tendencies in policies on both sides of the border. That might be the likelier risk. One cannot say. It may simply be a rather clumsy expression of the British doctrine of treating each application on its merits.

[20] **Llyr Huws Gruffydd:** Mae gennyf **Llyr Huws Gruffydd:** I have one

un cwestiwn atodol. Mae'r papur nesaf i'w supplementary question. The next paper that ystyried gennym, gan Dr Calvin Jones, yn we are to look at, by Dr Calvin Jones, refers cyfeirio at fap adnoddau cynaliadwy Cymru. to a sustainable resource map of Wales. Do A oes gennyh unrhyw sylwadau ynglŷn â'r you have any comments on that concept? cysyniad hwn?

[21] **Dr Cowell:** I am afraid that I do not. That is the simplest and shortest answer on that. I have not had a chance to see it.

[22] **Julie James:** I was interested in the few short paragraphs at the beginning of your paper about the relationship between the Welsh Government's greenhouse gas emission reduction targets and the renewable energy targets, and their complete lack of interrelation, according to the paper. Part of the argument about the devolution of control of energy consents is about the Welsh Government being able to better control its ambitions for Wales to be a much greener economy, to control things such as consumption and carbon reduction and so on, as well as the issues around local people having control and benefit. Will you elaborate a little on those paragraphs, about what we ought to do if we wanted to link the two things together? They are clearly not linked at the moment.

[23] **Dr Cowell:** Thinking on it further, because greenhouse gas reduction targets are framed in terms of those things over which the Welsh Government has devolved responsibility, power generation is excluded. In a sense, there is disconnect between whether or not any kind of power generation is consented—gas or renewable—and the effect that it has on those targets. It might be that the devolution of consent of powers over energy, or unrestricted energy policy powers, would bring with it the relevance of energy to Wales's greenhouse gas targets, therefore making it relevant to the targets.

[24] There is also a technical issue in measuring greenhouse gas emissions, whether you look at production or consumption. If we were to simultaneously measure greenhouse gases associated with electricity generation and then implicit in electricity consumption, you would be double counting. Even if Wales had full responsibility for electricity generation, so it was felt appropriate that those should be taken into account in assessing how much greenhouse gas emissions were associated with Wales, you would still have the double counting issue.

[25] In a sense, some devolution of powers would bring this into closer control. However, I guess that the side issue is a wider one, namely the extent to which planning, in particular planning as consenting powers, has been as powerful a tool for directly delivering greenhouse gas targets or renewable energy targets as some might hope. If we were to simply replicate in Wales the style and agenda of the national policy statement, you would still have that disconnect, because—I am characterising a broad set of documents here—the general thrust of planning reforms in Britain following the Planning Act 2008 is to say that it is a problem to have issues of need and technical choice discussed in the consenting process. We do not think that the consenting process of major energy projects should link applications to the wider carbon budgets; the European Union emission trading scheme should deal with that. So, in a sense, if you simply replicated a national policy statement to our policy context for adjudicating those decisions, you would replicate a situation in which, as a consenting process, it is debarred from steering into existence a particular kind of renewable energy mix.

[26] **Julie James:** You nicely went on to the next thing that I was going to ask you. Is there any reason why Wales needs to duplicate that system? Our widespread feeling has been that, if we were successful in getting more devolution in this area, we would look again, in our planning legislation, at the best way of framing that and, hopefully, learn from some of the issues that have arisen, of which we are all well aware, in that disconnect between strategy and local applications going through. That has been a common problem throughout most planning systems.

[27] **Dr Cowell:** Absolutely. I am not a planning lawyer, so I cannot see any legal reason why it would need to replicate the national policy statements, but I would assume that it would not. Other planning policy guidance in Wales has been issued since devolution, which has shown that there is ample capacity for it to pursue its own direction; technical advice note 8 is evidence of that. The reason why I raised that issue is that some of the grounds that are used to justify the devolution of consenting powers often foreground the argument that the process can be made swifter. One of the leading rationales is that Wales would do a better, fast-tracked version, and that there would be a better articulation between strategy and consenting decisions, leading to better outcomes. However, that would not necessarily be consistent with being swifter. So, that is why I foregrounded that particular issue.

[28] **Julie James:** I should tell you that I am a planning lawyer, so I apologise for that. [*Laughter.*]

[29] **Lord Elis-Thomas:** There you are; that is telling you.

[30] **Julie James:** I have long been of the view—not for the purposes of prolonging it so that it increases my firm’s fees—that speed is not an outcome that planning is designed to facilitate, necessarily. Sometimes, speed can be of the essence, but often, especially with regard to large infrastructure projects of this sort, getting it right is rather more important than getting it fast.

[31] **Dr Cowell:** I would echo that. It is, in part, an evidence-based argument and, in part, a personal opinion. Once you understand how the land-use planning system has promoted sustainability to varying degrees, the speed of the decision-making process is almost irrelevant; it is about the capacity of the system to revise, contest and to challenge unsustainable directions of development and to raise alternatives. That is not necessarily consistent with speed. So, the emphasis on speed probably is problematic. One reason why is that it is often measured in a rather partial and unhelpful way. The time that elapses between a planning application going in and consents being issued is just a small part of the planning process. As we are now finding out with regard to the IPC, what was billed as a fast-track process will be fast-tracked for the examination schedule, but it will frontload a series of significant issues, such that applications for renewable energy projects in Wales that have been in the pipeline for some time are still not at the examination stage. So, it is often measured in way that does not reflect the whole process. Planning’s key role should be in helping us to think about what is the best possible low-carbon transition and then to deliver it, rather than simply consenting to the greatest megawattage of any given technology as quickly as possible. I am not saying that gratuitous slowness should be rewarded and that the system should not be efficient and consistent with the purpose, but we need to have a reasonably expanded notion of what that purpose is.

[32] **Julie James:** I have one last question. One issue in relation to whether the Welsh planning guidance will be used by the IPC is the status of the Welsh Government as a consultee. My understanding is that, although the Welsh Government is a statutory consultee, it does not automatically trigger an inquiry. What is your view of that?

[33] **Dr Cowell:** We are getting data from our research this week, and I have been asking people about the status of the Welsh Government under the former section 36 consent process. I have looked through decision letters that had been issued by the Department of Energy and Climate Change on behalf of the Secretary of State. I could see no obvious evidence that, under the section 36 process, it was a statutory consultee. I am not saying that that is the answer, but my evidence has not yet turned it up, insofar as decision letters on section 36 are quite meticulous in going through the tests that applications have to meet, so you would expect that to have arisen. My understanding with regard to the IPC is that,

through the memorandum of understanding, the Welsh Government is now a statutory consultee for certain pre-application processes and then when examination comes forward. So, that has to some extent been corrected. Under the IPC, certain categories of projects automatically go through an examination, so the question of the Government's ability to trigger an inquiry does not arise.

[34] **William Powell:** Do you agree with the contention that the more straightforward licensing arrangements that apply in Scotland have had a positive influence in attracting investment in renewable energy projects?

[35] **Dr Cowell:** Partly. The fact that Scotland has the consents process for major on-shore energy infrastructure is viewed positively. People are looking positively at the potential of the unified system for issuing marine consents and energy consents that is embodied in Marine Scotland. People believe that it is a positive thing to have the expertise in the same place as decision-making powers so that it can respond flexibly in the way that it manages licensing and consultation processes, run things concurrently and focus on issues of interest. That is still untested, but people look positively at those capacities.

[36] If the question is whether the main reason why Scotland has got so far ahead of the rest of the UK on renewables is because of the administrative unification that is implicit in its decision-making processes, then I would have to disagree, for a number of reasons. It is a helpful factor, but it is not the main factor, for a number of reasons. Scotland also has large, relatively unconstrained sites for onshore wind, and large areas of lowlands for open-cast or coniferous forestation that developers can contemplate using instead of putting forward plans for larger projects. Scotland also has the inheritance of North Sea oil and gas, which has the capacity to entertain offshore developments, and things like autonomy on renewables obligation certificate banding to stimulate marine renewables are big factors.

[37] Conversely, England has a slightly more fragmented arrangement than Scotland. It potentially possesses the consenting powers for major onshore energy developments, while Wales does not, but, in practice, there are relatively few windfarms over 50 MW in England; they do not tend to trouble the process. England has a slightly more fragmented arrangement for offshore consents than Scotland, but, as a result, sees no less offshore wind energy developments. If you are a developer—particularly a big developer—the administrative complexity is a pain and an additional cost, but incentives are given by the financial support system, while the regulatory system, which is predictable overall, means that risk can be managed. So, the arrangements are a contributory factor, but I do not think that they are necessarily an overriding factor.

[38] **William Powell:** Last week, we had an update from the Minister on the progress of creating a unified environmental safeguarding body in Wales. Would that development have any impact on the development of renewable energy?

[39] **Dr Cowell:** I fear that my responses are a bit samey, but my answer to that would be: perhaps, but not much of an impact. One of the reasons for that is the history of organisational mergers and that changing the culture of the different components to operate in a unified way takes a bit of time, and one can look at the experience of merging landscape and nature conservation in the Countryside Council for Wales. So, expecting quick dividends for bringing things under one roof, in order to make a difference on renewable energy consenting issues in the next three to four years, might be misplaced.

[40] The extent to which merging environment-related agencies into one place to give organisational help with planning depends entirely on the two phases of planning. If we consider planning as a way of thinking strategically about the sorts of things that we want—what we want to conserve in the environment and how we reconcile that with

developments—then, yes, one can imagine how bringing together different environment bodies would help to have more cohesive thinking about the environmental resources and assets of Wales, their spatial disposition and the services that they provide to society. So, that might, over time, help support strategic planning. However, planning as consenting is always shaped by the regulations pertaining to different parts of the environment and those that are regulated by different sets of professional expertise. Planning as consenting, therefore, is always much harder to unify than planning as a strategic exercise. There would still be pollution control responsibilities and wildlife responsibilities even if there was a unified agency, which would mean having different bits of legislation and consulting with different bodies and professional expertise. They each have their own legitimacy, so while there might be modest efficiencies in terms of interaction over time, there are good reasons why they are slightly at arm's length from each other, even if they are all operating under the same roof.

[41] **Vaughan Gething:** Some of what I wanted to ask has already been discussed, but I want to pick up the point again about marine energy and the progress on that. You spoke about the system in Scotland being different, so perhaps you could tell us more about how the different system in Scotland and the ability of the Scottish Government to progress matters has had a positive impact there, compared with where we are here in Wales.

9.30 a.m.

[42] **Dr Cowell:** Marine consenting is extremely complex. I want to point out that there is an error in my evidence. On page 3, I suggest that, if you are proposing an offshore windfarm in Wales, you have the choice of applying to the Infrastructure Planning Commission or the Welsh Government under the Transport and Works Act 1992. That is not accurate. If you are proposing ancillary equipment, you have a choice between going to the local authority for consent or the Welsh Government under the Transport and Works Act. That small piece of evidence perhaps shows just how complex the offshore consenting environment is, and where my knowledge starts to run out.

[43] My understanding is that Marine Scotland has licensing and various consenting powers for energy infrastructure under one roof. It has a more unified purview with regard to inshore and offshore developments; it is less divided in that sense. That is viewed positively. I do not want to say much more about the technicalities of that; I will try to get hold of a document that will explain this better for committee members and with a greater degree of factual accuracy. Also, other witnesses may be better placed.

[44] England is probably seeing as much offshore renewable energy as is reasonably viable, given the blocks of sea that have been set aside for that, despite the slightly more complex procedures. So, it is a contributory factor, but not necessarily the main one. A possible major factor is that ROC banding—the banding of the financial support for renewable energy—means that Scotland has given more ROCs to offshore marine. Given the choice of coastal energy development, Scotland will therefore be very attractive. However, it has not stopped developers being interested in English offshore generation.

[45] **Vaughan Gething:** My understanding is that, essentially, the Welsh Government can only confirm projects up to 1 MW, which is effectively equivalent to about one medium-sized turbine. So, the Welsh Government currently does not have the ability to have any real impact on offshore marine and tidal power.

[46] I want to go back to the issue of community benefit. When you talk about how community benefit works differently in other regions and countries of Europe, is it a specific product of the planning system where that is permitted or required, or is it the largesse of the developers? Obviously, in the UK, there is a more restricted view on community benefit and on what you can and cannot require a developer to provide. Are you saying that what is

happening in Europe is due to the different view taken by the planning system?

[47] **Dr Cowell:** To some extent, it is beyond the planning system. In the early days of expansion in Germany and Denmark, for example, there was a whole mode of development and they were much more community-led, farmer-led and place-led developments. Implicitly, that was seen as conferring more benefits on the communities nearby. It had nothing to do with how projects were regulated; it was the ownership structure of the projects coming forward. In other countries, such as Spain, the ability of the regional governments to solicit economic development benefits from wind energy developers has been a more important part of cementing local support for wind. You could say that, in the UK, planning has the rather awkward default role of helping communities to benefit from wind in the absence of other mechanisms, and in the context of a mode of development that does not automatically channel as many benefits to communities as a community ownership development would.

[48] As you suggest, in the UK, this has been caught up in long-standing arguments about the legitimacy of issues such as core planning gain, the buying and selling of planning permissions, and so on. The best you can say is that, in a typically British approach of muddling through, we have seen standard community benefits payments being ramped up by developers and the acceptance that the norm it may want to pay per megawatt should be greater. Ten years ago, it was perhaps £1,000 per MW, whereas sums of £3,000, £4,000 or £5,000 per megawatt are now the norm. So, it is not that this awkward, compromised approach has failed to deliver benefits. The question is whether it simply helps to dispense greater justice and that the nearby communities benefit from the wind energy near them, or whether it helps to make itself a major generator of social support, which I think is more equivocal. It is fair to say that community benefits paid by developers are a more uncertain generator of public support than the idea of a community-owned development. However, there are no panaceas; there is no mathematical formula in which more benefits to communities equals greater social acceptance, which equals quicker consenting. I can point to some projects in the south Wales Valleys where that clearly has not been the case.

[49] **Vaughan Gething:** Finally, on the point about community benefit, is there any evidence that the requirement for greater community benefit in the planning system has prevented or slowed down larger developments?

[50] **Dr Cowell:** No, I do not think that there is. I have spent a certain proportion of the last four or five years researching exactly how community benefits come about, how the sums are negotiated and so on. I think that that is because there is no capacity in the planning system, given the uncertain legitimacy of things that you might regard as planning gain, to press developers to do what they cannot. It all has to be seen as reasonable, because developers could potentially walk away if they did not like what was being offered. I can see no evidence of that. The provision has always been within the broad ambit of what developers regard as reasonable. They hold an overriding hand on how much they think should be provided. I cannot think of any case in which the excessive demands of community benefits have deterred developers. Has it slowed any developments down? I do not think so. In some communities, one might ask what the benefits should be, who benefits and who does not, and whether they should support this application in general. It may sometimes help to aggravate conflict a little. I do not think, because these discussions tend to take place in parallel to every other part of the planning process, that one can say that the consideration of community benefits has, of itself, slowed down projects.

[51] **Russell George:** In the example of the mid-Wales connection project, there is one project and decisions on it may possibly be taken by two different Governments. The decision for the connection, or the pylons, is being taken outside Wales, but the decision on the substation that is needed for that project is being taken within Wales, either by the local authority or the Welsh Government, if the decision is called in, which I expect it will. So, the

project cannot take place unless both Governments agree. There is the potential for an almighty row at some point. This inquiry is looking at the aspect of powers being devolved, but is there also potential for powers already with the Welsh Government or the National Assembly to be taken back, outside Wales, as a result of that example?

[52] **Dr Cowell:** I do not have the experience or the legal expertise to know whether that is feasible or likely. A wider principle might be invoked, namely that we derogate Wales's decision-making power on that basis to prevent something problematic from happening. I have to be frank and say that I do not have the expertise to say whether that is legally or practically likely.

[53] **Mick Antoniw:** I have difficulty with a lot of this, because what comes out is the complete dysfunction in the policy. Can you give any examples of regional best practice, perhaps from parts of England, even, where some of the difficulties that we have been describing have been overcome in terms of planning and acceptance and where progress has been made?

[54] **Dr Cowell:** Can you be more specific?

[55] **Mick Antoniw:** It seems that certain regions of the UK have taken the issue of energy development and renewable energy much more seriously. They obviously face very similar planning issues to us. Why does there seem to be a more positive and proactive response in local government and government generally in some areas than in others? Are there any particular examples of best practice or innovation that we could learn from?

[56] **Dr Cowell:** I have difficulty thinking of examples of the technology that I have looked most closely at, which is onshore wind. It is hard to point to regions or parts of the UK that have had a dramatically different experience of negotiating these developments through the planning system. Indeed, possibly as high a percentage of planning applications for onshore wind end up in appeal elsewhere as in Wales. I am aware that the regional development agencies—currently being disbanded—have given some kind of focus to interest in certain kinds of renewable energy. People look positively, I guess, at what has been achieved with the Cornish Wave Hub, and the involvement of the south west regional development agency in that. It provided a focus, and a connection between stakeholders, with the capacity also to lobby Whitehall to get funding allocated and channelled to these kinds of projects. I would say that that is the main issue.

[57] I am not sure that one can point to many innovations on the planning front. The regions in England were charged with the task of thinking about technological targets and sub-national targets; they were invited under planning policy guidance and supporting guidance to consider whether there might be broad areas in which renewable energy might be more or less acceptable. They did a lot of useful and interesting thinking, in some ways very analogous to the strategic spatial framework in TAN 8. To my knowledge, they have had as much difficulty translating this into local decisions as sometimes happens in parts of Wales.

[58] So, there are innovations on the regional development front. Dr Calvin Jones, who is coming up, would be a good person to ask these questions to. I am not so aware on the planning front.

[59] **Antoinette Sandbach:** Could I just clarify something? In your paper, you refer to section 37 of the Electricity Act 1989 in relation to the national grid, and it would appear that, in Scotland, they make the decisions relating to overhead power lines—is that right? Could you perhaps explain how that operates in England and Wales? What has been incredibly controversial in Wales is the grid connections and how they operate.

[60] **Dr Cowell:** Scotland has had the same kind of consenting powers for major power stations and gridlines that are enjoyed by England/UK in Whitehall. The section 37 powers on major gridlines involve consent decisions analogous to those in section 36 on power generation projects. In a sense, England and Scotland operate in the same way; it is the same kind of consents unit and, in both cases, the relevant consent comes with deemed planning permission. Until the IPC kicked in in England, local planning authorities, if they objected, would trigger an inquiry, and operate in the same way. Wales operates similarly. If a Welsh local authority objects to a power station or gridline in its area, that triggers an inquiry. Under the IPC, of course, things are now a little more complicated.

[61] I would say, though, that connections between generating stations and the grid are the area of institutional convergence that one might most desire, but are perhaps the most difficult to achieve, and I would not say that either England or Scotland have found it any easier. The Beaulieu to Denny connector goes right through the middle of Scotland, and despite the fact that the Scottish Government had both relevant consenting powers, that was massively controversial because of the nature of the grid. It is potentially a highly visible piece of infrastructure, for which the default option of undergrounding is attractive, but there has been a lot of debate about the relative affordability of undergrounding and whether it has worked in the past. One should not be surprised that people are unhappy with that, given that the grid tends to traverse areas where people feel it to be a visual disamenity with no balancing benefits. These things are not necessarily any better in Scotland or England than they would be in Wales.

[62] **Llyr Huws Gruffydd:** Yr wyf am gyfeirio at awgrym direidus Russell George ynglŷn â'r posibilrwydd o drosglwyddo rhai grymoedd cynllunio yn ôl i San Steffan. A oes tystiolaeth i ddangos bod hawliau cynllunio ar lefel gwladwriaeth yn arwain at benderfyniadau mwy cydnaws ag anghenion lleol nag y mae grymoedd a weithredir yn fwy lleol?

Llyr Huws Gruffydd: I just want to pick up on Russell George's mischievous suggestion about the possibility of some planning powers being transferred back to Westminster. Is there any evidence to show that planning rights at state level lead to decisions that are more in compatible with local needs than local exercised powers are?

[63] **Dr Cowell:** So, the question is: if decision-making powers are held at the level of the state, are they more likely to accord with local needs and interests than if they are purely taken locally? Prima facie, decisions taken locally would be more likely to respond to local interests; that would be my immediate judgement. The reason for such instruments as technical advice notes and 'Planning Policy Wales' is to remind local decision makers of the supra-local, and guide them on the weight that should be given to them. So, in a sense, the question has an obvious answer.

9.45 a.m.

[64] The reason why we have a supra-national dimension in planning is to do with issues that are not purely contained within local areas, issues that flow across from one area to another, issues that have resonance with a wider regional or national community that it is felt that, left to their own devices, local decision-making bodies would not take into account.

[65] **Julie James:** I would like to take you back to the comment that you made about Scotland's ability to attract schemes, and so on. Do you think that, if the Welsh Government had control over renewables obligations certificates or, indeed, feed-in tariffs, we would have more success in attracting some of the development?

[66] **Dr Cowell:** Yes. I am aware that others have greater expertise on the impacts and effects of financial support instruments for renewables, but, certainly, if someone was

developing marine renewables and had a choice regarding where to locate in the UK, they would see that they would get a much greater return for the ROC if they developed in Scotland rather than in Wales. So, yes, the autonomy to do that would be helpful. I assume that you would not get the power without also the capacity to administer these institutions, which is quite significant.

[67] I understand that FITs work slightly differently in that the system is run by Ofgem on a UK-wide basis. Even Scotland does not have quite the autonomy in this regard that it does with the ROC system. There are other aspects of electricity market regulation that have a UK base for which Scotland does not enjoy the same autonomy.

[68] **Lord Elis-Thomas:** We have talked about the situation with the IPC. Would you care to foresee what the situation might be with the new major infrastructure unit within the Planning Inspectorate and how that might operate in the context that you have described in relation to Wales and England in this matter?

[69] **Dr Cowell:** My assumption—and I have not, perhaps, gone into some of the details of the transition—is that this unit is to do the technical part of the IPC process in broadly the same way. So, key guiding documents such as the national policy statements remain in place. Examinations run by the MIU are no more entitled to open up questions of need or technology choice than the IPC would be; the distinction is that decisions revert to being made by the Secretary of State rather than by the independent Infrastructure Planning Commission. That always introduces an extra element of unpredictability, I guess.

[70] **Lord Elis-Thomas:** I am reminded that we are seeing the IPC on 13 October, so we may have more information then. May I ask you to express a view, as a close observer and researcher of the planning system, as to whether there is a reason why it would not be possible—if the political will is there, obviously—for the major infrastructure unit to report to Welsh Ministers, having undertaken the detailed process in the same way as it reports to the Secretary of State, or, indeed, in the same way that the Planning Inspectorate already reports to Welsh Ministers on smaller projects where there is an appeal situation?

[71] **Dr Cowell:** I am getting into areas that raise all sorts of legal implications, on which I cannot readily comment. As a reporting procedure, it seems potentially straightforward: the report, or recommendation, goes to a different set of decision-makers. I guess that—this may be what you are referring to when you said that it is dependent upon the political will being there—in the context of electricity projects over 50 MW and major gridlines, you are arguing against almost 60 years of decision-making arrangements that channelled these decisions very much through Whitehall. It is not just the electricity, and actually the Central Electricity Generating Board was subject to similar consenting procedures, and the built-in administrative support in Whitehall for the present system goes way back beyond the IPC.

[72] **Lord Elis-Thomas:** Thank you for reminding us of the CEGB; I am a veteran of the CEGB's activities, especially in north-west Wales.

[73] Finally, we are very interested in your Economic and Social Research Council research project on delivering renewable energy under devolution. Where is it at now, is it likely to produce more goodies during the timescale of our inquiry, which we might be able to benefit from, and would you like either to send us some further material or, perhaps, even come to talk to us again if we need you to?

[74] **Dr Cowell:** This is a two-year study. It is remarkably luxurious compared to the working of governmental committees. We are currently in a data-gathering phase—we are doing Wales first, and we are in the middle of collecting the data. I have been interviewing people for the research over preceding weeks, and I have more interviews to do, so we are

right in the thick of the research. I suspect that you will be winding up and need to report by the end of the year, so while we have some working papers and have already submitted some of our early writings to your research service, it would be unwise to promise too much more. As I said, we have already sent some things through.

[75] If it would be useful for me to come to speak again to the committee, I can do that. Some of my answers to the questions have been informed in part by some of the things that I have learned en route already, but if you wish for me to come back to answer questions, I can do that.

[76] **Lord Elis-Thomas:** That is very kind of you. Our timetable is that we plan to publish our final report nearer to Easter than to Christmas, and we would be at the stage of discussing the fundamental issues with regard to the report towards the end of February.

[77] **Dr Cowell:** That is much more conducive; I had thought that it would be published towards the end of this calendar year. By early in the new year, the research machine will have moved to other parts of the UK and I will be starting to pull together what I think that we have learned from Wales by that point, so that will be quite well-timed from our point of view.

[78] **Lord Elis-Thomas:** Thank you very much indeed for your opening contribution this morning.

[79] **Dr Cowell:** Not at all; thank you very much.

9.53 a.m.

**Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—
Tystiolaeth gan Ysgol Fusnes Caerdydd
Inquiry into Energy Policy and Planning in Wales—
Evidence from Cardiff Business School**

[80] **Yr Arglwydd Elis-Thomas:** Yr wyf yn estyn croeso ffurfiol i Dr Calvin Jones o uned ymchwil economi Cymru. Yr ydym yn ddiolchgar iawm am bresenoldeb Calvin Jones ac am yr holl waith mae'n ei wneud yn y maes ynni.

Lord Elis-Thomas: I extend a formal welcome to Dr Calvin Jones of the Wales economic research unit. We are very grateful for the presence of Calvin Jones and for all his work in the energy field.

[81] I have a general question, which I asked of our previous witness. What role, information and approach do you bring to the table, as someone working in the university context, to our deliberations in this committee? It seems that a lot of the discussion about the area of energy and planning into which we are inquiring has become very emotive, and perhaps has lost sight of some of the basic issues, even the basic science. I would like you not to tell us what you think you are doing here, but something in that direction.

[82] **Dr Jones:** I am clearly not a planner—apologies for that; I am an economist who has studied the Welsh economy for 20 years, despite my youthful looks. In that time, I have realised that one of our overriding concerns is energy supply and energy use. I have focused in latter years on measuring and estimating the emissions associated with Welsh economic production, and, more widely, greenhouse gas emissions. I came to realise that the numbers mattered less than the structures that drove those numbers. In the last few years in particular, I came to realise that the emissions problem was critical, and that, possibly in the next decade or so, the energy security issue around peak oil and scarcity of natural resources would

become more pressing in terms of local welfare issues. It is really about trying to understand the balance between climate change and energy security issues following high oil prices, and the impact that that has on Welsh competitiveness, Welsh lifestyles, and the wellbeing of the people of Wales.

[83] **Lord Elis-Thomas:** Obviously, I have looked at some of the figures that you have produced, especially in relation to our continued reliance on heavy energy-using industries in the Welsh economy, and therefore the cost of greening Wales being so much higher, as well as, on the other side of the equation, our over-dependence on car transport and lack of access to public transport—all those issues. Do you come to a conclusion therefore that there is an imperative for us to reach targets, or look for higher targets, for renewable and sustainable energy, as a result of the situation that we are in? What are the costs and benefits of dealing with that for the Welsh economy?

[84] **Dr Jones:** Coming back to institutional issues, as you have no doubt already heard, one cannot treat Wales in isolation. We are in a peculiar position in Wales, because we clearly have a need to become more sustainable in the way that we generate our electricity and use energy more generally, but we also have a situation in which the Welsh Government is not responsible for the electrification of transport, for example, or house heating, under the existing, centralised electricity grid system with large generators that are outside the purview of the Welsh Government's remit. That all leads to reduced devolved emissions, if I can call them that. A new power station in Pembroke, for example, of any size—whether it is renewable or otherwise—effectively moves the burden away from locally generated electricity towards stuff that is someone else's problem. It is difficult to talk about appropriate targets for renewables without thinking about those break points at 50 MW and 100 MW, which then drives the question of how much is our responsibility. In my interactions with agencies such as the Environment Agency and others there is a struggle to implement this complex policy area, with complex and differential responsibilities, in a way that makes sense in reducing overall, real emissions from Wales. The example of large industries is another one. We do not want to lose Tata from Wales—particularly if that goes somewhere where the steel is produced using a higher proportion of coal in the energy mix—but those issues, which are devolved on the industry side, are not devolved on the energy side. We cannot therefore say to Tata, 'Stay here—we can promise you green electricity'. That is true of many of our large industrial actors. We sit in a very difficult position, really.

[85] **Lord Elis-Thomas:** Would you go so far as to say—and this is my last convoluted question in this round—that the policy approach of successive Welsh Governments of taking responsibility only for currently devolved energy is a bit of a cop-out?

[86] **Dr Jones:** That is too harsh. It is partial. At the moment, we take responsibility for the emissions of Tata, to stay with that example. We are doing some work on this at the moment, and the vast majority—90 per cent—of Tata's production goes for export. It is probably more, if you think of Llanwern's following exports. That, effectively, means that Wales is making things for the world, as we have often done. What we should be doing is netting off emissions from exports, and adding emissions from imports, so that we can come to an understanding of our emissions balance. From that perspective, we could see where our biggest hits are, and use that to drive policy—whether in reducing emissions from imported oil or gas, or working with our big players to ensure that what we export to the world is greener, if you like. What we do not have is that overall, holistic understanding of our emissions trade balance. We have different structures driving the production and consumption sides of emissions, so we do not have the understanding that would give us the framework within which we could maybe set some more appropriate targets.

10.00 a.m.

[87] **Lord Elis-Thomas:** You mentioned that you are currently working on what you have just described. Do you have any material that is in a state that we could look at and use? It seems to me that the idea of looking at realistic figures, in terms of what our energy position is, would be very helpful to the thinking of this committee.

[88] **Dr Jones:** Certainly. We have just built something in the Welsh economy research unit called the input-output tables for Wales, and we have recently released data that I can share with you on our emissions estimate for the production side. Those data include some elements of household consumption. I can certainly furnish the committee with those data. Interestingly, we have tried to move towards understanding the consumption side more fully. In looking at the Welsh Government's tools, particularly the ecological footprint, they measure consumption. It is about people's lifestyles—not just about how they create climate emissions, but also about how they use natural resources more generally. We have an overarching, notional sustainable development target that is purely consumption-driven, utilising the work done by the Stockholm Environment Institute and others, and then our climate emissions targets are effectively production-driven, due to the limitations of the data. So, there is a real dichotomy there.

[89] Our current avenue of investigation is in respect of tourism emissions. Tourism is an interesting import and export situation. In that context, there are issues relating to how far Wales is responsible for the emissions of people who come to Wales. Does that responsibility stop at the border? Alternatively, if Visit Wales is encouraging people to come here from Holland, Germany or Australia, how far are we responsible for their emissions? This is not an important set in terms of the overall level of emissions—only 7 million tons a year, which is probably smaller than Aberthaw—however, in terms of understanding boundary issues, it is quite an interesting avenue as it is manageable and you can see the issues relating to where your responsibilities should lie.

[90] **Lord Elis-Thomas:** I do not want to monopolise the witness, so I will bring in Russell George.

[91] **Russell George:** You say in your paper that the prospects for Wales are an increasing reliance on imported gas and a switch to nuclear energy in the medium term. Do you believe that the Welsh Government's assessment of Wales's renewable energy potential to 2025 is unlikely to be achieved?

[92] **Dr Jones:** Yes, and I believe that to be the case for two reasons. First, in recent years, we have had fairly substantive incentives for large energy companies to move towards renewables in the form of renewables obligation certificates. I will not speak in any detail about the extent to which planning is responsible, but for various reasons, those incentives have not resulted in us meeting our targets to last year, at least in terms of onshore renewable installations. In respect of the UK-Wales dichotomy, the signals from the coalition Government are very pro-nuclear. We have to consider the time that it takes to build a nuclear power station and bring it to fruition. In the short to medium term, the infrastructure is there for gas. Due to the discovery of potentially large hydrocarbon deposits under Wales and other places, the local supply of gas may increase. I would like to talk about that a bit more, if possible. Gas will not push out nuclear power. Nuclear power is clearly a long-term solution in terms of climate and energy security for the UK Government. By and large, energy companies take their cues from the UK Government. So, that will push out renewables. There may be another two reactors at Wylfa, and in the longer term, there may be even more reactors in Wales. Therefore, as a large energy company, why would you invest the time and effort, and risk the heartache, involved in really pushing forward with wind power in Wales, given what has happened even in the last six months? The endgame really is more about centralised power that mainly uses existing transformers and grids and does not require an effective reorganisation of your entire business to account for the fact that you have a very

different sort of energy supply mix. I suspect that, in the short to medium term, we will see renewables pushed out, initially by gas. That will drive the missing of the targets.

[93] **Russell George:** What about the long term? How do you see the energy mix in Wales changing in 25 or 50 years from now?

[94] **Dr Jones:** You cannot second-guess technology. Even within 25 years, my reading of the technology—and I spent a long and depressing time looking at this—is that there is nothing that can replace Saudi oil. Saudi oil comes out of the ground at about \$12 a barrel. The best estimates for the Canadian tar sands, which may be fully developed by 2035, is that the oil will come out of the ground at \$40 to \$50 a barrel. That is three or four times the price of the easy oil, if I can call it that. So, whatever we have in the longer term cannot replace the past 60 to 80 years of quite easy energy. Whatever happens, and whatever the technology is, we would be looking at substantially increased energy costs per kilowatt hour. The best-case scenario, effectively, is carpeting the Sahara in solar photovoltaics, with a high-quality high-capacity and high-voltage direct current link from north Africa and up to Europe. There would need to be massive electrification of home heating and transportation in the UK, and nuclear energy would have to be in the mix as well, as well as some onshore and offshore wind energy. With the best will in the world, the problem with regard to the current energy structures is that, every time you find a new source, such as gas from fracking in the Vale of Glamorgan, it is exploited as soon as the marginal cost drops below the market price in comparison with other sources, and you use it until it is no longer economic. We have a history of having done that with many hydrocarbon energy sources over the years. So, because there is no incentive for electricity companies, energy companies or Cuadrilla, or whoever is drilling and holds the licenses, to husband any gas, that systematic exploitation of the resource until it is uneconomic to do so and then switching to another source will continue to lead us towards ever higher prices per kilowatt hour.

[95] In about 2008, the Saudi King said, ‘We will not take all the oil out of the ground. By the grace of God our children will need it’. The Saudis can do that because they are beholden to no-one in terms of licensing. They understand that, even given the drive towards renewables, there will come a time when oil becomes much more valuable, and the technology may exist to get more value out of the oil. I suspect that the Saudis will be selling that oil in 2050, but not for energy. Oil is the most amazing substance in the world; you can use it to do so many things, but what do we do with it? We burn it and throw it up chimneys. You can do anything with oil. Quite a lot of the stuff that we are sitting on, wearing and walking on is made of oil, and that is what oil will be doing in 2050. So, whatever we do for energy, it will not be that and will not be as cheap. The technology is irrelevant in a way; it is about dealing with a long-term high-energy future and what that means for peripheral areas such as Wales.

[96] **Russell George:** What should the Welsh Government be encouraging with regard to renewable energies at the moment?

[97] **Dr Jones:** With regard to short-term technologies, when it comes to cost per kilowatt hour, onshore wind stands out as the ‘best’, if not from a technical perspective. Offshore wind is twice the cost per kilowatt hour currently. Given our complete lack of research and development in Wales, it makes sense for someone to drive those costs down. You can always take wind turbines down afterwards, which people sometimes forget. The issue there is tied up with perceptions of public welfare and wellbeing in Wales, and links to aesthetic sensibilities and what we do with the landscape. From a technical perspective, there is no other game in town, really. The work that was done on the barrage showed that, even with oil at \$100 a barrel, and because the price of gas is largely linked to oil, there is not much on the renewables front that can compete with fossil fuels even at that rarefied price, or, secondly, that is worth investing in in advance of what might be a bright nuclear future, as far as the

energy companies see things. Following the credit crunch of 2007 and 2008, the way that the large energy companies ran away from offshore wind was quite stark, as was the way that disinvestment happened in renewables more generally—the London Array in the Thames estuary, for example, is really struggling to find any sort of engagement with large oil and gas partners. That shows what is at the margin of what is and what is not viable; as soon as oil prices fell from \$145 a barrel to \$35 initially before heading back up, that stuff just stopped, by and large. You can see that the only thing that has hope is onshore wind.

[98] There is a problem with the way that we currently look at this issue. We are here with more than a 90 per cent dependence on fossil fuel and want to get to 20 per cent by 2050—hopefully sooner—and we think that we could hit the first 10 per cent by having some more onshore wind, and then the first 15 per cent by having some offshore wind. However, that incremental push will never get us to 80 per cent decarbonisation. In my full report, ‘Wales in the Energy Crunch’, which I presented to the committee to consider, you can see, for example, the carbon content of steel in the past 60 years in Europe. The graph goes from up here down to here, and it flattens so that it is effectively now not going any lower. If you think about the way that you integrate renewals into an existing grid, then that is also what will happen with those. Renewals will take up where possible—we will use all the best sites and all of the ones that are close to transformers—and those renewables, aside from nuclear, which is not really a renewable, will then, at some point, plateau and we will never get that renewable penetration to get us towards our very challenging 2050 target. So, what we are currently doing is throwing more stuff at the current energy infrastructure, which will get us so far, but will not get us to where we really need to be, which, as I said, is at about 10 per cent or 20 per cent by 2050. We backcast from that to where we are now, rather than, looking at where we are now, incrementally trying to tweak the energy supply system, without thinking about energy demand, which, frankly, is not sexy enough for anyone to have a committee on it. That then takes us on a path that will probably not get us where we want to go.

[99] **Rebecca Evans:** In your evidence, you call for the development of a sustainable resource map of Wales. Will you expand on that? What would be the purpose of the map and how would it relate to the development of the Wales spatial plan and any Welsh Government proposals for a Wales strategic infrastructure plan?

[100] **Dr Jones:** I would contest that the Wales spatial plan is not current by any generally understood measure. The last time that I went onto the website, it had not been updated since 2008. There may be stuff going on here that I do not know about, possibly with the new Government, but, from what I can see, the lack of any spatial plan at a sub-regional level stymies all of these debates. It has not been developed and it is one of the greatest shames.

[101] Funnily enough, since I wrote that report towards the end of 2009, this game has moved on somewhat with the natural environment framework and the ‘A Living Wales’ consultation document. I believe that what is called the ecosystem services approach to valuing our countryside and natural resources is moving apace within the Welsh Government, and certainly within the Department for Environment, Food and Rural Affairs, and we are heavily involved in that. So, it is about looking at places and understanding what those places can offer on an individual, tight-area basis, whether that is top-down or to do with hectare grids and understanding what is going on with regard to soil capacity and structures, taking account of things like elevation and wind and whether areas are greenfield or brownfield, or whether there is capacity for different sorts of bio-productivity, whether that is agriculture, horticulture and so on. So, it is about understanding the places of Wales and how they might contribute to sustainable energy—from the perspective of the report—and more generally as well.

[102] As far as I can see—and I do not claim to have full knowledge on this—we do not

have a system whereby we can look at a piece of land in Wales, irrespective of ownership or current use, and think what that piece of land might be best used for. Without such a system, you cannot then engage in a sensible debate with the people of Wales about the appropriate use of their back yard.

10.15 a.m.

[103] To think about TAN 8, for example, anecdotally, my mother has a new windfarm behind her home—she is slightly miffed about it—and I find it difficult to engage with her about why that is not somewhere else and why it is their turn again. I understand the strategic search area process on the best place for wind in Wales, but you cannot engage with the Welsh public and say ‘Okay, we’ve done this work and we’ve looked at the resources of Wales; on that holistic basis, this is where we’re growing the biomass, so we are putting the biomass boiler next door, and this is where we are putting the wind, and the people in Wylfa are going to have a nuclear power station because their wellbeing, in terms of economic development, will be appropriately increased’. We do not have that kind of holistic tool to understand the land of Wales and what it can offer, and, of course, the seas of Wales, which are also progressing with various maritime planning developments. We do not have that tool, so we do not have an appropriate mechanism for engaging people in wider debates about why we are doing things where we are doing them.

[104] **Rebecca Evans:** On a different note, what type of renewable energy is it most important and worthwhile for the Welsh Government to pursue at the moment?

[105] **Dr Jones:** First, it is difficult to suggest technologies, because they move quickly. We might be sitting here in two or three years’ time and have a wave turbine that works. All that we have worried about, in terms of onshore wind energy, might go away—lagoons around the estuaries and inlets of Wales might do it for us. We do not know. So, it is dangerous to try to predicate the technology.

[106] However, depending on the grid, where you are and what sort of supply you have, around 60 to 70 per cent of the energy that we produce from a smokestack at a power station is wasted before it gets to the consumer. Certainly, well over half never reaches the point at which you flick on the light. That suggests that the Welsh Government might want, given its completely constrained position in engaging with the energy supply infrastructure at above 50 MW and 100 MW, to forget about it and start to think about stopping people using energy quite so much. If you look at Arbed, for example, you will see that that shows that you can engage with energy demand and energy efficiency in a way that is reasonable and holistic and that addresses some of people’s key concerns, particularly in more deprived areas of Wales. While this may not be what the committee is interested in hearing, 90 per cent of the effort into energy demand management rather than worrying about the energy supply situation in Wales would give you much better short-term results. I am talking, of course, about transport as well as home heating and various other issues. Every kilowatt that you save on the demand side is a number of kilowatts saved at a power station. That is often missed in the debate.

[107] **Llyr Huws Gruffydd:** Yr ydym wedi sôn tipyn am y gymysgedd ynni a beth fyddai’r gymysgedd orau. Mae’r papur yr ydych wedi ei gyflwyno yn dweud nad oes pwynt i Llywodraeth Cymru symud i gymysgedd ynni mwy adnewyddadwy heb ddiwygio’r system gynllunio yn sylfaenol. Hoffwn glywed ychydig mwy ynglŷn â sut y byddech yn diwygio’r system bresennol. A ydych, er enghraifft, yn credu y byddai **Llyr Huws Gruffydd:** We have talked quite a bit about the energy mix and what the best mix would be. The paper that you have submitted states that there is no point for the Welsh Government to move to a more renewable energy mix without fundamentally reforming the planning system. I would like to hear a little more about how you would reform the current system. For example, do you believe that devolving more decisions

datganoli mwy o benderfyniadau yn rhan o wneud hynny? would be part of that?

[108] **Dr Jones:** I could say that, because I am not a planner, so it is not my job. From an outside perspective, I remember looking closely at a particular application for a transformer at the top of Hirwaun. It was turned down for aesthetic reasons. As an economist, it is difficult to see how the planning system appropriately weights the different competing stakeholder desires for a liveable place at the same time as responding to Welsh Government commitments on climate emissions, for example. So, as far as I see it, the planning system is currently unable to appropriately balance genuine welfare considerations at different spatial scales.

[109] We signed up to the Brundtland declaration on sustainable development, which effectively says that we will treat people across the world equally, but the planning system in Wales cannot and does not do that. So, the first thing that I would say is that, at the moment, the planning system says little about some parts of the energy mix that are not currently in situ. For example, with regard to the fracking debate, as far as I understand it—and I may be wrong—there is no strong guidance for local authorities on a new and potentially very important form of energy generation. The aesthetic downsides of fracking are more concentrated in that they tend to be built at a football-field scale and they are not very high. Once the drill goes down and the derricks are moved away, you can put a big fence around it, paint it green and no-one would know that it was there—apart from the lorries coming back and forth, of course. So, the problem is that, at the moment, because the aesthetic issues have a strong effect on driving how people respond to the planning system and because onshore windfarms tend to be seen from a long way away in places that people think are quite pretty and which are notionally pristine—although they are not at all—the behaviour of the planning system is skewed towards developments that may not be technically the best, certainly not the best in terms of greenhouse gas emissions, but are the most acceptable to whatever population is affected.

[110] In my paper, I point out that some of the major energy developments in Wales over the last 10 years, such as Ffos-y-fran, the potential new nuclear power station on Anglesey and Pembroke power station, are located in places that are not well off. These are places where people may not have the connection to the local landscape that you would hope—this is certainly the case in the Valleys. We do a lot of work on the way in which people use and appreciate their environment. In poor places, people do not—although that is a generalisation. That means that there is an inherent bias in the plans as currently constructed that will lead energy developments to places where it is easier. Once again, the location of the transformers is very important. So, I do not know what a new planning system would look like.

[111] My personal view is that aesthetic considerations should be taken out of the decision. I cannot think of a polite way of saying this: it has become clear with our climate emissions that we have been screwing up the world for the last 150 years; we have, therefore, lost any moral right to say that we want the place where we live to be nice to look at when people in Bangladesh are going to be drowning and people in Pakistan are going to be dying in floods in ever increasing numbers because of our climate emissions. That is, as far as you can judge it, a scientific fact. If we think of Maslow's hierarchy of needs, wanting to protect nice places in Wales and to live in a nice place rates somewhere below having a meal on the table.

[112] **Lord Elis-Thomas:** You are living up to your Christian name.

[113] **David Rees:** I agree with you on the concept of the impact that we have here compared with other countries across the world, but I disagree with you on the question of people in poor areas not caring about their landscape. If you come up to the Afan valley area, you will see that it is very deprived, but the people there are very proud of their landscape. So,

I cannot agree with you on that point.

[114] I would like to make a couple of further points. You have clearly given us an economist's view—a realistic view—of the global economy and the way in which big business will look at money. However, in that sense, is it right to look at the devolution of power to Wales so that we can take a view here of how we want regeneration to go? I agree with you on fuel efficiency. We need to look at how we use energy so that we do so more efficiently—leaving computers and televisions on standby less often and so on. At the same time, if Wales had the powers to look at how we can generate more green energy, it would surely help toward that goal.

[115] **Dr Jones:** On your first point, I go around the Afan valley a lot on my bike, and it is a great place. The way that poor people use and understand their environment is changing. The work that we are doing with the European regional development fund is, hopefully, instrumental in that change. However, I will happily bet you a pint that a licence to look for gas will be granted in Maesteg before Llandow. I suspect that we can have a chat in the pub about social capital and people's engagement with issues regarding the use of land. I am not saying that they do not appreciate those issues; rather I am talking about their understanding of them and whether they have the clout to be able to change things.

[116] On the devolution of powers, 'yes' is the short answer. The long answer is that you can devolve powers all that you like, but the people who matter are those who control the large energy companies and the electricity generators. Imagine that powers over energy were devolved completely in Wales as they are, more or less, in Scotland; I suspect that in terms of real on-the-ground difference, it would still be difficult for an Assembly Member or Member of Parliament representing Anglesey, or for the Government, to say 'no' to a nuclear power station based on regional aspirations for a non-nuclear future. I wonder how far devolution would change that.

[117] I may be wrong, but I believe that, in its early years, the Assembly was complicit in Ffos-y-ffran, with the largest hole in Europe being dug at Dowlais Top to keep the Aberthaw plant going. Tensions between energy development, economic development and competitiveness will not go away because we move responsibility along the chain. Those tensions may become more difficult to deal with when you do not have the UK-wide structure that you are notionally fitting into. 'Yes' is the answer to your question, but only if there is a genuine debate in Wales about what we want from our energy and how we want to underpin our lifestyles.

[118] At the moment, production and consumption data are difficult to assess, but many places in Wales are energy intense and energy hungry, for reasons to do with transportation, rurality and production systems. However, there is no point in devolving responsibility for electricity and energy issues without having a debate about the next step, which is cutting our emissions and our carbon dependence, effectively, by 80 per cent. That is not a solution but an enablement; it is necessary but not sufficient to have that conversation as part of the devolution of powers. To give one example, there is no point in devolving responsibility for electricity generation and energy supply unless you are going to toll the roads, to be blasé about the matter. That is the sort of thing that you are going to have to think about, because there is no point in tackling one side of the issue without having a genuine engagement and change in structures on the demand side of things.

[119] **David Rees:** I understand that. We may agree, therefore, that tough decisions will have to be taken. There is, perhaps, an opportunity for us to take that decision and look at all of the issues here, rather than for them to be made where we have no influence.

[120] **Dr Jones:** I will choose my words carefully but, given the complexion of the UK

Government, the current situation is even more problematic than it was two years ago. The Localism Bill, should it go through this year, would effectively dismantle the planning system in England. It would notionally give the power to local communities to say ‘no’ to things.

10.30 a.m.

[121] Again, we are maybe not talking about Llandow versus Maesteg; we are talking about Maesteg versus Blackpool, with people in Blackpool being able to vote ‘no’ to an oil-fracking derrick, and people in Maesteg potentially not being allowed to do so. With councillors in Maesteg worried about being taken to a public inquiry and about having to cover the costs of companies, because there is no guidance on how they should and can say ‘no’ to fracking—that is the current situation in Wales—there might be a tendency, as there is with big Tesco developments, to say, ‘They’re big boys, we don’t want to argue with them and have to cover the costs out of the council budget.’ My worry is that there are status quo tendencies, both at a UK and Wales level, and so this stuff will end up in places where you might not want to see it ending up, unless we change things quite rapidly.

[122] **David Rees:** I think that you are right that we need to look at fracking as a separate issue anyway.

[123] **Dr Jones:** Well, I hope that that is done very quickly.

[124] **David Rees:** I come back to my second point. You mentioned Tata Steel, which is also in my constituency, and the issues that it faces. Devolved powers would allow the Welsh Government to look at the economic aspects and the energy aspects relating to Tata, which is a very heavy user of energy, and therefore provide the Government with more opportunities to help the firm in its development. However, it is more complex than that. Clearly, the carbon floor pricing issue, which is a form of taxation governed by the Treasury, and the damage that that can do, is out of our control. Surely, the ability to combine as much as possible would be advantageous to the Government and would help the economic side of things as well, would it not?

[125] **Dr Jones:** It would. Tata, for example, is currently looking at coal development and at getting a supply of coal locally rather than bringing it in from Australia. If you want to continue making steel, you have to have coke and coal. Clearly, there are net climate benefits to digging that coal locally. At the moment, I am not sure whether there is an appropriate structure whereby that conversation between Tata, the Welsh Government and other stakeholders can be had to understand the whole. In that case, you are digging the coal out of the ground in Wales and burning it in Wales, but, in terms of justifying that, there is no structure under which, to come back to the first point, we can make cost-benefit decisions and understand whether we are prepared to continue to support a high-emitting employer in Wales. We did some work for Tata last week. There are 17,000 or 18,000 jobs across Wales that depend upon the company. You are right that, at the moment, we do not have that balance within the same structure. It is very difficult. If we commission the Pembrokeshire power station, we will probably add about 2.5 million tonnes of carbon dioxide, compared to taking out nuclear power in Anglesey, in the short term at least. If you were to include all of our devolved emissions, we would suddenly have a huge increase in climate emissions in Wales. We do not have any way of judging whether that is appropriate at the moment. I would certainly welcome the devolution of energy in line with the situation in Scotland. Then, at least, we could have a boundless spatial scale and an understanding of where we can really make a difference.

[126] **David Rees:** You also mentioned the amount of electricity used at home, compared to the amount of electricity generated. In your view, as an economist, would it benefit communities if we looked at how we could supply electricity closer to home and reduce costs

as a consequence of that?

[127] **Dr Jones:** That depends on what one means by 'closer to home'. The problem with reducing the scale of things is that you lose economies of scale. I suspect that, for every technology, there is probably at least one optimum point. If you imagine that nuclear power is going to be part of the mix, you would not want to decentralise nuclear power. With onshore wind power, you can imagine a mix of different scales of installation, from the smallest on smallholdings that generate their own power up to big, centralised onshore supply. This is true not only of energy, but across the piece: we do not have a framework whereby we can understand what the appropriate spatial scale of delivery is. For example, in many European countries there are significant installations of combined heat and power at street level, which are linked to large buildings such as schools and hospitals. That infrastructure is enabling those countries to move much more quickly to a lower carbon future than we can. We simply do not have that infrastructure, and we do not have a system whereby we can understand whether combined heat and power is an appropriate installation for a particular area. For example, if you build a new hospital outside Aberdare, there is no CHP plant there, although perhaps there should have been. However, we do not know, and that is my worry. Yes, you are probably right; there is certainly scope for decentralisation, more local generation, cutting transmitting costs and so on. We do not have the policy structure for that, because in the UK, since 1985, electricity has not been the Government's problem; it has been someone else's problem. The Government still says that it is not up to it to decide the mix. There have been decades of disengagement by Government from the process of planning energy. It has been done by the private sector. So, we have a long way to go before we can think about engaging with communities about their appropriate electricity mix or the energy mix more widely.

[128] **Antoinette Sandbach:** I will continue with that theme. You said that 60 to 70 per cent of the energy produced is lost before it gets to the consumer. You also said that nuclear power will, effectively, achieve our targets, and therefore there is a disincentive for renewable energy companies to invest. Do you therefore think that ROCs should be better targeted at communities and households to look at CHP and individual microgeneration? There is a lot of off-grid use of oil in Wales. Would it be a better use of money for that to go to microgeneration for off-grid consumers? Sorry, I know that is a very long question.

[129] **Dr Jones:** I do not think that one would call ROCs a failure, because, as we know, if everything that is in the planning system came to fruition we would have 2 GW of energy, but when, who knows? The incentive is certainly working, albeit not very well. I think that it is a point of some considerable disappointment that the former Government choose solar photovoltaic technology as its engagement point with communities. In Germany, despite the investment of vast sums of money in subsidising solar PV, electricity generation in Germany from domestic solar PV is still below 1 per cent.

[130] The renewable energy heat incentive is welcome. I think that it is probably too late in terms of budgetary constraints now to do anything serious in terms of subsidising generation on that scale. The issue here is not one of legislating and forcing companies to invest in enabling community renewable energy generation. I do not think that that is going to happen on a UK level with the current political set-up. It is very unlikely that you will see an increase in burdens placed on energy companies in order to enable community generation of energy.

[131] I have been having lots of discussion on this with WWF, Stop Climate Chaos and various community energy groups, and what we face in Wales is a situation of trying to move private sources of surplus wealth into more appropriate investments, which then will increase resilience and decrease costs in Wales. For example, my pension, a Cardiff University pension, is largely invested in BP. I am sure that yours probably is too. My savings, such as they are, are invested in national savings and investment bonds, earning a moderate rate of interest. If I could invest that in my community to enable people to put solar thermal

technology on their roofs or to have microgeneration in their back yards at a reasonable spacial scale, balancing the risk and returning a moderately commercial equivalent rate of interest, then I would do that; a lot of people would. We do not have the financial structures to move that surplus money. It is that generational thing whereby people in middle age perhaps have a little bit of money put aside. We cannot move that money at the moment into the most useful expression, which is to give that money to people who cannot otherwise invest in their low-quality houses in the Valleys. That would be a more fruitful form of inquiry than trying to find more money from either the large generators or from Government, because I suspect that both of those would be very difficult to do.

[132] **Antoinette Sandbach:** Effectively, for projects below 50 MW, there has been that ability to do that sort of project. How do you think that that type of thing can best be achieved, apart from perhaps that finance aspect of it?

[133] **Dr Jones:** To invest in community renewables?

[134] **Antoinette Sandbach:** To encourage people to do so. The green investment bank, for example, will offer loans of £6,500 to householders, which would be paid back by cost savings. However, it seems to me that there are so many people, particularly in rural areas in Wales, who are reliant on oil. How can we encourage that kind of generation at a really local level? Would it be better if ROCs money went towards that, rather than to big energy companies?

[135] **Dr Jones:** Yes, clearly, because, as I alluded to earlier, you are then investing in energy demand as much as you are investing in energy supply, which is important. My appreciation of this is partially driven by the fact that some of the structural issues arise out of property ownership. Where we have made some progress, not off grid, but in the south Wales Valleys, it tends to be with landlords, particularly with quasi-public-sector landlords, housing associations and so on, which can afford to take those investment decisions, based on the fact that they know that they are going to have the house for the next 20 or 30 years. That is not true of the majority of the private homeownership sector, or of private landlords who are generally getting adequate returns and who often do not pay the electricity bills at the properties that they own.

[136] So, that disconnect between ownership and control of housing, and that turnover of housing, will always be a significant barrier to people taking long-term, sensible investment decisions, unless there have been attempts to tie investment to the home rather than to the householder, and to then hope that that becomes embodied in the price of a house when it is sold on. The problem is that it probably will, but it will only become obvious in retrospect that you should have invested in solar thermal technology 10 years previously. By the time that oil prices are stratospheric and you cannot afford to heat your house, it will be too late, because you will not be able to afford to buy any. I worry that the horse and cart are the wrong way around, and unless we can find a way of incentivising now, we will not have the stock that we need by the time that we need it.

[137] **Antoinette Sandbach:** So, if you reduce the payback period, which is, effectively, part of the problem, by giving some form of subsidy, would it be better—

[138] **Dr Jones:** The other way to do it is to heavily regulate and to say that you are not allowed to sell a house that is band D or E with regard to energy efficiency until you have made it fit for purpose. If you were to do that, you would soon see some serious investment in housing stock.

[139] **Antoinette Sandbach:** I want to take you back to the spatial plan and to the aspects of biodiversity in relation to that. You said that, as far as you were aware, the spatial plan has

not been updated since 2008. Do you not agree that, instead of Wales having strategic search areas that just focus on wind power, for example, the advantage of the spatial plan is that it would take into account a broader range of issues, such as food security and the way that landowners manage their land for biodiversity, than what is considered under the current planning system?

[140] **Dr Jones:** I certainly agree with that. I am hopeful that the ecosystem services approach that is being pushed by John Griffiths's department and others will give us this spatial tool to understand what to use land for. There was an interesting conference on this this week. However, unless that is followed by ground-up restructuring of the planning system, it will not work. What will happen is that Tesco, for example, to use the usual bugbear, will apply to put a store in a biodiverse area. The council will not want it put there, but unless there is guidance in whichever town and country planning Act that applies that states that you are allowed to say 'no' based on the level of quality of the land, councils will largely roll over.

10.45 a.m.

[141] The ecosystem services development and understanding of that wider use of land and what to use it for is a key first step. Again, it is pointless unless the planning system is restructured to fully provide the back-up, for example, in being able to go to a public inquiry, to say no to things that are inappropriate based on that spatial plan.

[142] **Mick Antoniw:** I have a couple of questions on slightly different themes. First, you say that greater than half of all liquefied natural gas produced never gets to the user. What is the evidence base for that? Where does that information come from?

[143] **Dr Jones:** There is a good book, written by a Cambridge physicist, called *Sustainable Energy—Without the Hot Air*, which looks at renewable options for the UK—I can recommend it. With regard to chemical processes, if you think about something like a really good gas turbine, say Baglan, you are talking about 65 per cent or maybe 70 per cent chemical efficiency, in terms of turning the gas into electricity, then you have all the transmission losses, which of course add up—when you transform up and down through the wires, you lose at every stage of that. Added to that are the householders' own appliances. The absolutely worst-case scenario is the use of filament bulbs. Is anybody still using them in their homes? Ninety per cent of what they produce is heat, not light. So, in the case of some appliances, you are losing a heck of a lot. I do not know, but I would guess that somewhere like Aberthaw power station is probably not more than 50 per cent chemically efficient. It is a very old facility. So, you are losing quite a lot in the generation plant itself as well as distribution losses along the line. They vary hugely, depending on the mix.

[144] **Mick Antoniw:** You suggest in your paper—and I probably agree with this—that coal, as an energy source, is proving far more resilient than anybody believed that it would and that, despite forecasts, it is probably going to be with us for a long time, despite the current problems with its availability. You also refer to renewable or clean coal sources. I presume you are referring there to clean coal technology, namely, the idea of heating it up and extracting the gas through that mechanism.

[145] **Dr Jones:** No; I think that the clean coal referred to in the original report was carbon capture in smoke stacks.

[146] **Mick Antoniw:** How realistic is that level of technology? How close are we to it, or is it still a mirage? Is it something that we realistically have to take into account now?

[147] **Dr Jones:** It is a mirage. I remember writing that report when people were

complaining about the fact that the first carbon capturing storage test plant had not been approved, two years ago. It still has not been approved—the plans are still sitting on desks in the Department of Energy and Climate Change. There still is not anywhere in the world, really, commercially capturing significant amounts of coal or gas emissions and pumping them underground.

[148] I will only speak about carbon capturing storage, because it is the only thing that I know about. I am not sure about capturing gas emissions from coal in different ways. We are only talking about saving, at most, about a fifth to a quarter of emissions using carbon capture and storage processes, even if you are talking about fairly widespread implementation. The implementation of CCS would require probably as many pipes as we currently have taking oil around the world. So, you would need an entirely parallel infrastructure effectively to take all the gas away, after you have brought all the fuel to the power station. That is a fairly big ask for a world that is very much in debt. I suspect that by the time we get it sorted, emissions will be at a level that will lock us into 4 or 5 per cent of average global temperatures, if you rely on that as one of our major planks of decarbonisation.

[149] **Mick Antoniw:** Part of your report refers to Wales's dependency on private cars. You also mention tolling and so on. Transport is a core part of access to jobs, economic development and so on. One of the projects that has been heavily pushed is the idea of a Cardiff metro or interlink—I do not like things always being called Cardiff this or Cardiff that. Is that something that should feature in our energy aspirations, as opposed to being just a vehicle for economic development?

[150] **Dr Jones:** It should certainly be part of our energy debate. I am going to the Alps next week for a conference, and my carbon footprint for that journey will be about 20 kg, compared with 250 kg had I flown. Why? It is because I am going on the French TGV, which is largely powered by nuclear power. So, transport interventions—moving people by mass forms of transport, as opposed to private transport—are very worthwhile, and are therefore part of the debate. However, ignoring the hot air and other sources, you will not get anywhere near your climate aspirations unless that mass transport is electrified using green electricity. The little commuter train that I get on to come down from Pontypridd every day probably puts out 80g per passenger kilometre. However, my car would probably put out 150g. So, if everyone got on a train, we would get transport emissions down by 50 per cent, but not further unless that diesel could be replaced with genuinely green electricity. So, electrifying a metro around Cardiff would be a necessary first step—assuming that the power used by it is not from gas but something that is genuinely low carbon.

[151] **William Powell:** I will move briefly on to the issue of energy from waste. What scope is there for a contribution to be made from community-owned anaerobic digestion systems in Wales?

[152] **Dr Jones:** I am not an expert on this at all, but I would certainly be happy to give the committee one or two contacts that I have who might be able to speak about this. For example, I spoke to a gentleman from Welsh Water last week who runs its anaerobic digestion plants and would be able to speak about this. We have the tools in place: there is a well-established waste hierarchy in terms of what one does with waste and the understanding of where energy from waste sits in that. However, without the appropriate planning structures, it is difficult to see how that will fit.

[153] Let us imagine a different universe, in which each community had a carbon budget that it was allowed to spend and then offset by creating low-energy electricity, for example. You would then see a debate and an understanding at a community level of what people wanted their community to do. They would say, 'This is how much carbon we've got and we've got this much to spend, but we can put money in the bank by creating electricity as

well'. Given that we are so divorced from our energy supplies—they come from so far away—all we can see is a plant that was not there yesterday burning stuff. We could get electricity the day before, so we would not understand what the problem was. So, unless we can deal with that structural issue, the technologies that are implemented will always be subservient to what happens in the planning system.

[154] **William Powell:** Are there any examples elsewhere in Europe that we should be learning from to develop this more effectively?

[155] **Dr Jones:** I always say in answer to that question that my solution is to be France in 1965 and just choose something. I have already mentioned the Danish development of combined heat and power, which may be one situation that one might want to consider further as it is developed. However, I do not have any first-hand knowledge of any other development.

[156] **Lord Elis-Thomas:** Thank you very much. To repeat what I said to our earlier witness, if you have any further ideas while on the TGV or wherever you may be, do get in touch with us.

[157] **Dr Jones:** I will supply you with some of the materials that I have.

[158] **Lord Elis-Thomas:** We will be working on this and our major discussions will take place around mid February, we hope. Thank you very much. Diolch yn fawr.

[159] **Dr Jones:** Thank you for having me.

10.55 a.m.

**Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru—Tystiolaeth gan y
Sefydliad Cynllunio Trefol Brenhinol yng Nghymru
Inquiry into Energy Policy and Planning in Wales—Evidence from the Royal
Town Planning Institute Cymru**

[160] **Lord Elis-Thomas:** Thank you very much for your patience. I will not say anything about the capacity of Welsh academics to talk, because I am one of them. I am just as bad as the rest of them. It is a delight to have you here, and, as you know, we are keen to use this session to get a proper intellectual approach to our study. It is an opportunity for reflection on some of the greater issues. So, in addition to your paper, if you would like to remind us what the Royal Town Planning Institute does, although we clearly should know, please do so.

[161] **Dr Willmott:** Thank you very much for the opportunity to come here today. Briefly, the Royal Town Planning Institute is the professional body for town and country planners. So, we are a member-led institute, but we are not necessarily answerable to our members; we have a public duty as a registered charity to campaign for a planning system that is in the public good. What we mean by 'the public' is communities and business and also working constructively with government. It is in the interests of everyone; in my case, within Wales, because I have a specific remit for Wales, but the institute covers the United Kingdom and Ireland.

[162] **Lord Elis-Thomas:** Before I ask Llyr to come in, is our planning system the most complicated in the world or does it just feel like that?

[163] **Dr Willmott:** No, and we deal with more things than aesthetic value in the planning system as well. It is very complex, and the topic that is being dealt with today, namely energy

and planning, stirs many emotions and involves difficult technologies. As a pure planner, I cannot comment on the technology specifically. However, the planning system has to deal with it, so it becomes very complex. As a system, it is fit for purpose in Wales.

[164] **Llyr Huws Gruffydd:** I ddechrau, byddwn yn ddiolchgar pe baech yn esbonio pam mae RTPI Cymru yn credu y dylai'r cyfrifoldeb dros ganiatáu prosiectau ynni mawr gael ei ddatganoli i Gymru.

Llyr Huws Gruffydd: To start, I would be grateful if you could explain why RTPI Cymru believes that the responsibility for allowing major energy projects should be devolved to Wales.

[165] **Dr Willmott:** In Wales, we have national planning policy from the Welsh Government in the form of 'Planning Policy Wales' and technical advice note 8 in relation to renewable energy. That is a good basis for delivering the larger-scale renewable energy schemes, but the Welsh policy does not take effect for onshore schemes over 50 MW, as they go to the UK Government. So, in effect, you have two policies operating in a single geographic area. That is where the complexities of the planning system can come in, although schemes over 50 MW are technically not dealt with by the planning system; they are dealt through other legislation.

[166] **Llyr Huws Gruffydd:** A ydych yn gweld unrhyw fudd, felly, mewn gosod uchafswm o safbwynt gwneud penderfyniadau neu o ran grymuso'r Cynulliad i wneud penderfyniadau ynglŷn â phrosiectau hyd at 100 MW fel mae'r Llywodraeth yn awgrymu?

Llyr Huws Gruffydd: Do you therefore see any benefit from placing a limit on decision making or in empowering the Assembly to make decisions on projects up to 100 MW as the Government suggests?

[167] **Dr Willmott:** That could be a proposal, but there may be projects that go further. So, should they go to the UK Government, you would then be back in the same situation of having two policy systems operating within the same geographic area. I am not sure of the scale of applications for energy and whether many are over 100 MW. There may be a few, but you would still have the same problem of having two different systems and policies in operation.

[168] **Llyr Huws Gruffydd:** Yn absenoldeb y datganoli pellach y mae nifer ohonom yn chwilio amdano, beth y gall y Llywodraeth ei wneud ar hyn o bryd yng Nghymru i sicrhau bod penderfyniadau yn fwy integredig a llyfn?

Llyr Huws Gruffydd: In the absence of the further devolution that many of us are seeking, what can the Government do at present in Wales to ensure that decisions are more integrated and streamlined?

[169] **Dr Willmott:** There are two possibilities. The first is in the national policy statements, which the over 50 MW schemes need to deal with. They currently say that they need 'to have regard' to Welsh national planning policy, but what does 'to have regard' mean? It could be weak.

11.00 a.m.

[170] There is also a sentence in there saying that it is not the make or break of whether an application is granted. So, they could decide that others factors are considered, even if they do not fit in with the national policy in Wales. The Welsh Government should campaign to strengthen that within the national policy statement, so that the IPC process and the Ministers making the decisions take more account of national planning policy in Wales, would improve the situation.

[171] The other part is the local impact reports, which are the responsibility of the local authorities within which the projects will fall. It would be important for them to campaign to ensure that attention is paid to the national planning policy and the local planning policies, and that the case is argued in support of those as well. The Welsh Government's role, perhaps, is to look at supporting local authorities in providing those local impacts reports, and ensuring that they are aware that they need to emphasise the planning policy that is in operation in Wales.

[172] **Vaughan Gething:** Picking up on the difference between planning policy in Wales and the IPC and the national policy statement, you made some clear comments in your paper about spatial guidance. Will you explain why that is important and why there is a difference in the approach in Welsh planning policy and guidance for projects under 50 MW? You referred to the national policy statement's failure to provide spatial guidance. What impact could that have on development?

[173] **Dr Willmott:** The TAN 8 policy, which has the strategic search areas, has been developed using an evidence base. So, experts have gone out and looked at the topography in Wales, as a first, and used it to sieve areas. It has taken out protected areas such as national parks and areas of outstanding natural beauty, and looked at where the most practical and sympathetic areas for development are—although I know that the people living in those areas may not think that it has done so. They are the most practical areas, taking account of all of those other factors and taking areas such as national parks out of the equation. So, that gives you a geographical focus for those areas. Without it, you would have carte blanche and you could potentially have them everywhere. People need to assess the area for each application, but in the strategic search areas a lot of that work has already been undertaken. There still needs to be a localised focus on the specific project, however; there is no presumption that an application will be granted within the strategic search area. There are many other factors that must be considered. However, at least it provides a national focus on the best locations to start looking for sites. In England, the national policy statement does not reflect that and the national planning policy, including the new national planning policy framework that is currently under discussion, provides no spatial dimension. The spatial dimension is something that the Royal Town Planning Institute, among others, would like to see more of, nationally.

[174] **Vaughan Gething:** Regarding the last point of your written evidence, where you are talking about power transmission lines, I had an interesting conversation with an environmental worker, who said that she would rather live next to an incinerator than under a power line. Just to clarify, with the national policy statement, developers do not have to provide details, but TAN 8 will make them include details of where those power lines would go in relation to land use and where communities lie.

[175] **Dr Willmott:** The actual wording in TAN 8 is that developers are encouraged to do so; it is not compulsory as part of the development, but there is a statement saying that it is better if they tell us upfront, so we would know what we are dealing with in the totality. It is not an approval for the lines that would need to be put in place, but when considering the application for the actual windfarm development, at least you know what the wider consequences could be, if permission was granted.

[176] **Antoinette Sandbach:** You were talking about a two-tier system, but there will always be a two-tier system, unless you are suggesting that decisions regarding nuclear installations, as well as decisions on the grid, should be devolved to the Welsh Government. This is part of the inherent conflict of planning processes, is it not?

[177] **Dr Willmott:** Absolutely. The gridlines are part and parcel of energy; it is no good having a windfarm unless it is near a grid connection, so that would be part of the same devolution of power.

[178] **Antoinette Sandbach:** So, you anticipate that that would need to be devolved as well.

[179] **Dr Willmott:** That would be a good move.

[180] **Antoinette Sandbach:** That would require changes, for example, to the Electricity Act 1989. What would you see as the role of a strategic overview, for example, UK targets on climate change? How will that be addressed if, for example, those considerations are taken into account in Wales without considering the impact on other parts of the UK?

[181] **Dr Willmott:** That would be devolution working in perfect harmony, would it not? You would have the UK Government setting your overall target, which might have emanated from the European Union, and then it would be taken down to each layer of government as it gets closer to communities. It is then a case of interpreting those policies, which is what has happened with energy policy. I am not an expert on energy policies in Wales, but they have taken the UK targets, which have come from the European targets, and put them into a Welsh context. It would follow that.

[182] **Antoinette Sandbach:** So, your suggestion is that nuclear power should be devolved as well. That is the logical extension of your argument.

[183] **Dr Willmott:** Yes.

[184] **Antoinette Sandbach:** Therefore, all the associated costs of infrastructure, dealing with waste, and so on, would also be devolved. If the decisions are to be taken here, then the financial implications, you are suggesting, need to be in the same place.

[185] **Dr Willmott:** I would suggest that the appropriate budgets should come with any devolution of power; otherwise, you are giving someone an extra function without funding. Even if it were the IPC system, the budget associated with that would need to come along with it.

[186] **Antoinette Sandbach:** In relation to spatial awareness, you were saying that national policy statements in the UK do not have those kinds of factors. I do not know if you were here for the evidence from the previous witness, who said that the spatial plan in Wales had not been updated since 2008. You spoke about TAN 8, which had regard to wind power, but it did not consider other aspects, like biodiversity, food security and so on. It was not developed in that light, was it?

[187] **Dr Willmott:** No; TAN 8 was purely to look at the energy possibilities. It was focused on that, and that was its remit. As an institute, we are very supportive of the Wales spatial plan, except that it needs to go further and do more. I would not propose that we get rid of the spatial plan—that would be a backwards step—but it needs to be taken hold of, and the actual process of the Wales spatial plan, and what it does, and what it looks at, needs to be reviewed. It is a valuable document, but it is at risk of being lost at the moment.

[188] **Antoinette Sandbach:** Is the DEFRA exercise that was carried out recently reflected in planning considerations? Can local authorities take those types of biodiversity decisions into account now, or, in your view, does that need to be changed, whether it is above or below 100 MW?

[189] **Dr Willmott:** All of this can come forward as a material consideration within the planning application process. It can be taken into account.

[190] **Antoinette Sandbach:** Is that strong enough?

[191] **Dr Willmott:** Yes, absolutely. You would have to speak to specific local authorities to see how they deal with it, but it is certainly being considered by them.

[192] **Antoinette Sandbach:** My understanding is that many of the local authorities in north Wales—and I do not know if the Chair has had the same experience—feel that they cannot turn down TAN 8 applications and that they are effectively required to consent to windfarms in those strategic search areas.

[193] **Dr Willmott:** I do not believe that that is the case.

[194] **Lord Elis-Thomas:** I am sorry, but you cannot include me in that line of questioning, either. We have to move on. Julie is next.

[195] **Julie James:** Turning to the additional things that the Welsh Government may or may not need to do to assist some of these projects to go ahead, is there a need to produce additional guidance on the siting of infrastructure around energy projects with IPC consent? Does the current system provide enough guidance to planners in local authorities?

[196] **Dr Willmott:** Yes, there is sufficient guidance. They also have access to specific funding support from the Welsh Government if they are determining applications for projects generating less than 50 MW—their own applications—or for an IPC application if it is within a strategic search area. If it meets Welsh national planning policy, funding is available to them, which they can use to bring in specific technical expertise. So, there is extra support available.

[197] **Julie James:** We do not have responsibility for any of these decisions as yet, but if a decision had to be made on an energy project that was to be sited outside the TAN 8 areas or did not comply with TAN 8 in some major regard, what position do you think the local authorities would be in at that point? Would they need additional guidance at that point, would they be in a position to deal with it or would they automatically send it upwards?

[198] **Dr Willmott:** Would this be for a project that is under 50 MW, or above?

[199] **Julie James:** It could be for either, really.

[200] **Dr Willmott:** It would be a case of referring to national planning policy, which is a material consideration that they have to give regard to or pay attention to. That would be one of the considerations that they would need to take into account.

[201] **Julie James:** Are you happy that the planners working on the ground are fully conversant with that, or are there additional things that the Welsh Government could do, such as training or assisted provision? Is there anything at all that you think would be useful?

[202] **Dr Willmott:** There is always a need for training and we would campaign for that as an institute. Obviously, some people move on or retire, so there is always a need to ensure that there are people with the necessary expertise. The current situation is that local authorities, particularly those that are affected, have in-house expertise and they can call in additional technical advice. If the project falls outside the SSAs, they do not have access to that technical support. We would certainly call on the IPC to provide that funding if it is an IPC project. It should provide funding for the local authority to pull in some technical expertise to assist it with that.

[203] **Julie James:** With the imminent demise of the IPC, do you think that the same

situation should pertain to the new major infrastructure planning unit?

[204] **Dr Willmott:** Yes. Essentially, the IPC by name is going, but the function will be within the Planning Inspectorate. So, that situation does not change, it is just the decision-making end that will change.

[205] **Julie James:** May I therefore abruptly swap topic, if you do not mind, Chair, and discuss the marine situation? We have been told repeatedly by witnesses here and in another arena that the situation in Welsh waters is highly complex and covered by numerous pieces of legislation—and I hope, Chair, that we will agree after this to get a piece of research commissioned to tell us exactly what the situation is. However, what do you think is the situation for coastal authorities faced with applications for offshore energy generation of whatever sort? Are they sufficiently resourced?

[206] **Dr Willmott:** This is a growing area. When it comes to marine projects, there are other agencies involved that can provide support to local authorities. We also have the Marine Management Organisation that has been set up to provide support and advice on that. There is also an exercise to produce coastal management plans across authorities, which will provide some support. It is a developing area that they need to get to grips with, but they are doing so.

[207] **Julie James:** Once again, is there anything practical that you think the Welsh Government should be doing to assist that to work on the ground, as well as to assist with the general strategic structure of it?

[208] **Dr Willmott:** I am not involved with this in a detailed way, but I understand that there is work being done to equip local authorities with support and information on that side, but it would certainly be something that it is worth flagging up in order to ensure that it is being done.

[209] **Julie James:** I will slightly change topic once again. I had a lot of involvement, in my previous work, with the current set of energy-from-waste projects going through various local authorities. The Welsh Government set up a system of support for local planners, including some full-day conferences, some conferences with planning committee members and some sessions with expert technology providers to give a greater understanding of some of the technical issues that might arise and that might give rise to some material planning considerations from such a development. Was that a helpful use of resource that you would like to see being duplicated in other areas?

11.15 a.m.

[210] **Dr Willmott:** It was certainly helpful in the waste section, as I think that there was a specific issue with waste in terms of the threat of infraction fines from the European Union.

[211] **Julie James:** That threat is still there.

[212] **Dr Willmott:** Absolutely. There was also a time issue, so a lot of attention needed to be paid to it. Money focuses the mind, and it was very useful. I have also worked with that unit in the Welsh Government, which has provided support to us in giving information to planners across Wales.

[213] **Russell George:** According to TAN 8, the construction of new high-voltage distribution and transmission lines is vital to the realisation of any significant additional generating capacity in north and mid Wales, and something that the Government strongly supports. However, John Griffiths's letter of July 2011 to the chief planning officers says that

[214] ‘we do not believe that there is a need for the large, visually intrusive, high voltage grid network infrastructure and associated substation of the kind proposed within Mid Wales’.

[215] Are local planning authorities clear about the Welsh Government’s position on the need for additional distribution and transmission infrastructure in mid Wales?

[216] **Dr Willmott:** I would not like to speak on behalf of local planning authorities—you would have to ask them directly—but TAN 8 says that the connections could be achieved through wooden poles rather than large pylon technology. So, in that sense, the Minister is not contradicting what was said about the unobtrusive telegraph-pole type of construction that TAN 8 referred to. As I said at the start, I am not a technology expert, but my understanding is that, since TAN 8 was introduced, the turbines have got much bigger, so there might be an issue in that the capacity needs to be greater. I do not know whether that has been an issue.

[217] **Russell George:** What are the implications for the relevant planning authorities in that they should now be planning for the maximum capacities in the strategic search areas?

[218] **Dr Willmott:** That is an energy policy decision rather than a specific planning decision. In terms of planning, the cumulative impact is also taken into account, and it was not the intention that there would be blanket coverage in the strategic search areas, but rather that it would be broken up. So, in entering a strategic search area, you would not be in the middle of a windfarm; it would be broken up. However, in terms of capacity, that would be an energy policy decision for the Government.

[219] **Russell George:** With regard to the mid Wales connection project, my understanding is that the substation will be decided upon in Wales. The Welsh Government and local authorities have made their views clear on the whole project, so there will obviously be a conflict there. Can you comment on that?

[220] **Dr Willmott:** I cannot comment on the specific project; I do not know enough detail, so it would be inappropriate for me to do so. However, the local authority should look at the substation as an individual application, take into account the other relevant factors, and decide upon it on its own merits, as a local democratic decision. If it is refused at that stage, the applicants can appeal, which would then go to the Planning Inspectorate, and, ultimately, to Welsh Ministers to decide upon.

[221] **Russell George:** Is there any way in which that project could be looked at in full, with regard to the infrastructure and the line connected to the substation, or will it be separate, as I understand the case to be?

[222] **Dr Willmott:** Legally, it would have to be separate, because of the different legislation involved.

[223] **Russell George:** Is there any way that it could be looked at in full?

[224] **Dr Willmott:** They could have dual conversations—that might be going on now for all I know. It would be dealt with as one project—I am sure that they are doing that in their technical planning stages—and they could involve both parties in those discussions. However, legally, it is separate legislation for the different consenting regimes.

[225] **Lord Elis-Thomas:** I will call Rebecca in a moment, but do you want to come in on this quickly, Julie?

[226] **Julie James:** Yes, I just wanted to ask about the juxtaposition of the permitting regimes, which Russell George’s question brought to mind. One of the other issues of not

looking at a project in the round is not being able to take what, to people on the ground, seems like a common-sense approach to what is required for the permitting and what is required for the planning. Sometimes, the permitting regime issues are not material planning considerations, and vice versa. Is there anything that we should be looking at to streamline or improve that situation or, indeed, to enable a rather more holistic view of a particular project to be taken?

[227] **Dr Willmott:** That is what the IPC process sets out to do—to overcome issues such as the long public inquiries. It is a single consenting regime; it is not just the planning permission, but everything else that goes with it. So, for large projects, that process makes sense. However, for smaller projects, what is needed is discussion with the different consenting bodies, whether it is for planning permission or with the Environment Agency or any other parties involved, at the appropriate time in the project. I am not familiar with the environmental consenting regimes, but, for example, with building control, decisions on the actual project are not taken until much later. You might want to ensure only that you have planning permission before you develop the design of your project to the nth degree, incurring the costs for doing that. So, sometimes, it suits the applicants to come in later, but, certainly, discussions could take place to get principles agreed.

[228] **Julie James:** I was more thinking that you must come across situations where, for example, local people have particular concerns about an energy project, often around the visual amenity, noise, odour and so on. A large number of those issues are left to the permitting regime and not the planning regime, and the planning goes ahead in outline form, so that the principle is established without any of those more local concerns being taken into account. Does the institute have a view on how that works? You must have encountered that, because it happens all the time.

[229] **Dr Willmott:** Before full planning permission is given, noise will be taken into account if there is a significant noise issue. Emissions are a factor that the local authority cannot take into account. That is something that would very much be left to the Environment Agency. It is very much how the legislation falls as well. Different bodies have to work to a single piece of legislation or what that legislation allows them to do. Otherwise, there is a threat of judicial review.

[230] **Lord Elis-Thomas:** We do not want that.

[231] **Rebecca Evans:** On a slightly different topic, you refer in your paper to the lack of guidance in some areas of spatial planning. Thinking on a very local level, is there currently sufficient guidance to promote the microgeneration of energy? To put it in context, I am thinking about the microgeneration of solar energy. I am told that a building's orientation has an impact on whether solar energy is an option in the first place. Once the building is up and the roof is facing the wrong way, it is not an option.

[232] **Dr Willmott:** Absolutely. With regard to building construction, in Wales—I have forgotten the date this came into effect—it is national planning policy that housing must meet code level 3 plus some extra energy credits, under the code for sustainable housing before it is granted planning permission. That is for a single house. For non-domestic dwellings, it must meet the Building Research Establishment environmental assessment method 'very good' standard, plus some extra energy credits. So that will take account of things such as aspect. It is very much a case of getting designers of buildings to look at things such as the aspect of their buildings so that they can meet those energy credits and those standards of building. I think that that has been planning policy for a year or two now. There are buildings going up now that had planning consent before that, which obviously did not take account of that. The Welsh Government has now produced little guides on how to integrate renewable energy into housing. Those guides are available from the website.

[233] **Lord Elis-Thomas:** I can assure you that you are sitting in a BREEAM five-star building.

[234] **William Powell:** In response to Russell George, you said that TAN 8 had not anticipated the infrastructure that we are talking about, or that things had moved on in that regard. Does that not, therefore, make the case for some refreshment or review of TAN 8, so that it is more appropriate to the current situation?

[235] **Dr Willmott:** No; not in terms of the principles of strategic search areas, because they are about where the most logical place is. You may want to refine those areas, but I do not think that a review of TAN 8 would affect that. My comment was mainly related to the poles, where they were an issue, but having those wooden poles was regarded as the best scenario. I cannot comment on the technology, because I am not an expert in that area, unfortunately.

[236] **William Powell:** My main question follows on from the comments made by Julie James about rationalising permitting and the other aspects of development. Last week, we had an update from the Minister on the emerging plans to have a single environmental body. Do you feel that that will have a beneficial effect on energy planning in Wales?

[237] **Dr Willmott:** I am not sure that it will have a specific impact. The Environment Agency and the Countryside Council for Wales are in communication already, and communicate with the local planning authorities. Ensuring that the single body is effectively resourced would be an issue, so that there are enough in-house experts to service the needs of local planning authorities asking for comments on specific applications. I believe that one of the previous witnesses mentioned spatial and strategic planning; having a single body would help with that, as the Wales spatial plan needs to be enhanced.

[238] **William Powell:** One issue that gives some cause for concern is the possibility of a conflict of interest arising when the single body is judge, jury and executioner and has to take into account potentially conflicting areas when considering a particular proposal. Do you have any comments on that?

[239] **Dr Willmott:** I do not know about any of the specific issues. The local planning authority would be the consenting body for schemes under 50 MW, and it will not be part of the single body; that would give some separation. If the application was called in by the Welsh Government, the Planning Inspectorate or if it went to appeal, they would be separate. There is, of course, the different legislation that has to be adhered to and the constant threat of judicial review to ensure that processes are followed. So checks and balances should be in place. However, there should be a working oversight of that.

[240] **Lord Elis-Thomas:** Following on from Julie's question, we have already touched on what you think the position will be under the major infrastructure unit in the Planning Inspectorate following the demise of the IPC. You may have heard the question that I asked earlier on a situation where the political will was for the major infrastructure unit to report on larger projects to Welsh Ministers rather than UK Ministers, who are, in this case, Ministers for England. What is your view on this? One needs to specify the constitutional position, because it is different in Scotland and in Northern Ireland.

[241] **Dr Willmott:** I will not comment on the legal side of things, and whether it is a matter of UK or English Government, but I suppose that this case is a matter for England and Wales. In principle, what you describe would be the ideal scenario, with the caveat that I mentioned earlier about strengthening in the national policy statements the role of Welsh national policy. You would therefore have a single policy statement within a geographical

area. In terms of the legalities, I presume that there would have to be devolution of further aspects through the Government of Wales Act 2006.

11.30 a.m.

[242] **Lord Elis-Thomas:** It may or may not be the case that these issues might be considered by some future magic committee that the UK Government has not yet established, but we will see about that. We are very grateful to you for your attendance. If you find any other issues that you would like to draw to our attention before February, or if any of your professional members in the Royal Town Planning Institute Cymru find themselves to be excited about our deliberations, we would be very interested to hear from you or from them.

[243] **Dr Willmott:** Thank you very much.

11.30 a.m.

**Grŵp Gorchwyl a Gorffen ar y Polisi Pysgodfeydd Cyffredin—Cytuno'r Cylch
Gorchwyl
Common Fisheries Policy Task and Finish Group—Agreement of Terms of
Reference**

[244] **Yr Arglwydd Elis-Thomas:** Byddwch yn cofio ein bod wedi cytuno i sefydlu grŵp gorchwyl a gorffen i drafod y polisi pysgodfeydd cyffredin, a bod Julie wedi cael ei hethol i gadeirio'r grŵp hwnnw. Mae papur wedi'i ddosbarthu ar y mater hwn. A ydym yn cytuno'n ffurfiol ar y papur hwnnw, os nad oes angen trafodaeth bellach yn ei gylch? Gwelaf ein bod.

Lord Elis-Thomas: You will remember that we agreed to establish a task and finish group to discuss the common fisheries policy, and that Julie has been elected to chair that group. A paper has been distributed on this issue. Do we agree formally on that paper, if no further discussion is required? I see that we do.

[245] Sorry, I see that David wants to come in on something.

[246] **David Rees:** I just want to raise one point. I notice that in paper 4, we did not have a list of potential consultees, whereas we do have such a list in paper 5. Is a list of potential consultees on this matter being produced?

[247] **Lord Elis-Thomas:** I believe that that may be because the timescale is longer.

[248] **Dr Hawkins:** No, it is shorter. We have circulated a list, but I will follow it up.

[249] **Lord Elis-Thomas:** There is a list that has been circulated, and we will circulate it again. I think that it is probably helpful to have consolidated information on these issues. Was there a previous list with the original paper?

[250] **Dr Hawkins:** Yes.

[251] **Lord Elis-Thomas:** We will make sure that that is re-circulated.

11.32 a.m.

Grŵp Gorchwyl a Gorffen ar y Polisi Amaethyddol Cyffredin—Cytuno'r Cylch Gorchwyl
Common Agriculture Policy Task and Finish Group—Agreement of Terms of Reference

[252] **Yr Arglwydd Elis-Thomas:** Cytunodd y pwyllgor hwn i sefydlu grŵp gorchwyl a gorffen ar y polisi amaethyddol cyffredin. A ydym yn cytuno'n ffurfiol ar y cylch gorchwyl ar gyfer y grŵp hwnnw, sef papur 5? Gwelaf ein bod. Mae Vaughan Gething wedi cytuno i gadeirio'r grŵp hwnnw, ac mae'r Gweinidog wedi mynegi'n anffurfiol i mi, ac o bosibl i Vaughan, y byddai'n hapus iawn i sicrhau bod adnoddau ar gael pe byddem am gynnal cyfarfod ym Mrwsel. Yr oeddwn yn cymryd ei fod yn gwahodd ei hun i'r cyfarfod hwnnw. [*Chwerthin.*] Mae'r Eurostar yn dod i'r meddwl, os nad y TGV. Byddai cyfarfod o'r fath yn gyfle i wneud diwrnod o waith yn uniongyrchol gyda phobl yn yr Undeb Ewropeaidd neu gyda phwy bynnag fyddai'n bresennol o'r grŵp gorchwyl yn y cyfarfod hwnnw. Dyna ddiwedd y cyfarfod ffurfiol.

Lord Elis-Thomas: The committee agreed to establish a task and finish group on the common agriculture policy. Do we agree formally the terms of reference for that group, namely paper 5? I see that we do. Vaughan Gething has agreed to chair that group, and the Minister has said to me informally, and possibly to Vaughan as well, that he would be very happy to ensure that resources are available should we wish to have a meeting in Brussels. I took it that he was inviting himself to that meeting. [*Laughter.*] The Eurostar springs to mind, if not the TGV. A meeting of that kind would be an opportunity to do a day's work directly with people in the European Union or with whoever would be present from the task and finish group at that meeting. That is the end of the formal meeting.

Daeth y cyfarfod i ben am 11.33 a.m.
The meeting ended at 11.33 a.m.