

The Natural Power Consultants Ltd



23/9/11

Dear Sirs,

Wales Energy and Sustainability Committee - Inquiry into Energy Policy and Planning in Wales

Submission from Natural Power Consultants Ltd

This submission is from Natural Power Consultants Ltd (Natural Power). We are one of the largest and most successful specialist renewables consultancies in the world. We are a UK company with its main office in Scotland. Our office in Wales was our first satellite office, opened in 2005. Since then we have expanded into other parts of the UK as well as France, USA and Chile.

Acting on behalf of clients in the fields of wind, wave, tidal and biomass we have consented over 2GW of projects, managed construction of over 550MW and are now involved in operation and management of over 20% of the UK's operational onshore wind fleet.

Since 2005 we have grown our business in Wales but have been disappointed that, despite the obvious wealth of natural resource and apparent need for investment in the economy, the Welsh planning climate has frustrated and delayed opportunities and, as a result, we have seen faster rates of growth in other parts of our business. In particular it has been noticeable that construction management, one of our largest and fastest growing departments, does not yet have opportunities to establish an employment base in Wales.



Specific questions raised by the Consultation.

How the current devolution arrangements for energy policy and planning affect the delivery of the desired future energy mix.

We support the ambitious and visionary targets set at a Wales level but see a distinct lack of “buy in” from local planning authorities. There has not been a strong hand on the tiller in terms of pushing for or encouraging delivery at LPA level and there is a clear lack of resource at LPA and statutory consultee level where pressure is focussed by the spatial approach taken by TAN8.

For projects over 50MW the present and proposed systems are untested as yet and it is important that the system is given help to deliver.

Disparity with other parts of the UK, for example in Welsh LPAs retaining consenting powers for substations associated with overhead lines consented by IPC, add complexity and risk to investing in Wales.

What are the implications for Wales if responsibility for consenting major onshore and offshore energy infrastructure projects remain with UK Gov?

The main concern of industry investors is that whatever process and powers are in place they must be transparent, adequately resourced and supported at all levels of policy and decision making. This is more important in investment decisions than issues over the location or political level of those powers.

How does this affect achievement of WG’s aspirations for various forms of renewable and low carbon energy?

The existing planning guidance which aims to increase renewable energy delivery can achieve Welsh Government targets if it is used correctly and appropriately and has strong political support. If planning

approvals closely followed planning policy as set out in TAN 8, renewable energy targets could be met with less chance that Welsh Government planning policy be superseded by UK planning authorities.

Welsh authorities at all levels need to focus on determining or enabling planning applications in accordance with policy and in a timely manner in order that progress can be made towards WG aspirations. It is through genuine commitment to achieving the Welsh Government's own TAN 8 targets that the wind industry will build up its confidence in Wales.

How does it affect delivery of WG's target of 3% p.a. reduction in GHG emissions from 2011?

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

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

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

Given the strategic importance that associated developments have in significant infrastructure projects, it might help ensure consistency of approach if the Welsh Government should use its call-in powers to determine associated development applications. This is particularly relevant in the case of renewable energy proposals which are vital to meeting government renewable energy targets.

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

complication to the planning system at present which reduces investor confidence for no apparent planning benefit.

The role of different consenting agencies

Consistency and clarity of roles between planning authorities and statutory consultees is extremely important for developers. With the high volume of planning applications relating to renewable energy projects expected, it is important to ensure adequate financial and skill resources across planning authorities to avoid delay and bad decisions. Statutory consultees often frustrate developments despite clear planning guidance and renewable energy targets having been established by governments.

Potential investors need a consenting and permitting process that is transparent, competently managed, adequately resourced and delivered in a timely manner to provide confidence in progressing investment decisions.

At present, developers are effectively exposed to an open ended process for obtaining consents and permits. In respect of permits if the environmental regulator seeks an extension to statutory timescales (which is quite normal) other than agreeing, the only alternative available to the developer is to withdraw the application and appeal to the Secretary of State.

It is essential that stakeholders are sufficiently resourced, experienced and competent to expedite the consultations.

The relationship between UK NPS's and Wales planning policies

The hierarchy and relationship between the above policies are clear to the industry.

The National Policy Statement is understood to have primary importance although it must give due consideration to TAN 8 and other Welsh Government planning guidance.

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

The potential for renewables to meet WG's aspirations for generation and GHG emission reductions

Wales has a challenging target of achieving 22.5GW of renewable energy by 2025. The renewables sector is already injecting some £160m/yr into the Welsh economy and, if significant projects are built, it is estimated to be contributing in the region of £1b to the Welsh GDP by 2020.

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

It is important not to lose sight of the need for a strong onshore wind sector in Wales as a stepping-stone to a vibrant offshore wind industry based in Wales, otherwise offshore wind will merely happen through, rather than from, Wales.

Wales will continue to miss its renewable energy targets and the associated economic benefits unless projects are consented and built. The following issues need resolving quickly to stand a chance of achieving this:

1. WG must provide strong and consistent political support for a clear, transparent, competent and efficient planning process in Wales in order to successfully progress projects and maintain developers and investor confidence.

2. WG must also monitor progress towards delivering its own policies and actively intervene where necessary to impress on local authorities the importance of meeting targets and delivering renewable energy.

3. Grid issues in Mid Wales must be resolved to allow projects to be progressed through planning and to ensure that projects can be built and can economically connect to the grid. WG should show leadership and support towards achieving this.

4. The Mid Wales access issue must be resolved to allow projects to progress through planning and construction. WG should show leadership and support towards achieving this.

5. WG should deliver a clear message to promote the benefits of renewable development to the economy, job market and environment of Wales to counter the scaremongering and misinformation promoted by some of the anti-wind campaigns. (this would carry more weight than messages from the renewables industry, just as vaccination campaigns are promoted by government rather than drug companies).

6. WG should set clear interim targets for delivery of renewables so as to ensure a pipeline of projects and minimise bottlenecks at any of the development or construction phases.

The potential role for other forms of energy production – e.g fossil, nuclear, coal-bed methane and shale gas

Natural Power is a specialist renewables consultancy and does not work in the field of fossil fuel or nuclear power. It is accepted that other forms of energy will be needed in the short to medium term to compliment a mix of renewable technologies and maintain a balanced mix of generation options.

Yours Faithfully

A solid black rectangular box used to redact the signature of John Woodruff.

John Woodruff

Senior Development Manager