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Environment and Sustainability Committee:

Inquiry into energy policy and planning in Wales

Written submission by RenewableUK Cymru

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RenewableUK (formerly BWEA) was established in 1978 and is the representative body for companies active in the UK wind, wave and tidal energy market. We represent all aspects of the renewables industry from manufacturers of the technology, through to developers and installers, legal and environmental specialists, construction and investment firms. We also have members in the education and training sector – helping to develop the skills needed for the future. As the largest renewable energy trade association in the UK, our membership has grown rapidly over recent years and now stands at just under 700 companies - representing the vast majority of all grid connected renewable energy projects currently installed.

In 2006, a branch of the organisation was established to champion the wind, wave and tidal renewable energy technologies in Wales with a focus of achieving the Welsh Assembly Government 2010 renewable energy targets. This submission is made on behalf of RenewableUK Cymru Strategy Group.

RenewableUK would be pleased to clarify any issues raised in this paper and offer any further information which may be required.

RenewableUK Cymru welcomes the Environment and Sustainability Development Committee Inquiry into energy policy and planning in Wales and look forward to the prospect of positive recommendations that will assist the renewable industry to ensure that Wales becomes a more sustainable country and contribute to the creation of a low carbon economy.

UK Renewables Energy Targets

There are a number of national and international law and policy provisions supporting the development of renewable energy, which include EU Directive 2009/28/EC of June 2009, the UK Government Climate Change Programme, the Energy White Paper 2007, the Climate Change Act 2008, the Renewable Energy Strategy 2009 and the newly published suite of National Policy Statements.

As a result of the 2009 EU Directives, the UK has a binding target of meeting 15% of its energy consumption from renewable sources by 2020. This target is echoed in the 2009 Renewable Energy Strategy (RES) and the UK Low Carbon Transition Plan. The RES makes it clear however, that the 15% target also includes fuel and heating, which means that a greater proportion (i.e. 30% or more) of electricity supply will have to come from renewables to balance out the difficulties in providing a significant proportion of fuel and heating from renewables by 2020. Therefore the adopted scenario in the RES means that the target percentage for renewables is now raised dramatically.

Wind is expected to provide about 64% of all the electricity from renewable sources by 2020, with about 29% coming from onshore wind. While this is just an indicative breakdown, it is important to note that it is based on the RES lead scenario modelling. For comparison, the UK had been working towards (and failing to reach) a 10% target until 2010. Therefore the actual indicative targets for renewable electricity for 2020 is triple the target for 2010, with less than half the time available to achieve it. This clearly demonstrates the case for a rapid increase in the deployment of onshore wind energy.

TAN8 Targets

When TAN 8 was published in 2005 the Assembly Government had targets to generate 4TWh per annum by 2010 and 7TWh by 2020 from renewable technologies. In order to meet the 2010 target the Assembly Government concluded that an additional 800MW of installed capacity should be delivered by onshore wind sources, while another 200MW would be required from offshore wind and other renewables.

By identifying seven Strategic Search Areas (SSAs) for the development of large scale onshore wind farms and an overarching delivery target of 800MW installed onshore wind energy capacity (above 2005 levels) within these areas, TAN8 effectively established a planning presumption in favour of wind farm development within these SSAs. In doing so, the Welsh Assembly Government, through TAN8, also implicitly endorsed the evolution of wind farm landscapes within Wales' SSAs and accepted that this approach would lead to cumulative impacts in these areas.

However, despite Wales' renewable energy aspirations having grown substantially since 2005, the delivery of wind farm projects remains slow and unpredictable, with numerous examples of applications being refused against officer recommendation, or historically having been called in by Welsh Government. It seems that the local planning system is struggling to deal effectively with wind farm planning applications (both TCPA applications and Section 36 / IPC applications). Due to lack of resources to deal effectively with wind farm applications, or due to a lack of will to deliver on national energy policy, LPA's are frustrating the timely determination of onshore projects that are above and below the 50MW threshold. There are other serious obstacles to delivery including the need to upgrade grid transmissions and transportation plans.

Current TAN8 target performance

In September 2011, nine months after TAN8 expiry date for target delivery, only 180MW (22.5%) of the additional 800MW target set in 2005 had been delivered. In contrast, there are currently over 1,421MW onshore wind capacity in the planning system awaiting determination.

In relation to offshore wind farms a capacity of 90MW has been added following the publication of TAN8 meaning that 45% of the additional 200MW target has been achieved. There was an existing operational offshore wind farm which means that the total operational capacity from this technology is currently 150MW. A further offshore wind farm with a capacity of 576MW has been approved and waiting construction whilst there are larger project in the pipe line from Crown Estate Round 3 sites.

Renewable Energy Route Map & Low Carbon Energy Policy Statement

In 2008 the Welsh Assembly Government published the Renewable Energy Route Map which was a consultation setting out proposals to move Wales towards „self-sufficiency in renewable electricity in a generation“. The Route Map suggested dramatically increasing the renewable energy generation target from 7TWh set for 2020, to a new target of 33TWhr by 2025. The consultation foresaw that wind farms would make a significant contribution to the new targets by creating almost 7TWhr per annum by 2015. The suggestion was that onshore wind farms located within the Strategic Search Areas could generate 2,500MW – a dramatic increase from 800MW identified in TAN 8. “If all potential projects were to go ahead in full, wind-farms within TAN 8 strategic search areas could produce up to 2500MW of capacity: three times the existing TAN 8 indicative target for 2010.” (para 7.17 Renewable Energy Route Map)

The Route Map consultation also confirmed that some of the Strategic Search Areas needed higher capacity electrical connections to the National Grid which was being considered by relevant bodies at the time. (para 7.15 & 11.3 Renewable Energy Route Map)

In 2010 the Welsh Government published its Low Carbon Revolution - Energy Policy Statement which was informed by responses to the Route Map consultation. The Low Carbon document again radically increased the renewables target – increasing annual renewable energy output in TWhr from 33TWh as suggested in the Route Map, to 48TWh by 2020/2025 amounting to 22,500MW of installed capacity. This corresponds to the aims of the UK Government’s RES publication which greatly increased UK national target figure of at least 30% of electricity from renewables by 2020. The Low Carbon statement outlined that the aim in terms of onshore wind was to have 4.5KWh/d/p of installed generating capacity by 2015/17 which would amount to 2GW of total capacity (para 3.1 b A Low Carbon Revolution). This was confirmed by a written statement by the Welsh Government in June 2010. Planning Policy Wales 2011 also states that planning policy at all levels should facilitate delivery of both the Welsh Government’s overall Energy Policy Statement and UK and European targets on renewable energy.

The Low Carbon Revolution includes a technology breakdown as a guide of how to achieve the new set of targets with a lot of emphasis being placed on tidal range and tidal stream renewables (including the possibility of generating a large amount of energy from the Severn Estuary) and on offshore wind which saw its expected capacity increase to 6GW. In terms for onshore wind the capacity target fell from the previously increased figure of 2.5GW as set out in the Route Map consultation to 2GW. (appendix 1 A Low Carbon Revolution)

John Griffiths, the Minister for Environment and Sustainable Development has issued a new guidance letter to Stakeholders (July 2011), which stated that the maximum capacity for TAN 8 SSA’s should be the Garrad Hassan figures amounting to a total of 1,700MW from onshore wind. The Ministerial letter outlined the maximum installation capacity for each of the SSA’s. The remaining 300MW necessary to achieve the 2GW target should come from smaller local, brownfield or community schemes located outside the SSA’s. TAN8 will continue to be used as

the vehicle for the strategic delivery of onshore wind throughout Wales with maximum capacity figures being set for each of the SSAs.

It has been consistently RenewableUK Cymru's view that whilst increases in renewable energy targets are welcome, particularly the target increases in onshore, offshore and wave and tidal technologies, greater flexibility is required within the planning guidance to ensure delivery. In relation to onshore wind developers have followed the guidance as set out in TAN8 and concentrated investments and activity in identified areas. To protect industry confidence in the wind sector and other renewables, it is vital that the status of these areas is protected with determination decisions being made without interruption.

However, the industry acknowledges that directing all significant developments to seven SSAs whilst at the same time significantly increasing onshore generation targets, can result in cumulative impacts as the concentration of wind farms increases in the same vicinity. In order to increase the capacity of onshore wind in a way that would limit turbine density and additional cumulative impacts, RenewableUK Cymru recommends that new areas suitable for large scale wind farm development are identified. This might take the form of identifying new SSAs, extending the area of existing SSAs or adopting a limited criteria-based approach for suitable sites that are outside SSAs.

Devolution of + 50MW determination powers

RenewableUK Cymru recognises the long-standing desire of the Welsh Government and the political parties in the National Assembly that planning decisions on energy projects above 50MW should be devolved. The devolution of further planning powers would give the Welsh Government an opportunity to demonstrate its commitment to the delivery of renewable energy and should be used to increase the rate of deployment.

We believe that decisions on energy projects should be based on appropriate professional advice and as such, our strongly held view is that further devolution could only be effective if the process is properly resourced and linked to professional energy expertise available within Planning Inspectorate Wales.

RenewableUK has long been concerned at the slow rate of delivery towards current renewable energy targets and would hope to see a speedy resolution for outstanding applications under any new planning system.

RenewableUK members would seek to work positively with any new regime, nonetheless given the national importance and strategic need to deliver renewable energy it would be critical that the Government takes direct responsibility for projects above 50MW, with the relevant Welsh Ministers taking a final decision based on an assessment provided by Planning Inspectorate Wales.

RenewableUK Cymru comments on questions alluded to in invitation letter:

What are the implications for Wales if responsibility for consenting major onshore and offshore energy infrastructure projects remains a matter that is reserved by the UK Government?

If consenting major onshore and offshore energy infrastructure remains a reserved matter then renewable energy developers will continue to adhere to the current planning regime as set out by the 2008 UK Government Planning Act. Developers will be guided by National Policy

Statement for major energy projects that will be determined by the Infrastructure Planning Commission. In future the new Major Infrastructure Planning Unit will examine applications with Ministers making decisions. TAN 8 and Planning Policy Wales will be relevant considerations including that large-scale onshore projects should be located within Strategic Search Areas. Planning applications for projects above 50 MW and offshore wind farms would continue to be governed under the 2008 Planning Act.

How does this affect achievement of the Welsh Government's aspirations for various forms of renewable and low carbon energy as set out in the Energy Policy Statement?

The existing planning guidance which aims to increase renewable energy delivery can achieve Welsh Government targets if it is used correctly and appropriately. If planning approval closely followed planning policy as set out in TAN 8, renewable energy targets could be met with less chance that Welsh Government planning policy be superseded by UK planning authorities.

How does this affect delivery of the Welsh Government's target for a 3 per cent reduction in Green House Gas emissions per annum from 2011?

Deploying renewable energy projects would offset electrical generation from fossil fuels. A consistent stream of renewable energy projects would need to be commissioned to maintain the 3% momentum. This would also help ensure that Wales becomes „self sufficient“ in renewable energy as expressed by the Route Map of 2008.

What will be the impact if consenting decisions on major infrastructure projects and associated development are not all taken in accordance with Welsh planning policy?

Planning decisions that do not consistently follow identified planning policy, risk becoming sporadic and unpredictable in nature which is likely to cause confusion and controversy. It is important to note that a planning framework is already in place which ensures that renewable energy projects are consistent with Welsh Government policy as long as they are applied correctly.

Given the strategic importance that associated developments have in significant infrastructure projects, it is RenewableUK Cymru's view that the Welsh Government should use its call-in powers to determine associated development applications. This is particularly relevant in the case of renewable energy proposals which are vital to meeting government renewable energy targets.

There is also a case that determination powers for associated developments relating to nationally important projects should be transferred from local authority to the control of Welsh Ministers.

Issues that the Committee will want to consider as part of these terms of reference:

The role of the different consenting agencies, how they inter-relate and how the current system could be improved, both with and without further devolution (*Infrastructure Planning Commission, Planning Inspectorate, Local Planning Authorities, National Parks, Welsh Government, Marine Management Organisation, Environment Agency*).

Consistency and clarity of roles between planning authorities and statutory consultees is extremely important for developers. With the high volume of planning applications relating to

renewable energy projects expected, it is important to ensure adequate financial and skill resources across planning authorities to avoid delay and bad decisions. Statutory consultees often frustrate developments despite clear planning guidance and renewable energy targets having been established by governments. Any potential merger between separate statutory bodies may lead to conflict of interest questions between public landowners, assessors and regulators.

The relationship between the UK Government's Energy National Policy Statements and Welsh national and local planning policies (including Planning Policy Wales, Technical Advice Note 8 and Local Development Plans) and whether these policies can achieve the Welsh Government's aspirations, including whether or not a formal review of TAN 8 is now required.

The hierarchy and relationship between the above policies are clear to the industry. The National Policy Statement is understood to have primary importance although it must give due consideration to TAN 8 and other Welsh Government planning guidance.

Current planning policies are adequate to realise renewable energy aspirations. However, with targets having been increased since the launch of TAN 8 in 2005, there is a view that the existing renewable energy guidance should be more flexible to ensure target delivery. The wind farm industry supported the pledge in the „One Wales“ agreement to „refresh“ TAN 8 looking at a range of options in order to increase renewable energy generation. However in addition to greater planning flexibility that would facilitate renewable energy projects there is also a strong need to protect existing identified areas and proposals to ensure delivery and investor confidence.

The potential contribution and likelihood that different types of renewable and low carbon energy (*offshore wind, tidal, onshore wind, hydro-power, nuclear, bio-energy/waste, micro-generation, community energy projects*) will be capable of delivering the Welsh Government's aspirations for energy generation as set out in *A Low Carbon Revolution – Energy Policy Statement* and the *UK Renewable Energy Roadmap*.

It is important to have a mix of renewable energy generators, however to reach immediate and midterm targets it is necessary to focus on those technologies that can be deployed and generate electricity in a relatively short time. Successful deployment will build confidence for the developers of future renewable technologies such as wave and tidal devices, and raise interest in micro and community schemes. The deployment of onshore wind projects in Wales will be regarded by investors as a test case for the viability of future renewable developments.

The potential contribution of these different types of renewable energy to meeting the Welsh Government's annual target for Green House Gas emission reduction.

Annual targets require constant and consistent delivery. The only current renewable energy technologies that can significantly offset fossil fuel generation are onshore and offshore wind.

The potential role of other forms of energy production in Wales e.g. existing fossil fuel energy generation, proposed nuclear generation and newer technologies such as coal-bed methane and shale gas.

RenewableUK Cymru promotes the development of wind, wave and tidal technologies that can contribute to the renewable energy mix. Other forms of technologies including non renewables will continue to contribute to total generation.

The transport issues relating to wind turbines and other forms of renewable energy including their impact on roads, traffic and tourism.

RenewableUK Cymru is currently project managing two projects that are assessing a timetable for turbine delivery as well as identifying strategic routes to SSA B & C in mid Wales. The overall aim is to quantify, minimise and manage the impacts of turbine component movements during the period of wind farm construction.

For more information or clarification on the contents of this paper please contact Llywelyn Rhys – ll.rhys@renewable-uk.com