



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

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

Dydd Iau, 1 Rhagfyr 2011
Thursday, 1 December 2011

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Ethol Cadeirydd Dros Dro, o dan Reol Sefydlog Rhif 17.22, ar gyfer y Cyfarfod a gynhelir yn
y Prynawn ar 1 Rhagfyr
Election of Temporary Chair for 1 December Afternoon Meeting under Standing Order No.
17.22

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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
Mark Drakeford	Llafur (yn dirprwyo ar ran Julie James) Labour (substitute for Julie James)
Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Rebecca Evans	Llafur Labour
Vaughan Gething	Llafur Labour
Russell George	Ceidwadwyr Cymreig Welsh Conservatives
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
David Rees	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol**Others in attendance**

Gerry Jewson	Cadeirydd a Phrif Weithredwr, West Coast Energy Chair and Chief Executive, West Coast Energy
Martin Murphy	Rheolwr Gyfarwyddwr, Tidal Energy Ltd Managing Director, Tidal Energy Ltd
Steve Salt	Cyfarwyddwr Cynllunio a Datblygu, West Coast Energy Planning and Development Director, West Coast Energy
Llywelyn Rhys	Pennaeth RenewableUK Cymru Head of RenewableUK 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
Graham Winter	Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 9.32 a.m.

The meeting began at 9.32 a.m.

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions**

[1] **Yr Arglwydd Elis-Thomas:** Bore da a chroeso unwaith eto i sector gynhyrchu ynni adnewyddadwy Cymru a'r Deyrnas Unedig i'r pwyllgor. Mae gennym ymddiheuriadau oddi wrth Llyr Huws Gruffydd a Julie James, a gwelwch fod Mark **Lord Elis-Thomas:** Good morning and welcome, once again, to the renewable energy production sector in Wales and the UK to this committee. We have received apologies from Llyr Huws Gruffydd and Julie James, and, as you can see, Mark Drakeford,

Drakeford, Aelod Cynulliad, yn dirprwyo ar ran Julie. Assembly Member, is substituting for Julie.

9.32 a.m.

Ymchwiliad i Bolisi Ynni a Chynllunio yng Nghymru: Tystiolaeth gan RenewableUK Cymru, Tidal Energy Ltd a West Coast Energy Ltd
Inquiry into Energy Policy and Planning in Wales: Evidence from Renewable UK Cymru, Tidal Energy Ltd and West Coast Energy Ltd

[2] **Yr Arglwydd Elis-Thomas:** Yr wyf yn siŵr eich bod wedi bod yn dilyn y dystiolaeth yr ydym wedi ei derbyn ers inni dderbyn tystiolaeth lafar gan eich corff cynrychioliadol. Beth ydych yn teimlo yw'r pethau pwysicaf sydd wedi eu dweud, a beth hoffech ei bwysleisio ar y foment hon yn yr ymchwiliad?

Lord Elis-Thomas: I am sure that you have been following the evidence that we have received since the evidence session held previously with your representative body. What do you feel are the most important things that have been said, and what would you like to emphasise at this point in the inquiry?

[3] **Mr Rhys:** Diolch, Gadeirydd, am ein gwahodd unwaith eto. Ymddiheuriadau, yr wyf wedi colli ychydig o'm llais, ond fe wna fy ngorau. Fy enw yw Llywelyn Rhys ac yr wyf yma i gynrychioli RenewableUK Cymru. Yr wyf wedi dod â chwpl o aelodau eraill gyda mi a byddant yn ateb cwestiynau. Diolch, unwaith eto, am y gwahoddiad i roi mwy o dystiolaeth. Mewn ymateb i'ch sylw a'ch cwestiwn, yr ydym wedi bod yn dilyn y dystiolaeth sydd wedi cael ei chyflwyno, yn ysgrifenedig ac ar lafar, i'r pwyllgor hwn yn ystod yr wythnosau diwethaf. Yr ydym yn gobeithio bod hyn yn creu darlun clir i chi o'r angen, y cyfleon a'r rhwystredigaethau sy'n wynebu'r diwydiant ynni adnewyddadwy, wrth i ni, yn genedl, fynd ati i sefydlu'r diwydiant a'r technolegau carbon isel yng Nghymru. Yr wyf yn gwybod eich bod wedi clywed gan ein rhanddeiliaid, Cyngor Cefn Gwlad Cymru, y Grid Cenedlaethol ac eraill. Yr wyf hefyd yn ymwybodol bod rhai o'n haelodau eraill wedi bod gerbron y pwyllgor hwn, gan gynnwys y cwmnïau ynni mwyaf, y rhai mawr, y gwasanaethau, sydd hefyd wedi rhoi tystiolaeth bur debyg i'r hyn yr ydym wedi ei bwysleisio yn ein tystiolaeth ysgrifenedig ac ar lafar.

Mr Rhys: Thank you, Chair, for inviting us once again. My apologies that I have lost my voice, but I will try my best. My name is Llywelyn Rhys and I am here to represent RenewableUK Cymru. I have brought a couple of members with me and they will be able to answer questions. Thank you, once again, for the invitation to return to give further evidence. In response to your comments and question, we have been following the evidence that has been presented in both written and oral forms to this committee during the past weeks. We hope that this will create a clear picture of the need, the opportunities and the frustrations facing the renewable energy industry, as we, as a nation, proceed to establish low-carbon industry and technologies in Wales. I know that you have heard from our stakeholders, the Countryside Council for Wales, the National Grid and others. I also know that some of our other members have appeared before this committee, including the largest energy companies, the big ones, the utilities, who have also given quite similar evidence to what we have emphasised in our written and oral evidence.

[4] Hoffwn ailatgu'r prif bwyntiau, fel diwydiant, ac yna byddaf yn gwahodd fy nghyfeillion i gyfrannu eu safbwyntiau nhw, sydd ar flaen y gad wrth ddatblygu'r technolegau o dan sylw. Mae gwir angen ymateb i'r gofynion. Y gofynion mawr yr

I would like to reiterate the main points as an industry, and then I will invite my colleagues to come in to give their perspectives, as they are in the vanguard of developing these technologies. There is a real need to respond to those demands. The major demands that

ydyd yn eu hwynebu fel cenhedlaeth yw gofynion ynni sy'n deillio o newid hinsawdd: cyflenwad digonol a fforddiadwy o ynni sydd hefyd yn cysylltu i mewn i dlodi ynni. Dyna pam yr ydyd yn edrych ar ffyrdd gwahanol o gynhyrchu a defnyddio ynni, a dyna pam mae cymaint o bwyslais ar ynni adnewyddadwy. Mae'r byd yn symud ymlaen, ac mae'r targedau yn symud ymlaen. Mae targedau Ewropeaidd ar gyfer carbon isel ac ynni adnewyddadwy, a hefyd targedau ar gyfer Prydain i gyd a thargedau i Gymru. Mae'r diwydiant yn ceisio ymateb i'r targedau hynny a'r angen hwnnw, gan wrando ar yr hyn y mae Llywodraeth Cymru a Llywodraeth Prydain eisiau inni ei gyflawni a cheisio ymateb i hynny mewn ffordd bositif.

[5] Mae cyfleon economaidd anhygoel yn aros inni os gallwn wneud y mwyaf o hyn. Yr wyf yn meddwl bod y term sydd wedi cael ei ddefnyddio gan y Llywodraeth yng Nghymru, sef 'y chwyldro carbon isel', yn derm cywir. Mae'n derm y gellid ei ddefnyddio ar draws y byd, ar draws Ewrop, ym Mhrydain ac yng Nghymru. Bydd chwyldro yn digwydd doed a ddêl. Y peth pwysicaf inni yng Nghymru yw ein bod yn ei rheoli ac yn gwneud y mwyaf o'r datblygiadau hyn yn hytrach nag ymateb ar ôl i bethau ddigwydd. Os bydd agwedd bositif gennym ac os byddwn yn cynllunio'n bositif, bydd tipyn o werth yn dod yn ôl i'n economi cenedlaethol.

[6] Mae Llywodraeth Cymru wedi nodi'r degawd hwn yn ei maniffesto fel degawd ynni, ac yr ydyd yn cytuno â hynny. Hefyd, mae'r Llywodraeth yn credu bod cymaint â £50 biliwn yn aros i gael ei fuddsoddi yng Nghymru dros y 10 i 15 mlynedd nesaf yn y maes technoleg carbon isel, sy'n cynnwys technolegau ynni adnewyddadwy. Felly, mae cyfle gwirioneddol, unwaith-mewn-cenhedlaeth—neu mewn sawl cenhedlaeth—inni wneud y mwyaf ohono. Fodd bynnag, fel y dywedais yn fy nhystiolaeth rai wythnosau yn ôl, yr ydyd ar groesffordd, ar hyn o bryd, o ran gallu cadw, meithrin ac adeiladu ar yr ymddiriedaeth sy'n cael ei dangos gan y diwydiant, i gadw'r diwydiant yma a'i adeiladu i fynd â'n cynlluniau yn eu blaenau mewn perthynas â'r dechnoleg sydd ar gael ar hyn o bryd, gan gynnwys ynni gwynt ar y môr, ac i adeiladu hyder ar gyfer

we are facing as a generation are energy demands that emanate from climate change: a sufficient and affordable supply of energy, which also ties in to fuel poverty. That is why we are looking at different ways of producing and using energy, and why there is such an emphasis on renewable energy. The world is moving forward, and the targets are moving forward. There are European targets for low-carbon and renewable energy, and also targets for the whole of Britain and for Wales. The industry is trying to respond to those targets and that demand, listening to what the Welsh Government and the British Government want us to achieve, and trying to respond to that positively.

Incredible economic opportunities await us if we can make the most of this. I think that the term used by the Welsh Government, that is, 'the low carbon revolution', is the right term. It is a term that can be used all over the world, across Europe, in Britain and in Wales. The revolution will happen come what may. The most important thing for us to do in Wales is to control it and make the most of these developments, rather than reacting after the event. If we have a positive attitude and if we plan positively, there will be great added value for the national economy.

The Welsh Government has identified this decade in its manifesto as the energy decade, and we are in agreement. Also, the Government believes that as much as £50 billion is waiting to be invested in Wales over the next 10 to 15 years in the field of low-carbon technology, which includes renewable energy technologies. Therefore, there is a real, once-in-a-generation opportunity—or once in several generations—for us to take advantage of. However, as I stated in my evidence some weeks ago, we are at a crossroads at present of being able to maintain, develop and build upon the trust that has been shown by the industry, to keep the industry here and to develop it to take our plans forward in relation to existing technology, including off-shore wind energy, and to build confidence in future technologies, including off-shore wind

technologau'r dyfodol, gan gynnwys ynni gwynt ar y môr ac ynni gwynt yn y môr, ynni llanw a thonau. energy and marine energy, including tidal and wave energy.

[7] Felly, mae'n hanfodol inni adeiladu'r ymddiriedaeth hon gyda'n gilydd a symud ymlaen. Yr ydym yn edrych ymlaen yn fawr iawn at yr argymhellion positif a fydd yn dod o'r pwyllgor hwn. Gyda hynny, fe wnâi gyflwyno fy nghyfeillion sydd wedi dod gyda mi y bore yma. Therefore, it is vital that we build that trust together and move on. We look forward to the positive recommendations that will come from the committee. I will now introduce my colleagues who have accompanied me this morning.

[8] First, I will introduce the West Coast Group of Companies. It is an independent group of companies based in Wales, which is active in all renewable energy sectors, from consultancy to development to installation, on all different scales, from microgeneration to large scale. The company employs 187 people in the UK and Poland. West Coast Energy Ltd, which is part of the West Coast Group, is an independent wind energy developer based in north Wales that specialises in the identification, design, planning and development of wind energy projects, through construction and operation. It has been operating since 1996 and, since then, has secured planning permission for up to 650 MW, which is either in construction or operation. Gerry Jewson is the chair and chief executive of West Coast Energy, which he established in 1996, and he is overseeing the organic growth of the company to its current place, overlooking many projects, including the Rhyl flats offshore project. It is onshore and offshore wind. His colleague Steve Salt is a chartered town planner and is the planning and development director of West Coast Energy. He is responsible for the development of the company's UK wind energy projects. He also has 25 years' experience.

[9] Another member that we brought with us today is Tidal Energy Limited. We represent wind energy and wave and tidal energy development. Tidal Energy Ltd is a technology development company working to install its prototype tidal stream device called the 'DeltaStream', which has received permission for a one-year demonstration off the coast of Pembrokeshire next year. The company was originally founded in 1999. It has been developed and another Welsh company, Eco2, which has given evidence to this committee, has taken an interest in it. This company is now leading Tidal Energy Ltd with the DeltaStream technology. The company has recently benefitted from funding from the European regional development fund, which is administered by the Welsh European Funding Office, including a recent announcement of £6.4 million by the First Minister.

[10] Martin Murphy, representing Tidal Energy Ltd, is the managing director of the company. He is a chartered engineer and had experience working as an engineer in the Royal Navy before working in the marine corporate industry for the last 15 years. He has been working in the marine renewable sector for the last three years as well. I am sure that Martin will be able to answer questions relating to the Welsh Government and the National Assembly for Wales's aspirations for marine energy.

[11] **Lord Elis-Thomas:** Gerry, would you like to take up the leading question that I asked Llew a moment ago? In the light of the evidence that we have taken so far, what would you emphasise that we should pursue?

[12] **Mr Jewson:** I believe there are a number of issues and the foremost issue in my mind is probably planning targets. 'Planning Policy Wales', among other documents, sets out targets, but I feel that they are not terribly clear: they are not time-bounded and they are somewhat inconsistent from one document to another. Having absolute targets that are clear, that we can measure progress against through the planning system, and which would be material considerations when determining planning applications, would be a major step

forward. It would also be helpful to have those measured on an annual basis and reported against at ministerial level in the Assembly, so that progress can be monitored. I would also like to think that we could take a leaf out of the Scottish book, as it were, where they have had targets that are clear and time bounded. As they have approached those targets, they have then reviewed them and increased them. We have seen that happen on two occasions. The 2020 target, for example, in Scotland, went from the original target to 50 per cent and is now a 100 per cent by 2020. That would be something that Wales could also look at to see a greater level of ambition in what we are trying to achieve. That is one of the first issues.

[13] As an industry, another concern that we have in Wales is around the business environment. There is uncertainty in the energy business in general in Wales. We are a Welsh company and proud to be based in Wales, but, unfortunately, it is seen as a difficult place to do business, because, in part, it is unpredictable. Targets would go some way to mitigate that.

[14] Timeliness of decisions is also important. Whether planning applications are refused or approved, we should move to a position where that decision is made relatively quickly. We have personal experience of that on the Tir Gwynt project. It is a project near Carno in mid Wales, which we originally submitted to planning in September 2007. It was eventually determined at Powys County Council's planning committee in August 2010. We are still waiting for the decision notice to be issued as the legal agreement has not been completed. I believe that has taken far too long. Why has it taken so long? I am not sure that it is a direct fault of Powys County Council. I am not sure that it has the resources there to determine these applications in a timely manner. I think that it now has one planning officer, working part-time, looking after that.

9.45 a.m.

[15] Some of the statutory consultees are definitely slow in coming forward with decisions. I would like to see CCW having an obligation to deliver its comments and responses in a timely manner, say within three months, rather than the current system, which is not time-bound and which takes many months, if not years sometimes, to get to a formal decision.

[16] The other key consultee is the Highways Authority. The level of detail that we, as applicants, have had to go into in relation to that project is, in my view, unprecedented. Again, I go back to the Scottish model. For our Scottish developments, we have not been required to produce traffic management plans or identify specific passing areas or a host of other details that, quite frankly, although very important—do not get me wrong—can be left until after the consent has been granted. They are not primary issues. Too often, the consenting process gets wrapped up in secondary issues rather than primary ones. You should get the principles established first and then look at the detail. Those are two of the key issues and messages that I would like to get across.

[17] **Lord Elis-Thomas:** That is very helpful, Gerry. We have heard from the Countryside Council for Wales, and the committee will hear from local authorities this afternoon. No doubt, what you have just said will be quoted at them. We have also heard from the Planning Inspectorate. It seemed to me, from our discussions with the Planning Inspectorate and with the Countryside Council for Wales, that there is now a greater willingness to inform and to indicate and, in that sense, to guide, not the outcome, but the process of planning and consent in a more positive way, which is something that you would welcome and something that we may well recommend.

[18] **Mr Jewson:** Absolutely, yes.

[19] **Mr Salt:** On that point about CCW, we would like to emphasise from our perspective

how we work with Scottish National Heritage. It now seems to be very well aligned with Government in driving forward the targets. That was not always the case. A few years ago, there was a great deal of tussling and to-ing and fro-ing with that agency. Perhaps it did not have the resources to do the job. However, it has come to the table to deliver the targets that the Scottish Government has set itself, and it has worked out how it is going to do that. So, it has an action plan, as an agency, to work with the Government and the industry to deliver those targets. It has a protocol for dealing with planning applications that it objects to and those that it does not object to. From our perspective, that gives us confidence to engage with that consultee.

[20] I am afraid to say that that has not been the case with the Countryside Council for Wales, as Gerry has explained. Month after month, we have been trying to get it to respond to issues and to deal with queries and consultation responses on Tir Gwynt back to Powys. From our perspective, that needs to change. It is a big organisation and I think that it needs to dedicate the resources. However, it is also about the Government. The Scottish Government has that policy and that drive, and it is trying to deliver and work out what the challenges are and then looking at actions to implement. From my perspective, I welcome this inquiry very much. It cannot be right that, as a Welsh company, we spend most of our investment in Scotland. Most of my time is spent there working with planning authorities. We want to spend a great deal more time in Wales. Quite a few years ago, we were doing that. We were spending our efforts developing offshore with the Rhyl flats. We are still trying to develop a number of projects here in Wales.

[21] However, from my perspective, if I may, I would like to comment on a very important aspect to do with community renewables. I am happy to do that later if you would like me to.

[22] **Lord Elis-Thomas:** Yes, or you could set it out now.

[23] **Mr Salt:** There is definitely a problem in Wales with developing the projects that we want with onshore wind. That is the business that we are currently in, but it may not be in the future, because there may be other technologies. However, getting the community buy-in to what we are trying to do is a real problem, and I appreciate that it is a problem for the Government.

[24] We could talk about the big picture of climate change and so on, but I do not think that that necessarily gets buy-in from communities that face changes in their localities. We have looked closely at trying to achieve buy-in by working with communities—which sounds reasonable—as most windfarm developers do. We have community engagement, but one way forward that we have looked at is that we genuinely believe that communities should benefit from the generation of electricity in their backyard. We are coming in to their area, we are extracting the wind from their countryside, but they need to get something back.

[25] So, we have developed a number of models with regard to developing community turbines. We have a number of commercial windfarms in Scotland that are in the planning process at the moment, and we have engaged with the local development trusts, local community councils and local groups that want to see things happening in their community, and it is amazing how much buy-in we have. The communities there say that perhaps they are not too sure about windfarms, or they do not like the look of them, but they recognise that they could achieve an income stream from them to do lots of other things. It is not necessarily about achieving the climate change commitments or targets, but that the income stream from the community turbine can achieve so much. We are not saying, ‘If you give us some money, we will invest it in a windfarm for you’, although that might be a model in some areas and some communities could have the resources to do that. We are taking away the risk, so we are developing a community turbine, putting in all the financial resources, and the community

then receives an annual payment that represents a net profit. We have legal agreements with these community groups so that they can borrow against the asset in future, which is quite important.

[26] I could give some details, but community renewables in Wales is an important way forward. Scotland has a community renewable target of 500 MW. That is the target, it has action plans and it is monitoring the deliverability. We have a different set up in Wales, in that we have specific areas to develop windfarms. There are great opportunities outside these areas for a number of projects, and I think that the Welsh Government should have a target for achieving significant renewable energy from communities, which will help with the buy-in.

[27] **Lord Elis-Thomas:** In your view, will that be outside the strategic search areas of technical advice note 8?

[28] **Mr Salt:** The industry has the model of delivering benefit by so much per megawatt of capacity, so there is a model there. You have heard evidence from other members of the industry on how they are doing it in different parts of the SSAs. There are opportunities in the SSAs for community turbines, but many of the projects have already been developed and are trying to move forward through the planning system. From our perspective, smaller-scale projects, focused on particular communities and working with them to deliver benefits outside the SSAs, should be something to consider.

[29] **Antoinette Sandbach:** Welcome to you both. I have been to West Coast Energy's offices in Mold, and I know that you are a very impressive company. We have heard from other witnesses that TAN 8 was, effectively, a top-down Government policy and that there was no engagement with communities. Effectively, it was stated and then left. Community projects are up to 25 MW; do they have the same blocks in the planning system as projects of up to 50 MW? As they are smaller scale and on a community basis, does that allow people to understand more about the technology, what it can deliver locally and what the benefits are?

[30] **Mr Jewson:** My belief is that that is the case. Steve has given one or two examples in Scotland, and we have certainly found much more buy-in there, where we have had greater community involvement, whether it is receiving 10 per cent of the net profits or ownership of shares. They are the models that we have used up there, but direct share ownership can be a bit complicated. Our experience in Wales is limited to the Tir Gwynt project, which is a slightly different model again. It is a project in the Carno area and has been jointly developed by us and a group of 15 local farmers. It is also perhaps unique in the context of mid Wales, because it has a grid connection and is not tied up with the mid Wales reinforcement, which is a whole different issue in itself. It is also, from a traffic perspective, outwith those cumulative impacts. Although we do not have the planning permit in our hands and the 106 agreement is not signed, we have generally found that the local community is very supportive of the project. Clearly, there are people who are concerned about it—that will happen—but, generally, my perception is that people have been supportive. I think that that is reflected in the decision that Powys County Council has taken on it. Hopefully, that answers your question.

[31] **Antoinette Sandbach:** I think that you stated in your evidence earlier that the planning process is as complicated for an up to 25 MW development as it is for an over 25 MW development. The figure of 25 MW is the limit that the Welsh Government sets on community renewables. First, perhaps you could confirm that and, secondly, what is your view on the strategic search areas and whether those community models should be more permissible outside them?

[32] **Mr Jewson:** Generally, the level of complexity of the planning process is quite

similar with a 25 MW project and a larger project. It is certainly not a linear relationship in terms of capacity and complexity. Projects such as Nuon's Pen y Cymoedd project are a different order of magnitude again and raise a lot more issues, as you would expect. So, hopefully, that answers the first question that you asked.

[33] In terms of 25 MW projects, TAN 8 and the community element, fundamentally, TAN 8 was a good document. It was a brave move on the part of the Government to do that. It could probably do with revisiting and enhancing, and if we go back to 25 MW, it talks about 300 MW for community projects and brownfield projects up to 25 MW. That is uncertain, because it is not stated whether that 300 MW includes existing consented schemes or is just for new schemes, and that could do with some clarity.

[34] An absolute target for community-based schemes outside the SSA would be a positive thing. A lot of projects are clearly held up in both north Wales and mid Wales because of grid issues, and that will not change in the short term—2015 is being talked about as a possible date for mid Wales, and I think that that is massively optimistic. There is a fairly obvious role for community-based schemes with buy-in from the community to start bridging the gap towards some of these targets. We then perhaps need to look at a definition of a community-based scheme, because that could do with some clarity. In our experience, and the experience of some of the communities that we have worked with, while at the start of the development process there is a lot of will to have community ownership of community-based schemes, which is a great thing, the reality is that few communities have the expertise or the financial backing to be able to develop those projects alone.

10.00 a.m.

[35] It would be good to see some of the revenue from these projects stay in Wales through community partnerships with companies such as ourselves, particularly as we are a Welsh-based company. I am not quite in accord with RenewableUK here, but many outside companies have come into Wales and tied up the TAN 8 areas. Where is that money going? It is not being reinvested in Wales; it is going elsewhere. Within the bounds of EU procurement rules, we would like to see some positive discrimination towards Welsh companies. Hopefully, that has answered your question.

[36] **Mick Antoniw:** A lot of the evidence has been helpful, especially based on the past. You are now giving an understanding of the practical issues that are arising. Do you think that there is sufficient clarity and strength of purpose within local authority leadership in advancing these projects?

[37] **Mr Jewson:** No, I do not. There is a lack of leadership, not only at a local authority level, but all the way through. Local authorities have been asked to make some very difficult decisions. They do not necessarily have the tools or the expertise to be able to recommend to their members what represents a good or bad scheme. The issue with many energy projects of this nature—be they wind, or other projects—is the gestation period. These can straddle one or two local authority or parliamentary sessions. That in itself creates problems and political uncertainty. They do not have the tools. There is a requirement—Steve can help me here, because I am not a planner—for local authorities to draw up local development plans that identify potential areas for renewable development within them. That is a great idea, in theory, but do local authorities have the technical wherewithal to be able to do that? They probably do not, to be honest. Also, there is a timescale issue. Many of these LDPs have either been adopted or are well progressed, and the opportunities to insert policies that attract or control renewable energy development are limited, without bringing in special planning guidance, which, I guess, is an option.

[38] **Mick Antoniw:** Would it then be an advantage that, within certain time frames, more

of these applications should be called in by Government to seize control of them?

[39] **Mr Jewson:** If it creates more certainty and drives the decision process to reach a decision more quickly, there is a role for that, but that can only be done provided the Welsh Government also commits to turning those applications and decisions around quickly. Again, I turn to the issue of targets. Targets are the key here in that they should be material considerations when determining a planning application of any nature, but certainly of this nature. If that were done against a backdrop of targets that were material considerations in that process, there would be an argument to explore that.

[40] **Mick Antoniw:** Following on to the community buy-in element, someone not so long ago said that it does not matter what you say, as long as you stick in the words ‘community’ and ‘sustainability’ somewhere. What I am unclear about is whether there are any strategic documents or guidance—from the Welsh Government or from you—in terms of what a community buy-in actually means and what the various options are. It seems to me that, when you talk about it, it is a very ethereal proposal. That goes to the core of many issues: once you get off on the wrong foot with something that might be seen to be controversial in the community, that lack of any strategic position or set of options from the beginning is a real weakness.

[41] **Mr Jewson:** That is a fair comment. A number of models exist in the industry and it is fair to say that the word ‘community’ is bandied around far too readily. It is easy to pretend that you are doing something in the community, but when it gets to the nitty-gritty, you need to be offering something concrete. The model that we are using in Scotland at the moment—Steve can explain this in a bit more detail if you like—means that the community, through a legal agreement with the windfarm, is guaranteed 10 per cent of the net profit from that windfarm, although it varies slightly from site to site. So, there is a legally binding agreement linked to the project. How that is used is a different issue, because you can then create problems in terms of the quantum. We believe that that is quite a good model. It is developed on the basis that there is no risk to the community; the developer will take that risk. The only risk that the community takes is whether the wind blows and whether the windfarm performs, but that is a risk that is shared with the developer.

[42] There are other models. In Scotland, we have worked with a company called Energy4All, which has offered shares to the community as part of the project and which has been quite successful. However, the financing of energy projects is quite complex and, particularly in the current climate, much more difficult than it was four or five years ago, and it is getting difficult again. Having multiple shareholders in projects is not conducive to bank finance, which is how most of these projects are financed. So, we feel that a better model that achieves the same end is the one that involves 10 per cent or 8 per cent of net profit. It can be from a notional turbine that the community can have. If you have 10 turbines, there can be a turbine that they see as their machine. They do not strictly own it, but they are entitled to the revenue from that machine.

[43] **Russell George:** Good morning. I want to ask some questions about technical advice note 8 and community buy-in, which Steve was talking about. You mentioned how important it is to get community buy-in. You mentioned examples of how that has been successful in lots of areas. However, there is quite a bit of evidence that shows that, in mid Wales, there has not been community buy-in—not with you, really, but as an industry. I am interested in why you think that is. I am not directing the question just to you, Steve, but to any other member of the panel who wants to answer that.

[44] **Mr Salt:** Are you asking the question in terms of an industry perspective?

[45] **Russell George:** Yes.

[46] **Mr Salt:** Antoinette said earlier that the perception is that TAN 8 was seen to be imposed upon particular areas of Wales. While I am not sure whether that was the case—I am not necessarily disagreeing about that—the process was consulted upon and there were opportunities for the public to take a view on the matter. Various projects have had buy-in from communities in mid Wales, because the industry has tried hard to engage with the communities and deliver community benefit in delivering projects that are going with the policy of the day; the Government's policy. The projects have to be sound in environmental terms. I think that we are all fully aware of the particular issue arising recently in terms of the perception of impact from the grid, and that really has generated a great deal of opposition.

[47] We now start from a difficult back-base in mid Wales in trying to deliver projects. What we have is a tremendous ambition of targets or aspirations to deliver 48 TWh of renewable energy. The previous Welsh Government should be commended for putting that target on the table. It is in planning policy, just about, but it is not clear how that is being delivered. However, now that we have these strategic search areas, which we, as a company, agree are the right thing if we are committed to delivering the aspiration for renewable energy, we need to find a way around the problems that have arisen. It is perception, more than physical impact. The thought of hundreds of lorries with large abnormal loads travelling through Welshpool is a perception and a view given by people who do not want the high street to have to take the traffic. The reality is that projects will have different timelines for being consented and for working towards construction. In Scotland, it happens all the time. They are delivering 6 GW of renewable energy. It is a bigger country in terms of the land resource, but it deals with the issue because it wants to deal with it. We hide from the issue in Wales. So, we need to deal with the grid issue if we are going to achieve the targets, and we need to find a plan. The Welsh Government needs to be involved in that plan and take the lead to deliver and implement it.

[48] **Mr Rhys:** If I may add—*[Inaudible.]* Out of the seven strategic search areas, three of them are located in mid Wales in the strategic spatial approach adopted by the Government in 2005. That will have infrastructure implications, especially for an area such as mid Wales, which does not have that infrastructure to begin with. Therefore, the infrastructure will come with large-scale windfarms, which have been directed to those sites, and through a grid upgrade, which is needed to get electricity from the windfarms, and the road network. However, that could be questionable if it caused problems in the construction stage. It was all a result of strategically locating windfarms in areas that had unforeseen consequences. Since the original TAN 8 document, which was published in 2005, the targets for onshore wind have been doubled, but the SSAs have remained the same. So, there is more pressure on the infrastructure to deliver greater targets, but in the same places. That has had a bearing as well.

[49] You asked earlier whether local authorities had the strength of purpose and the resources to respond to their obligations. Going back five or six years, when TAN 8 was launched, it placed an obligation on half of Wales's local authorities. It has an impact on 11 of the 22 local authorities. Some SSAs cross borders or they impact on neighbouring authorities. To begin with, there was a feeling, among the 11 that were being affected that they were being overwhelmed. This was especially so for Powys, which, with its territory, size, landscape and topography, was seen as carrying the burden, if that is the right word, of large-scale windfarms. There are serious questions regarding resources and whether local and other statutory planning authorities, such as the Countryside Council for Wales and National Parks, have the tools to do the job, which has increased.

[50] For the first few years, some local authorities felt they had to reduce the impact. I would say that we wasted two years with a refinement process. Some local authorities tried to reduce the size of the SSAs effectively with local refinement. It created more pressure because the area was reducing and, therefore, it meant more turbine density in smaller areas.

That reverted to looking as a whole at SSAs, but that took two years. During that period, the other 11 local authorities that were not affected by SSAs took a back seat, thinking that they did not have SSAs in or close to their areas and that they did not have to worry about making any effort to increase the deployment of or look for opportunities for renewable energy.

10.15 a.m.

[51] The amended ‘Planning Policy Wales’ document that came out in 2010 went some way towards rectifying that, in saying that all local authorities, no matter where they were in Wales, needed to look for opportunities to think about renewable energy targets from whatever technology was appropriate in their areas—that everyone should bear the burden. That is an important message.

[52] There have been other developments on the part of the Welsh Government. It provided a toolkit for local authorities. It has given or offered more money that local authorities can bid for. However, as an industry, we would say that there is a great deal more that needs to be done in terms of providing resources to ensure that local authorities are fully equipped to do the work they have been asked to do and, perhaps in future, to look at ways to lessen the inflexibility of locating everything big in the SSAs, which are obviously becoming pressurised.

[53] **Russell George:** From what I understand, in Scotland, there has been buy-in, but that has not been the case in mid Wales. I think that you have partly answered why you think that is the case. That is a question that the committee should be looking at as well. You have answered it in part. In your paper, you mention that TAN 8 puts all its eggs in one basket with regard to onshore wind power generation. Just to clarify your position on updating TAN 8, do you think that there should be more SSAs or that they should be scrapped altogether?

[54] **Mr Jewson:** Our view is that it probably does need updating. I certainly do not think it should be scrapped—

[55] **Russell George:** Sorry, I was asking about SSAs, not TAN 8.

[56] **Mr Jewson:** Sorry. I do not think they should be scrapped. I think that the current ones should be retained. We should look to update the TAN and see whether we can get additional capacity in the SSAs or around them. However, we also need to recognise that there are constraints, particularly in mid Wales, that relate to the grid. That will inevitably delay the build-out of those projects. In the meantime, we should look to develop community-based projects elsewhere in Wales, perhaps within a definition of community projects, and also with a target to be considered.

[57] **Mr Rhys:** I want to give the RenewableUK position with regard to updating TAN 8. Back in 2007, we responded to the ‘One Wales’ agreement, which outlined that the Government would refresh TAN 8, looking to increase renewable energy targets from a range of technologies or something to that effect. That was followed by the renewable energy route-map consultation document of 2008. It may be semantics, but ‘refresh’ is different to ‘review’. However, we took the commitment to do that at face value. If you are interested in increasing targets for onshore wind power generation, because of constraints, it is in everyone’s interests to look for flexibility and to make it easier.

[58] We listed a range of things that the Government could consider, such as expanding the existing SSAs; identifying new SSAs; identifying other parcels of land—not necessarily SSAs, but perhaps more Forestry Commission or Ministry of Defence land—for development; allowing some sort of criteria-based approach for some large-scale wind farms outside the SSAs; and identifying opportunities within brownfield sites, because that was an

aspiration but it was ill-defined and there is the question of whether the land is available or land-banked for other sorts of developments. So we proposed this range of things that the Government and the Assembly could look at to increase the flexibility of the strategic approach while maintaining a strategic approach. As an industry, we do not want a wholesale review of the existing SSAs as they currently stand, because millions of pounds have been invested and directed by the industry from companies in Wales and internationally. They have been directed by the Government to invest in business in these areas. So, it is only fair to allow the current planning applications to run their course and, if they are viable, appropriate and environmentally sensitive projects within the areas that the Government have directed industry to, they should have a chance to operate there. In one sense, we want to protect what we have, but we are open to discussing with Government and others what is out there and what can be made easier for the future.

[59] **Mick Antoniw:** What would be the consequence of a wholesale review of the SSAs, as far as the industry is concerned?

[60] **Mr Rhys:** We would totally oppose it, because of the level of interest and the goodwill of industry—it has only followed what the Government has told them to do, which is to look for investments and to invest and develop projects within SSAs. If you are talking about a review that is synonymous with a moratorium, you could expect to lose the onshore wind industry in Wales. The industry would lose confidence in its investment because that would endanger and delay their investments even more. You could also expect that future investment in other forms of renewable and low-carbon technologies, such as marine energy, or whatever else it may be, would also be lost in the future.

[61] **Lord Elis-Thomas:** I am conscious that we have spent the whole time so far onshore. Did you have a quick question on this, David? Rebecca has also been very patient, as always.

[62] **Rebecca Evans:** I am going offshore.

[63] **Lord Elis-Thomas:** I knew that you would. [*Laughter.*]

[64] **David Rees:** You talk about the SSAs and TAN 8 and the uncertainty that any changes would cause in the industry. What is the view of the industry in relation to the current national policy statements, the Infrastructure Planning Commission and the TAN 8 situation?

[65] **Mr Rhys:** I will let West Coast Energy come in on this, because it has practical experience of this. On policy, we are an industry and we respond to Government policy, targets and guidance on planning—we only respond to what is there. The NPS has made the hierarchy quite certain, and the industry understands that fully. It is not a question that we ponder, because it is quite clear that the national policy statement sits above TAN 8 with regard to strategically large-scale projects. That means that potential developers of projects could go above TAN 8, if you like, and potentially site a large-scale windfarm anywhere, trying to respond to the NPS. Whether that is practical on the ground is another question. TAN 8 is a material consideration, even for the NPS and whoever determines it, whether it would be the IPC, the son of IPC or the Department of Energy and Climate Change. It is still an important consideration that developers would have to recognise. Developers are not in the business of making things hard for themselves; they listen to what the national and UK Government says. They would have to consider their approach to that and whether it would be worth it for them to override and disregard TAN 8, even though it is an important material consideration in any decision taken anywhere in Wales.

[66] **Mr Salt:** From our perspective, we are not developing 50 MW plus projects in Wales—perhaps that says something. TAN 8 sits well below ‘Planning Policy Wales’, which is up to date from February of this year and is the key document. However, when you look at

the wording of the document in trying to deliver policies for local planning authorities and what it tells the Government to do, it is very weak. From our perspective, that is the document to look at to try to drive appropriate policy to meet the aspirations that are set out in ‘A Low Carbon Revolution’.

[67] Perhaps the committee could also look at the renewable energy route-map of 2008; it was the real aspiration of Wales to deliver those targets. The aspiration has a certain amount of onshore wind and has a significant amount of offshore wind as well, but there are other technologies that are not going to happen unless there is the research and development for those projects. So, that needs to be refreshed, but, from my perspective, ‘Planning Policy Wales’ is the key driver, not necessarily TAN 8, because it sits below it.

[68] **Lord Elis-Thomas:** If I am hearing you correctly, are you telling us that the Welsh Government has perhaps lost momentum in this area?

[69] **Mr Salt:** With the greatest respect, I am afraid to say so, yes.

[70] **Lord Elis-Thomas:** You do not need to be afraid to say so to this committee.

[71] **Mr Salt:** The answer is definitely ‘yes’, then.

[72] **Lord Elis-Thomas:** Was this perhaps complicated by the First Minister’s statement on a certain Friday, followed by a letter a fortnight later from another Minister trying to explain it—or is that a leading question? [*Laughter.*]

[73] **Mr Jewson:** It clearly is a leading question. Suffice it to say that for industry to invest in Wales, it needs certainty, and certainty comes through having consistently applied policy. That probably answers your question in a slightly better way.

[74] **Lord Elis-Thomas:** I try to never antagonise my colleagues. [*Laughter.*] It is all impartiality.

[75] **Rebecca Evans:** The Scottish Government has given considerable support to marine renewable energy technology, including the production of a marine energy road map and the prize for innovation in marine renewable technology. What effect has the Scottish Government’s support of marine renewable technology had on the implementation of tidal power schemes and the development of the marine renewable energy industry more generally in Scotland?

[76] **Mr Murphy:** Good morning everyone, and thank you for that question. Without doubt, Scotland has taken a strong leadership in the marine renewable energy industry within the UK; it is true and fair to say that that is recognised on a worldwide basis as well. There has been an extremely strong leadership and desire, which has stimulated the UK national Government to continue its support. From our experience of being active in Wales, we have been grateful for the political support for our work from across the political spectrum in Wales. So, the answer to the question is that, yes, Scotland has certainly stimulated the initiative. Our industry is very much in its nascent stage; we have a huge amount to learn and we are entering a very challenging environment. We all recognise that the resource is there, so what we, as developers, have to do is to prove that we can attract or generate power from that resource. However, the engineering challenges with regard to that are not trivial.

[77] **Rebecca Evans:** What effect will the proposed changes to the level of renewable obligation certificate payments have in the future if a more level playing field is created?

[78] **Mr Murphy:** It has done exactly that—it has created a very level playing field. The

current ROC banding review consultation creates the scenario where, for wave and tidal stream devices, we can benefit from five ROCs in developed schemes of up to 30 MW up to 2017. As a developer, before that equalisation, there were certain attractions from a commercial perspective to look at development in Scotland, given that there is a differential benefit there with regard to its ROC regime, ahead of England, Wales and Northern Ireland. However, with the equalisation, we now have this level playing field. It is certainly affecting our strategy as a small technology development company. We are a Welsh company—we are based in Cardiff and we are developing our project in Ramsey Sound in Pembrokeshire—and, for commercial reasons, we see absolutely no reason why we should not focus our activity on Wales given that we have seen political support in Wales for what we are trying to do.

10.30 a.m.

[79] So, the industry is learning. It is embryonic. We have no reason, for the time being, to go elsewhere rather than focus our efforts on Wales. The resource is here, and it is up to us to try to demonstrate that we can take advantage of it.

[80] **Rebecca Evans:** Finally, returning to the community buy-in issues that we were talking about earlier, what sort of community involvement would be relevant in tidal or offshore schemes?

[81] **Mr Murphy:** Our project over the last three or four years has been focused on the Ramsey sound development just a couple of miles away from St David's. We have had three public exhibitions in St David's over the last two years or so to demonstrate and consult with the local community on what we are proposing and what we are planning to do. I am happy to report that the response has been extremely positive. I hate to say this, Gerry, but one of the first things that the public has said to us is, 'We are very happy to have tidal turbines, because we cannot see them'. Opinion has been strong in that respect. As far as community buy-in is concerned, we are at an early stage of demonstrating a prototype and trying to bring the community along with us—successfully, I think, because there is a natural awareness of the tidal regime and how that can benefit them as a community in the longer term. Community involvement in the scheme on a commercial basis is appropriate, in a similar way to how Gerry described earlier. However, these are early days for our industry. For example, when we are generating power in Ramsey sound next year, our goal is not to generate commercial levels of power, but to understand the technology and how it interacts with the environment. We are not on a commercial-scale basis at the moment. Ultimately, commercial benefits for communities will be an important part of our prospectus.

[82] **William Powell:** As a native of Wales's largest landlocked county, but a former member of a national park authority, I am very interested in your experience in engaging with the Pembrokeshire Coast National Park Authority in promoting the Ramsey sound project.

[83] **Mr Murphy:** Again, the planning authority—the national park—has been supportive. I would widen my comments to add that the support from regulatory authorities across the piece, and from the consultees, has been very positive. We have engaged with the planning authority, with the regulators in the newly formed marine consents unit in the Welsh Government, with the principal statutory consultees, the Countryside Council for Wales, and we have also had to go to the Department of Energy and Climate Change for our section 36 electricity licence. The whole perspective has been, 'This is new. We wish to understand whether this is something that we can benefit from'. So, in that context, the engagement has been positive, and we have gone through the planning process with the park authority. Yes, there were conditions on our planning approval, and the same applied to our operating licences, but those conditions are reasonable and dischargeable. For us, it has been a matter of constant engagement and communication with the authorities involved, to ensure that they understand what we are doing, and that we are compliant with their requirements.

[84] **William Powell:** Did you encounter any issues with the planning authority? Was there any need for a contribution towards the expertise necessary to evaluate your project?

[85] **Mr Murphy:** Our direct experience has been very positive. I would add the slight health warning that we have been frustrated at times by the speed of response in generating the dialogue and keeping it going with respect to the planning and regulatory requirements. That in part is because it is new, and the authorities are learning about what we are doing as much as we are, and about the processes that they have to administer. However, I feel that, sometimes, given the speed of the response, we could have benefited from a faster-acting dialogue. There again, that probably stems from caution and inexperience.

[86] **William Powell:** Thank you very much for that. I found Llewelyn's laying out of the overall previous planning context extremely helpful. Turning to West Coast for a moment, we have consistently heard about inconsistency and difficulties with various planning authorities and other regulatory bodies. Is it possible to drill down a little bit more in that respect, to hear some more about your experiences and to have some indication of where you have encountered better practice, because we have heard about where there have been real capacity issues? That would be quite helpful to the committee.

[87] **Mr Jewson:** Okay. Let us start with Tirgwynt, which is something current, I guess. With regard to the CCW, we were asked at the start of the process whether we would be prepared to contribute towards an officer to help deal with the case. We found that slightly strange. I am not sure what the legalities of that would have been, but clearly, we declined. We have had a dialogue over a period of time, with the CCW primarily and with the local authority, and that has led to halving the size of the project, from 22 turbines down to 12. That is due to a combination of visual issues and avian issues, all within the SSSA and the refined strategic search area. It has been quite difficult for us and, I guess, for Powys County Council as well, in fairness, to get timely views and responses from the CCW, and that has led to a protracted determination process—it took three years from submission, and we did a lot of consultation in advance of that towards getting a determination at a local level.

[88] The highway authority and other interested parties have been difficult to deal with. At one point, through frustration, I attended a meeting in person and found 14 people representing seven different organisations, all looking at highway issues, which was very frustrating, as you can imagine. These were issues that were no different to anything that we did when, for example, the Cefn Croes project was built several years before. None of these issues was raised.

[89] I mentioned before that we have been asked to look at a level of detail by the highway authority. In my view, that is unprecedented and unnecessary. Being forced to look at specific laydown areas to derive a traffic management plan, or to do what is, in effect, an environmental assessment of laydown areas and areas of the road that require widening, is unnecessary. It may well be necessary in due course, but not when you are looking to establish the principle of the project. So, our experience in that regard has been extremely painful. I could be specific about the individuals involved, but I would rather not do that in the circumstances. However, there is a real issue there.

[90] We also became wrapped up, to an extent, in the cumulative issue that Wales faces in relation to strategic search areas B and C. That was unnecessary, because the Tirgwynt project has a grid offer for a capacity of 30 MW, and we hope it will be built well in advance of those projects being consented, let alone being built.

[91] Hopefully, that has given you the level of specificity that you are looking for. In conjunction with the project manager, I would be happy to submit more data to you that

would reinforce that, if the committee wishes.

[92] **William Powell:** I have a final question in respect of the regulatory framework, which relates to the Minister's recent decision to proceed with the creation of the single environmental body. Have you taken part in the consultations that have taken place to date? What will you contribute now that the Minister's direction of travel has become clear, given your less than positive experience of one of the bodies that will constitute that new body?

[93] **Mr Jewson:** I sit on the energy sector panel, so I can draw from my experience of that a little. When the working group—I am probably using the wrong term for it—put together the original proposal, there was no-one from the business sector or outside those bodies involved in that, certainly not from the business sector. That was massively surprising, given that this should be about producing a better service to customers. In fairness, that has subsequently been corrected. A colleague of mine, David Williams, sits on that working group now, so he will hopefully have some influence over it. That was an important point.

[94] In itself, I am all for efficiency; that is very important. I could see the logic of CCW and the Environment Agency coming together. The inclusion of the Forestry Commission slightly surprised me, as I see it as a slightly different body, and it certainly wears a number of hats in terms of TAN 8, which is an interesting one. This could be a good move, but it needs to be used to implement a wholesale review of processes, services, timeliness and accountability. The CCW has over 500 employees. Why it cannot provide sufficient resource to respond to planning applications in a timely manner is beyond me, quite frankly. We have talked a little about the Scottish model. Scottish Natural Heritage, which is the CCW's equivalent in Scotland, has set up a team of individuals who are dedicated to servicing the renewables industry up there and provide a better service. There are issues—I would not say that it was perfect by any means; no organisation ever is.

[95] To wrap up, I am quite happy with the concept. Done properly, it could be efficient, but it needs to be—I hesitate to use the word 'brutal', but perhaps that is the word I am looking for. These issues need to be looked at in depth, and if it is merely about amalgamating three organisations under a different banner, then why do it? Let us use it as an opportunity for a wholesale review.

[96] **Lord Elis-Thomas:** That is more helpful than you think, Gerry, because this committee, in a brief private discussion earlier, started considering whether and how we should investigate this decision, and we were particularly interested in the business case. What you have just said may have some influence on what we might do.

10.45 a.m.

[97] **Mr Jewson:** If you are looking to change the culture of an organisation, you have to dig very deep, and make significant staff and personnel changes.

[98] **Mr Rhys:** On the single environment body, as a member of the advisory committee that informs the Minister, there is another aspect in terms of windfarms and Forestry Commission Wales delivery and planning. There is an agreement with Forestry Commission Wales to have windfarms on its estate. That needs to be added to the equation. It does not mean that we object to it, but it needs to be thought of and there may need to be some separation between the delivery arms and the assessment and strategic consultee arms. The three bodies have different duties and different cultures at the moment. It is not impossible to look at them together. The three important things for us are efficiency, timeliness and consistency. If it is one body, it should be a consistent one, with one response to overall policy. We do not want to unnecessarily reinvent the wheel, and it is important that the new body does not have less expertise or fewer resources in terms of renewable energy than it did

before the reorganisation. It would be good to look at new opportunities in establishing a body—for example, the feasibility of appointing established renewable energy officers within the body, tasked to lead with the assessments and look for opportunities for renewable energy.

[99] **Mark Drakeford:** Hoffwn ofyn cwestiwn i Llew. Yr wyf yn cofio ichi sôn wrthym y tro diwethaf ym mis Hydref am bwysigrwydd y protocol ar gyfer budd i'r gymuned. Yr ydym wedi clywed unwaith eto y bore yma am y problemau sy'n wynebu cymunedau wrth geisio deall y sector a gweithio gyda'r sector. Yr ydym yn gwybod hefyd, yn Lloegr, fod protocol wedi'i gyhoeddi a'i fabwysiadu yn ôl ym mis Chwefror. Ble mae'r sector wedi bod yng Nghymru? Pam nad oes protocol eisoes ar waith yma, ac a oes gennych amserlen i ddangos i ni pryd y bydd y protocol ar y bwrdd yma yng Nghymru?

[100] **Mr Rhys:** Diolch am y cwestiwn. Yr oeddwn yn gobeithio y byddai cyfle i mi siarad rhagor am fudd cymunedol er mwyn i mi gael rhoi ateb llawn i chi. Yr ydych yn hollol iawn bod protocol gwirfoddol wedi ei gytuno ym mis Mawrth eleni gan y diwydiant. Mae hefyd wedi'i argymhell gan Lywodraeth y Deyrnas Gyfunol ac, felly, mae'n weithredol. Mae'r protocol sy'n ymwneud â Lloegr yn unig ond yn cyffwrdd â'r hyn sy'n cael ei alw'n daliadau budd cymunedol. Nid yw'n cyffwrdd â dim ehangach na hynny. Mae hefyd yn brotocol clir a dealladwy sy'n eithaf byr ei gynnwys, am ei fod mor syml. Yng Nghymru, yr oeddem yn credu'n fuan iawn ei bod yn bwysig cael protocol ar wahân i un Lloegr. Yr oedd hynny, yn bennaf, oherwydd y ffordd yr ydym yn rheoli ffermydd gwynt ar y tir, sy'n wahanol yng Nghymru. Oherwydd TAN 8 a'r ardaloedd chwilio strategol, mae ffordd fwy strategol o'u lleoli ac, felly, mae angen protocol sy'n rhoi ystyriaeth i hyn.

[101] Dyna pam, yn y manifesto a luniwyd gennym cyn etholiadau mis Mai, y rhoddwyd ymrwymiad y byddem yn gweithio gyda'r Llywodraeth newydd i edrych ar yr hyn y byddai protocol yn ei gynnwys. Mae'n cydnabod ein bod, fel diwydiant yng Nghymru, am weld unrhyw brotocol a fyddai'n weithredol yng Nghymru yn un gwirfoddol. Byddai unrhyw brotocol yn gorfod bod yn ehangach ac yn ddyfnach na'r un yn Lloegr. Mae'n bwysig ein bod yn cael

Mark Drakeford: I have a question for Llew. The last time, back in October, I recall hearing you talk about the importance of the protocol on community benefits. Again, this morning, we have heard of the problems that communities are faced with when they try to understand the sector and work with it. We also know that, in England, a protocol was published and adopted back in February. Where has the sector been in Wales? Why is there not a protocol in operation here, and do you have a timetable to show us of when the protocol will be on the table in Wales?

Mr Rhys: Thank you for the question. I was hoping that there would be an opportunity for me to talk more about community benefits so that I could give you a full answer. You are quite right that a voluntary protocol was agreed in March of this year by the industry. It was also recommended by the UK Government and is, therefore, operational. The England-only protocol touches only upon what are called community benefit payments. It does not touch on anything broader than that. It is also a clear and easy-to-understand protocol; it is concise in its content because it is so straightforward. In Wales, we took the view early on that it was important to have a separate protocol. That was primarily because onshore windfarms are managed differently in Wales. We have TAN 8 and the strategic search areas; there is a more strategic way of locating them, so a protocol is needed to take account of this.

That is why, in the manifesto that we drew up before May's elections, we gave a commitment that we would work with the new Government to look into what would be included in the protocol. It recognises that, as an industry in Wales, we want to see any protocol that would apply in Wales being a voluntary one. Any protocol would have to be wider and deeper than the one in England. It is important that we get a thorough protocol in Wales, rather than just adopting

protocol trwyadl yng Nghymru, yn hytrach na dim ond mabwysiadu un tebyg i Loegr. Dyna beth yr wyf am ei wneud a dyna beth yr ydym wedi ymrwymo i'w wneud. Rhan o'r broblem yw ein bod wedi ceisio trafod gyda Llywodraeth Cymru i ddeall yn glir beth y byddai'n disgwyl ei weld mewn protocol ar gyfer y diwydiant. Credaf yn gryf nad oes pwynt inni lunio protocol sy'n dod yn ôl ar ffurf drafft nad yw'n dderbyniol i'r Llywodraeth.

[102] Felly, mae oedi wedi bod wrth geisio cael y sgwrs honno gyda'r Llywodraeth. Gwn fod y pwnc hwn yn agos at galon y Llywodraeth a'i bod wedi rhoi llawer o feddwl yn ddiweddar i sut i gael protocol ehangach a dyfnach sydd nid yn unig yn cyffwrdd â thaliadau ond sydd yn cyffwrdd â chyfleoedd economaidd a chyfleoedd cyflenwi i'r diwydiant yn lleol. Mae hefyd yn edrych ar daliadau a rhannu'r taliadau'n ehangach.

[103] Mae cwestiwn wedi codi ynghylch a oes lle i gyfraniadau fynd tuag at gymunedau yr effeithir arnynt gan y grid, yn ychwanegol at y cymunedau yr effeithir arnynt gan ffermydd gwynt. Credaf fod lle i edrych ar hyn yn strategol. Oherwydd yr SSAs a'i bod yn bosibl y bydd cymaint o ffermydd gwynt yn cael eu hadeiladu yn yr un rhanbarthau, y cwestiwn sy'n codi yw y bydd yr un cymunedau yn derbyn llawer o arian. Mae hynny'n codi cwestiynau o ran rheolaeth ac a ellir rheoli'r llif arian yn effeithlon, yn drwyadl ac yn dryloyw, i sicrhau ei fod yn cael effaith. Mae'n bwysig i'r diwydiant, i'r Llywodraeth ac i'r cymunedau cefn gwlad ein bod yn cael hyn yn iawn o'r cychwyn cyntaf. Yr wyf yn falch o ddweud ein bod yn disgwyl cyfarfod â phrif swyddogion o'r Llywodraeth i drafod y mater hwn yn ehangach. Byddwn yn trafod yr hyn y maent yn ei ddisgwyl i'r diwydiant ei roi mewn protocol. Gobeithiaf y bydd hynny'n digwydd cyn y Nadolig.

[104] **Antoinette Sandbach:** In mid Wales, and certainly in north Wales, tourism is one of the main income generators. You indicated that you are asking the Government, but are you asking communities what they feel should be delivered through these community benefit packages? Have you looked at things like community interest companies, which can, on their boards, appoint people with relevant financial expertise if there is a relatively large income stream to manage? Are you considering—sorry, I realise that this is a flood of questions, but it is an area that I feel is important—making a minimum recommendation? It is my

one similar to England. That is what I want to do and that is what we have committed to do. Part of the problem is that we have tried to discuss this with the Welsh Government to understand clearly what it would expect to see in a protocol for the industry. I strongly believe that there is no point in us drawing up a protocol that comes back in draft form that is not acceptable to the Government.

So, there has been a delay in starting that conversation with the Government. I know that this subject is close to the Government's heart and that it has given much thought recently to how to get a wider and deeper protocol that touches not only on the payments, but on the economic and supply opportunities for the industry on a local level. It is also looking at the payments and sharing the payments more widely.

A question has arisen as to whether there is scope for contributions to go towards communities that are affected by the grid, in addition to the communities that are affected by windfarms. I think that there is room to look at this strategically. Given the SSAs and the fact that it is possible that many windfarms will be built in the same regions, the issue that arises is that the same communities will receive a lot of money. That raises questions of management and whether the cash flow can be managed efficiently, thoroughly and transparently, to ensure that it is having an impact. It is important to the industry, the Government and the rural communities that we get this right from the start. I am pleased to say that we are expecting to meet with senior Government officials to discuss this issue more widely. We will discuss what they expect the industry to put into a protocol. I hope that that will happen before Christmas.

experience that, sometimes, communities can be short changed in these. They experience the impact, but they do not get the benefit of the development. I think that it is important to protect the people most affected by the development.

[105] **Mr Rhys:** I will answer that before I pass over to West Coast Energy. I fully respect and realise that we need to engage further than just talking to the Government about any protocol. As a first step, we are looking to understand where the Government is coming from, and maybe allow the Government to clarify its thinking and take a position on community benefit. I believe that there are going to be two statements by the First Minister on these issues; one before Christmas and one after Christmas, which we will look at with interest and use to inform our work.

[106] However, once we have established that conversation with the Government, my intention would be to consult widely with other national and statutory stakeholders, such as the RSPB and CCW, local authorities, community councils and community groups. These are the vital partners in any strategic approach to the community benefit. I am talking of benefit in the wider sense of the word, not just community benefit payments. That is where it differs from the protocol in England, which is primarily a protocol about payments. The protocol in England has a minimum payment recommendation, and the current thinking is that there is a strong case for a minimum to be inserted in the Welsh one as well. Again, the history of payments in Wales is a bit different, because of the clusters of windfarms. You also have to consider the size of the windfarm. For example, if it is a community-scale windfarm, would it be required to pay as much as a big, commercial-scale windfarm, considering that the benefits, you could argue, come to the community as profits anyway? So, these questions would have to be consulted upon. It is one key area.

[107] Turning to tourism, it is something that is on our mind. We have interacted with this debate for a number of years. We are always looking to link the tourism industry with renewable energy. In certain parts of the UK, windfarms—onshore and offshore—have proven popular in attracting tourist attention. Other reports and studies have been conducted. The Wales Tourist Board in 2003 and the Scottish Executive in 2007 investigated whether there would be any damage to the tourism industry from developments of renewable energy—windfarms in particular. It does not appear so from that evidence, but there might be more work to be done. This is something that we have considered in the past and I am sure that we will consider it again in the coming year.

[108] **Antoinette Sandbach:** I have been pushing for the Welsh Government to conduct a tourism impact assessment and, at present, in the public statements that it has been making in the Chamber, it has been refusing to do that. The issue is around the grid connection—not necessarily the windfarm itself—and the impact that pylons could have on the tourism industry. There is evidence to say that pylons detract from visitor experience and effectively lead to an impact, which may have consequences for undergrounding and other issues in terms of grid connection. I am sorry to interrupt, because I was aware that Steve Salt wanted to come in.

[109] **Mr Salt:** Our community partnership projects in north and mid Wales are at an early stage, because we have not felt that the thrust of planning policy is giving us the confidence to invest in these projects. I am sorry to re-emphasise, but community-based schemes can make a major impact on the targets if we get the community engagement right. What we do as a company, in a Scottish context, is that, early on, we engage with the community through community liaison fora and give a number of options regarding community benefit. I appreciate that the planning process is set aside from this. We look at what we want to deliver with the community. We have been surprised that communities are prepared to talk to us without prejudice as to what the planning process may deliver. We have had independent chairs from industry or education and they have been able to negotiate on what some of the

communities might want, if there was a significant benefit from a community turbine, which there would be. That has gone down well. So, we want to work with communities to do that in Wales. Then, we can start to break down some of the barriers. If communities can see that, each time the wind turbine blades turn, they are making some money, and that that money is being used in particular ways, we will make some progress.

11.00 a.m.

[110] **Lord Elis-Thomas:** Thank you. It strikes me that you have given us so many interesting comparisons between England and Scotland that you might like to write us a little note setting out your experience.

[111] **Mr Jewson:** I am very happy to do that.

[112] **Lord Elis-Thomas:** It would be very useful as a supplementary paper. Anyone willing to speak about Navarre would also be very highly placed in my book—if you have any mainland European evidence. It seems to be one of the most exciting regions in terms of renewables and wind power in particular. We would be interested in any comparators such as that.

[113] **Mr Jewson:** I am happy to do that, Chair.

[114] **Lord Elis-Thomas:** Thank you.

[115] **Vaughan Gething:** I know that Denmark is also an area that gets significant community benefit from onshore wind power. I have family links there. There have been some interesting comments about grid connections. I grew up in west Dorset, where there are grid connections, which have not put tourists off coming to that part of the world. I would be interested in seeing what evidence there is from the rest of the industry about grid connections and the impact on rural communities. That is not really my question however.

[116] Going back to the issue of marine and tidal energy, and particularly the point about this still being a nascent industry. I appreciate that has an impact on targets and achievability, but it does mean that there is still potential yet to be fulfilled. I am particularly interested in where you see research and development in this area as a private company, how you are linked in to academic research—as well as whether it is relevant research—and whether you have those effective links. Is the higher education sector here in Wales geared up to provide that research and development with people in the private sector?

[117] **Mr Murphy:** A strong part of our work over the past three years in terms of the engineering development has been supported very strongly by the academic community. In our case, the main thrust of our academic relationships has been with Cranfield University, an English university, just because its specific expertise in hydro turbines and turbomachinery technology struck a chord with us. It was clearly an area of interest in the development of the turbine that we are going to put in the sea in the first place. Our work with Cranfield University was really predicated on a desire to bring in the appropriate expertise in that sphere.

[118] That said, in Wales, we are engaged closely with Swansea and Cardiff universities in particular on the environmental aspect and research side of our work. The Ramsey sound area is part of the Pembrokeshire marine special area of conservation. There is a great deal of work going on to research the science of the environment and in what way the marine renewable industry, with tidal devices such as ours for example, might—might—have an impact on the environment. So, there is a great deal of work going on to gather background data and to analyse and understand them. That will then set the scene for us to be able to measure

whatever impact there might be when the device goes in the water. So, the academic institutions bring advanced science and research capabilities. We have taken a path where, from a technology perspective, we have been working with Cranfield University, but, most recently, we have been working with Swansea in particular on the scientific side of the environmental impact.

[119] **Vaughan Gething:** I have two brief follow-up questions. One is about whether you think the potential in the targets is realistic in terms of future development. I appreciate that that may be a bit difficult to forecast, given that it is a developing technology. I can understand that your answer may contain a caveat. How do you see a jobs dividend in terms of the sort of jobs we could be looking to develop, and is there anything the Government here could be doing to encourage that research and development, to look at how and where those jobs are created? I understand what you said about working with Cranfield, but, obviously, we would want to see a self-sustaining, confident and high-quality industry and see people having good jobs in Wales, where people come to us, as it were.

[120] **Mr Murphy:** On the first part of the question about targets and what is achievable, the Welsh Government's energy policy statement in March 2010 included a goal to install 4 GW of energy capacity from wave and tidal stream by 2025. I personally feel that that is an ambitious target.

[121] **Vaughan Gething:** Is that code for 'unlikely' or 'non-achievable'? You can be honest.

[122] **Mr Murphy:** It seriously depends on what happens in the next five years. It probably will not be achieved, but we may well get close to it, depending on what happens in the next five years, which is a pivotal period for the whole industry. We are moving on from prototype demonstration, which is where our company is currently situated, to small-scale demonstration arrays of, say, up to nine or 10 devices, which will help us to establish whether there is commercial viability for this technology and this source of generation. It is in the next five years that these small-scale, 10 MW arrays will emerge, and they will really set the scene for full-scale commercial development.

[123] In Scotland, the Crown Estate issued a round 1 lease award to a number of entities for up to 1,600 MW of capacity to be installed by 2020 in the Pentland firth. The industry is looking at that as being unachievable now, because it will be too close to the demonstration phase of connecting the devices together within an array to achieve a 2020 target like that. The fact is that the Welsh target of 4 GW by 2025 gives us another five years. I think that we have a kind of hockey-stick ramp-up of activity, pending what happens in the next five years or so. The five-year window is really important.

[124] We have benefitted from the ROC regime, which we have already discussed this morning, which has set a commercial framework that will hopefully bring the confidence in. The major stumbling block to all this development, assuming that the engineering challenges can be overcome, is bringing in the finance. To do that, the marine industry has to be able to demonstrate a competitive commercial return against other forms of renewable energy to add into the portfolio. So, the focus for the marine energy industry is to deliver a reliable technology solution with minimal impact on the environment and which, potentially, is a competitive arena for the financial support that it needs to take it on to commercial development.

[125] **Vaughan Gething:** Is there anything that the Government could do that would be especially helpful? Equally, is there anything that would be especially unhelpful for the Government to do? We should try to look at both ends.

[126] **Mr Rhys:** The 4 GW target is realistic. We welcome ambition, of course. At present, the ‘A Low Carbon Revolution’ energy policy statement has technology-specific targets for onshore and offshore wind, and for wave and tidal energy, which is fine because they are figures on paper. However, to make them happen, especially with wave and tidal marine energy, you need more detail via a delivery plan or a road map, so that Government is fully behind industry every step of the way. It must have some kind of vision of what steps to take next and the levels of investment that will be needed along the way.

[127] **Vaughan Gething:** With regard to devolution and what the Government can do, one of the problems with regard to marine energy is the encouragement, and that, when it comes to consents, a small turbine in the sea could potentially generate more than the Welsh Government is allowed to generate. That lies with the Marine Management Organisation, does it not? So, I am interested to know what the Government can do with regard to onshore energy research and development, the dividend with regard to providing jobs, and the expertise and excellency. However, when it comes to putting turbines in the sea at the moment, there is a limited role for the Welsh Government, is there not?

[128] **Mr Rhys:** There is a difference between the consents regime and economic development—to pick up the second part of your question—with regard to building up a supply chain for the marine sector. There are great opportunities—projecting 20 to 25 years into the future—but we are very much at the beginning of the industry, compared with the onshore wind energy industry, which has already been established and has turbines being manufactured in Europe and so on. So, given that we are very much at the beginning of this industry, it would be beneficial for the Government to give attention to its economic development and supply. I know that the energy and environment section of the business department have been considering it, but now is the time to put strategies and delivery plans in place for this technology for the future.

[129] **Mr Murphy:** With regard to marine renewable energy industry in Wales, for wave and tidal stream—putting to one side the tidal barrage for the moment—there are two principal areas of interest: offshore Pembrokeshire and south-west Wales for wave and tidal stream; and then the north coast of Wales for tidal stream specifically. So, there are two strategic areas—and I use those words cautiously [*Laughter.*—of developmental interest to companies like ours, where the resources exist and where developments will take place if we can take advantage of this industry.

[130] On your question about what Government could do, it could help to ensure that the infrastructure and the framework for development in those areas is brought along to allow the technology and project developers to accelerate their activity of installation to generate and achieve the targets that have been stated by Government in the first instance. So, I would have a look at infrastructure issues, and the grid is a question for us as well in the marine industry. However, fortunately, in north and south Wales, the grid infrastructure that already exists is well established, although it may need some augmentation. However, the fundamentals of the problems that we have described and discussed in relation to mid Wales, for example, are potentially less of an issue in the north and south Wales areas, where this resource is placed.

[131] **Lord Elis-Thomas:** I do not need to remind you that there is substantial capacity in further and higher education in relevant areas in both those locations. [*Interruption.*—I am not wearing my tie today. [*Laughter.*]

[132] **Mick Antoniw:** There is a considerable amount of academic research and development and so on going on. To what extent are the various Welsh institutions punching their weight? Are they too fragmented, and is there a lack of focus, of concentration and of linking in with the industry? Do you have any comments on that side?

[133] **Mr Murphy:** Our experience over the past two years, and the engagement that we have had with Swansea University in particular, as part of the Low Carbon Research Institute funding that has also been derived from European structural funds. So, there has been an effort to coagulate, to bring together, the academic institutions to work together in our field. We have seen benefit from that, because we are working with both Swansea and Cardiff universities, which have a direct interest in our specific area. In terms of our company's direct experience, we have seen benefits from the creation of the Low Carbon Research Institute and the work that it is doing to support us—particularly in our work in Ramsey sound.

11.15 a.m.

[134] **David Rees:** The LCRI also involves itself in the marine side of things and conservation areas, so that is also beneficial. Coming back to a couple of other points for clarification, on the highways issue, you talked about the specific detail required in Wales—probably, because of your experience, you talked less about Scotland. Is that a consequence of the infrastructure being better developed in Scotland than in Wales—particularly some of the roads?

[135] **Mr Jewson:** No, I do not think that it is, actually. Typically, onshore wind projects, whether in Scotland or Wales, are built in rural areas, where the infrastructure is less than ideal, whether it is the grid or roads. It is not unusual to have trunk roads feeding into those areas as well. Our experience in Scotland and England is that certain projects need significant upgrades to roads and infrastructure, but you would not necessarily look to detail that very early in the process.

[136] **David Rees:** To move on, there has always been a question as to whether local planning authorities have the capacity or expertise, or whatever you want to call it. Looking forward at where we can go, do you believe that the majority of those 11 authorities with SSAs have now developed sufficient expertise to be used around Wales?

[137] **Mr Jewson:** That is difficult for me to comment on, because our experience is limited to Powys, where the individual concerned is retiring, I think in March. There is a strong case for sharing that expertise around Wales and having some sort of central hub of expertise that could be farmed out to different local authorities. I do not know if anyone else has any comments.

[138] **Mr Rhys:** Experience has been gained over the last few years, but then again, resources are seriously pressured. If you look at Powys, and the workload that it has with over 50 MW and under 50 MW applications, it all needs to be assessed, and it needs some kind of opinion from Powys County Council. That is a serious burden, and a question of resources—not only for local planning authorities, but for others. We have spoken about CCW today, and other bodies that are required to do this work, and ideas have been floated in the past few years about maybe having a specialist renewable energy team that could be deployed to help local authorities. That is one idea. Another is to increase the resources, so that there is in-house expertise in the areas where it is required. Those resources should not only link with the 11 local authorities that have an SSA interest—they are equally applicable to the other 11 authorities, which may not have been at the forefront of identifying opportunities because they do not have the experience or the expertise to follow it up.

[139] **David Rees:** You mentioned density as a consequence of the SSAs, and density tends to mean an increase in turbine numbers. Has any research been undertaken into whether that has an impact on the efficiency of the turbines? It would seem to have a major impact.

[140] **Mr Jewson:** Density does have an impact on the efficiency of turbines, but a developer will design a project to minimise that. In effect, when you put one turbine in front

of another, it creates turbulence and reduces the effective potential wind energy that the turbine behind it can receive. A developer will use software to model that—the computational fluid dynamics model—accurately assessing what is called the wake effect, and would then design that within the specific project. An experienced developer would never look to over-develop a project in an SSA, or anywhere in Wales. There are one or two examples of inexperienced developers looking to have significant densities of turbines, which would be basically impractical, which the turbine suppliers would not warrant and the banks would not fund. There are a couple of examples in mid Wales that I am aware of where that has been done. That is not good for anybody, to be perfectly honest with you.

[141] **David Rees:** Finally, non-determination has been brought up by you and others; in fact, the Planning Inspectorate has identified that hardly any non-determination cases have come before it. You referred an awful lot to Scotland, and I think that most of the emphasis has been on the political will of the Scottish Government and Scottish local authorities more than anything else. Is it your view that the political will in Wales is not strong enough to drive us forward? A simple ‘yes’ or ‘no’ will do.

[142] **Mr Jewson:** Yes.

[143] **Mr Rhys:** Yes.

[144] **Mr Salt:** I would have to say ‘yes’, as well.

[145] **Lord Elis-Thomas:** I am tempted to ask you at this juncture, Gerry, to tell us something about your experience on the new advisory group on energy, which the Minister has established. The Minister for Business, Enterprise, Technology and Science is one of the four Ministers accountable to this committee in different ways. Do you feel that that forum provides an opportunity for you to take these issues forward?

[146] **Mr Jewson:** It is an interesting experience. It has certainly taken me out of my comfort zone and has opened up another window on the workings of the Welsh Government, which I think is a positive thing and is very good. The team, with the representatives from BETS, is working very well, and I think that we have some very high-quality people from both sides of the fence. We have now produced a draft document, which has identified the key drivers for economic growth within the energy and sustainable sector. Unsurprisingly, the drivers are regulation, infrastructure and finance. Some other issues also figure in the draft strategy: procurement, skills—I jotted them down earlier on, because I thought that I might be asked about this. Just bear with me a second while I look for them—I should know them off the top of my head.

[147] **Lord Elis-Thomas:** You must be psychic.

[148] **Mr Jewson:** The priority sectors are: new enterprise, as there is a lot of focus on small and medium-sized enterprises, because that is where jobs can be derived from; renewable energy; and energy, goods and services, which is an area of big growth, growing at 5 per cent per annum. Wales has a good share of that market, and it is a knowledge-based industry that can be explored all around the world. Through a subsidiary outlet—Atmos Consulting—we are heavily involved in that quite exciting area. Energy-intensive users and large-scale generators are also important in this process, and we need to take them along as well.

[149] I have probably summed up some of the work that we are doing not very precisely, but the move is a very positive one. I guess that the test is whether there is any action through the recommendations. We can come up with a strategy and action plan for some of the issues that we have discussed today, but unless they are acted on and implemented, we are all

wasting our time. I do not want to sound dramatic, but if that is the case, the other private sector panel members and I would probably use our time elsewhere. However, we are still very positive and we hope to make a difference; we really want to see if we can stimulate economic growth in this sector for Wales.

[150] **Antoinette Sandbach:** This is a question for Martin. You spoke about grid connections, saying that the onshore infrastructure is better—I saw your prototype demonstration at the Centre for Alternative Technology, at the talk you gave there. What are the issues in terms of the offshore grid connection? Will the proposals for a potential cable from Anglesey to Pembrokeshire have an impact on your prototype, if it is successful?

[151] **Mr Murphy:** It would have no direct impact on our prototype work, because we have a direct grid connection by a single cable from the prototype device to shore alongside St David's lifeboat station. However, in terms of the longer-term development interests of connecting into the grid infrastructure—I speak here without having carried out any detailed research on this—there are good grid access and electricity distribution networks across the north coast and the south coast of Wales, and it seems sensible to hook into that existing infrastructure from these areas of development that are likely to be in north and south Wales.

[152] Specifically on south Wales, of which I have much more experience, there is spare capacity in the 400 kV line across the south coast from Pembroke Dock power station. That capacity could be accessed for marine developments in south-west Wales. I am thinking aloud on this, but the easiest and probably most efficient way to connect into that grid infrastructure would be by submarine cable from an offshore platform to a facility ashore adjacent to the 400 kV connection point. So, submarine cables have a part to play in accessing these marine resources on the north and south coast.

[153] **Russell George:** I was very interested to hear about the different experiences in Scotland, and I am pleased that the Chair has asked you to provide a further paper and that you have agreed to that. I am trying to keep this question light, because it is the last question, but there appears to be a slight contradiction. I am not asking this question in a negative sense—I am looking to rectify the situation. When I asked why there was no community buy-in in mid Wales, the answer was that it was because of the cumulative effect of SSAs and their concentration. However, great importance is also placed on community buy-in, and I think that we would all agree that that is the right approach. There seems to be a contradiction there, because you have two things pulling against each other. Llywelyn said that we do not want to see any change in the SSAs, so you have two things pulling in different directions. How do you rectify that?

[154] **Mr Jewson:** I would start from the premise of the question. There is community buy-in in certain areas of mid Wales. The whole grid issue has created an apparent level of opposition that has frightened a lot of people and politicians.

[155] **Lord Elis-Thomas:** They must be easily frightened, then. [*Laughter.*]

[156] **Mr Jewson:** Quite possibly, but I guess that that is a different issue. However, I should add that, when independent public attitude studies have been done in certain areas and the whole spectrum of the locality and society has been polled, they have consistently shown that people are generally quite happy to accept wind turbines in the landscape. Steve will correct me if my information is out of date, but according to various surveys, between 70 and 90 per cent of people who live in reasonably close proximity to an existing windfarm said that they were happy to see more development. So, what we see is a vociferous minority that is often very articulate and has time, and which is not necessarily dependent on the locality for its living, getting a disproportionate amount of publicity.

11.30 a.m.

[157] That is the way our media and press tend to work in the UK; it is always a negative story. If you look at the media in this day and age, Alastair Campbell made a comment, for example, that nine out of 10 stories in the public press are negative nowadays. That was not the case some time ago. So, going back to your question, I question whether the levels of buy-in or opposition are as great as they appear.

[158] **Russell George:** I think that you are right. [*Inaudible.*]—the connection project rather than the wind turbines. I take your point that due to negative publicity, the minority often get a large amount of publicity. I do not think that that is the case in mid Wales. For 2,000 people from one of the most rural parts of mid Wales to come to stand in front of the Senedd is not a small number of people. However, I take your point that that often happens.

[159] **Mr Jewson:** It is, clearly, a lot of people. A lot of them did not come from Wales; I think that a lot of them came from the other side of the border. If you drew an envelope of population around the windfarms in mid Wales, or the grid, it is a relatively small proportion of the people who live there.

[160] **Mr Rhys:** It is difficult to have buy-in in mid Wales at the moment because, in a sense, everything is on stop. We have infrastructure problems: the grid is one and transport is the other. As an industry, we are trying to work very hard on transport to bring this forward and to answer the concerns of the local authority, the police, the Government and everyone else, but it is slow work. It is the same with the grid; it is in consultation and there is dispute about it. The other aspect is that there is a whole backlog of windfarm proposals that have been in planning for a long time. Tirgwynt is an example; few projects have had determination over the last few years. Everything is dumped, waiting for something to happen. Until we come out on the other side, we do not know how it is going to pan out. You just heard from Gerry and Steve that their project, Tirgwynt, was reduced by about half, and that is commonplace. Planning proposals will change as they go through the system. As everything is paused or stopped, it is difficult to see how everything will look at the other end. With other projects that are progressing at a quicker rate than the projects in mid Wales, people can look to the future and start to get buy-in in whatever projects that may have been determined in whatever shape or form. So, once a project has been determined, often the local authority and the community will then start thinking about how they will benefit in terms of maximising the supply chain in the local area, the community benefits and the models they work. They can look to the future. At the moment, in mid Wales, it is difficult to get buy-in because nothing is moving.

[161] **Lord Elis-Thomas:** You have excited Vaughan now. [*Laughter.*]

[162] **Vaughan Gething:** I was going to ask this question earlier. I have a very brief point about comments that have been made today and on other occasions about the complexity of the planning process. I was not clear whether you are saying that that is a view about the structures in the planning process, about who you have to go to, where consents are issues in major projects to do with associated development, which I guess is more the industry body's view, or whether you are talking about the way the planning process is applied, and the way decisions are made, or are not made. It appears to me that some of what has been said is that there is an issue about the structure, and it is being said a lot that even the structure will appear to be in the same place and that the application is what causes the complexity. Is that a fair way to look at it or, when you talk about the complexities in the process, are you making a different point?

[163] **Mr Jewson:** It is, probably, the application that creates the complexity. It does not just apply to our industry or the energy industry. My wife shared a platform with the director

of tourism in north Wales recently, and the tourism industry has had similar issues where the planning process has delayed projects to a point where they have not happened. It is a lost opportunity. It is certainly the way that it is applied, rather than complexity per se. There is potentially a view that the length of time that something takes to get determined is a reflection of the rigour that is being applied to it. That is not true. We can have a rigorous planning process that is timely and much more efficient.

[164] **Mr Salt:** In terms of the development of windfarms, as a mature industry, we have been doing it for a number of years now. We know what we need to do in terms of the planning process. The environmental process is rigorous, as it should be, and the applications that go into the system are comprehensive. We are concerned about the application of the policy; the policy needs to be stronger to enable planning authorities to deal with things in a much quicker manner. If that does not happen, the investment will go away from Wales.

[165] **Lord Elis-Thomas:** Thank you. Although we have taken over two hours, I hope that you think that we have been fairly rigorous. The responses have been forthright, substantial and detailed, for which we are grateful. If there is any further matter, in addition to what we have requested, that you feel you would like to share with us, please do so.

[166] **Mr Jewson:** Thank you for your time and for inviting us here today. It has been a pleasure for us to be able to air our views in this forum. We are grateful for that opportunity and are happy to provide any additional information that you wish in due course. Thanks very much.

[167] **Lord Elis-Thomas:** I think that you had better get some cough medicine for Llywelyn. [*Laughter.*] Diolch yn fawr.

11.37 a.m.

Ethol Cadeirydd Dros Dro, o dan Reol Sefydlog Rhif 17.22, ar gyfer y Cyfarfod a gynhelir yn y Prynawn ar 1 Rhagfyr
Election of Temporary Chair for 1 December Afternoon Meeting under Standing Order No. 17.22

[168] **Yr Arglwydd Elis-Thomas:** Yr **Lord Elis-Thomas:** The next item is the eitem nesaf yw'r cynnig o dan Reol Sefydlog 17.22 i ethol Cadeirydd dros dro ar gyfer cyfarfod nesaf y pwyllgor hwn y prynawn yma. A oes enwebiad? proposal under Standing Order No. 17.22 to elect a temporary Chair for the next meeting of this committee this afternoon. Are there any nominations?

[169] **Russell George:** I nominate William Powell.

[170] **Lord Elis-Thomas:** Are there any other nominations? I see that there are none. Therefore, Bill Powell is duly appointed as temporary Chair of the committee in accordance with Standing Orders.

Penodwyd William Powell yn Gadeirydd dros dro.
William Powell was appointed temporary Chair.

Papurau i'w Nodi
Papers to Note

[171] **Lord Elis-Thomas:** We have a number of papers to note, which we can put in the minutes of this committee.

Daeth rhan y cyfarfod i ben am 11.38 a.m.
The public part of the meeting ended at 11.38 a.m.