

Welsh Government Response to the Report of the Environment & Sustainability Committee: Energy Policy and Planning in Wales

October 2012

Executive Summary

Energy policy

Our energy system underpins our entire way of life. That system is now undergoing profound change as we adapt it to meet a range of environmental, economic and social objectives. These changes, outlined in our policy document, *Energy Wales: A Low Carbon Transition*, mean that we expect our energy system to:

- Become increasingly decarbonised – the European Council reconfirmed in February 2011 the European Union’s objective of reducing greenhouse gas emissions by 80-95% by 2050 compared to 1990, with a consequent impact on increasing low carbon electricity generation;
- Meet other environmental standards such as those for pollutants and waste;
- Provide energy security and resilience; and
- Deliver, through energy markets, affordability and a credible framework for long term investment.

We are therefore undertaking a whole system transition to low carbon energy – covering electricity, heating and transport – which amounts to a revolution in the way we meet and manage our energy needs. These changes are already happening and whilst energy policy is not a devolved matter, a large number of key enabling policies are – including economic development, housing, planning, environmental regulation, pollution and transport.

We want a genuinely sustainable approach to energy that reflects our central organising principle and improves the wellbeing of the people of Wales, providing a better quality of life for our own and future generations. This means working towards a low carbon economy as outlined in our *Programme for Government*. We also want to take full advantage of the transition – to secure a wealthier, more resilient and sustainable future for Wales – by maximising the long-term economic benefits, and in particular the potential to gain more than a proportional share of the 250,000 new jobs predicted in the UK by 2020.

It is important to ensure that communities benefit from energy infrastructure developments and there are clear community benefits. We will therefore carefully plan and manage the relationship between energy developments and our natural environment in line with the ambition of ‘Sustaining a Living Wales.’ Wales is ‘open for business’ and we are working with the energy sector to help deliver long term prosperity and jobs for Wales.

The Welsh Government is committed to innovation and Wales has a strong innovation base. For example, we have invested £19m into Wales' £34m Low Carbon Research Institute.

The Welsh National Planning Framework

The purpose of land use planning

Extending to the low water mark, the planning system regulates the development and use of land in the public interest. It reconciles the needs of development and conservation, securing economy, efficiency and amenity in the use of land, and protecting natural resources and the historic environment, thereby contributing to sustainable development. The planning system must provide for an adequate and continuous supply of land, available and suitable for development to meet society's needs. Where new development or a change of use is proposed, planning provides an important mechanism to deliver key Welsh Government priorities such as carbon reduction.

The day to day service is delivered by 25 local planning authorities (22 Unitary and 3 National Park authorities) that have responsibility for preparing development plans (Unitary and Local Development Plans) and determining planning applications. The Planning Inspectorate provides an appeal service for those refused permission and also examines Local Development Plans.

National planning policy framework

The national planning policy framework comprises Planning Policy Wales (PPW) and Technical Advice Notes (TANs). These are framed to deliver Welsh Ministers' policies including A Low Carbon Revolution. The TANs explain how the policy statements in PPW should be applied through development plans and in taking decisions on planning applications. Regard must be had to national planning policy in the preparation of development plans and they may be material to decisions on planning applications, whether taken by local planning authorities, the Planning Inspectorate or Welsh Ministers.

Delivering sustainable development is a central theme running through PPW and TANs. The 'Planning for Sustainability' chapter in PPW sets out the role of the planning system in creating a more sustainable Wales. It identifies the key principles and policy objectives that underpin our approach to planning for sustainable development, including the need to tackle climate change and provide for renewable and low carbon energy sources at all scales.

Planning for renewable and low carbon energy

We seek to ensure that national planning policy and guidance at all levels facilitates the delivery of our energy and climate change aspirations, including UK and European targets on renewable energy. One of our key planning policy objectives as set out in PPW is to *provide for renewable and low carbon energy sources at all scales*. Our national policy and guidance is outlined Section 12.8-10 of PPW. This was updated in February 2011 following publication of A Low Carbon Revolution. Our revised policy seeks to further

establish a framework in which local planning authorities should plan positively for all forms of renewable energy development.

Our planning policy encourages community energy projects, though few proposals have come forward in Wales to date. In addition, the planning regulations for micro-generation equipment have been relaxed in recent years, with further amendments in the pipeline, subject to European Commission approval. While valuable, the most optimistic expected contribution from micro-generation is minute relative to the scale of the low carbon energy supply challenge we face.

Technical Advice Note 8

TAN 8 was published in 2005 following extensive consultation and input from a wide variety of stakeholders. It is underpinned by independent empirical research and provides advice on the planning implications of a wide range of renewable energy technologies including onshore wind, anaerobic digestion, bio-fuels for vehicles, combined heat and power, energy from waste, fuel crops (including wood fuel), hydro-power, methane, and solar thermal and solar voltaic systems.

TAN 8 identifies the land use planning implications of meeting our energy aspirations. An important function of TAN 8 is to restrict the proliferation of large scale wind farms in other parts of Wales. To achieve this, seven Strategic Search Areas (SSAs) suitable for large scale (over 25 MW) onshore wind energy development were identified.

Offshore Planning

Under the Marine & Coastal Access Act 2009, the Welsh Ministers are the planning authority for the Welsh marine area which, for the purposes of marine planning, extends to the median line ie the mid way point between Wales and adjacent countries. The purpose of marine planning under the Act is to help achieve sustainable development in the marine area; a key measure of success will be giving greater certainty for developers at the outset in relation to consenting/licensing decisions when pursuing consents.

Following consultation on our approach to marine planning, we are aiming to develop and adopt a national plan by 2013/14. Once adopted, decisions relating to the Welsh marine area will generally need to be made in accordance with the marine plan. The plan will need to be agreed by UK Government Ministers if it covers reserved matters, such as energy.

Together with the UK Government and the other Devolved Administrations, we have adopted the UK-wide Marine Policy Statement. The statement sets the strategic policy priority framework for marine plans throughout the UK, highlighting the importance of energy.

Responses to individual recommendations

Recommendation 1. The Welsh Government should establish a Renewable Energy Delivery Board to act as a coordinating body with representatives from government, developers and regulators.

Response: Accept in Principle

The Energy Wales Programme has been mobilised to deliver *Energy Wales: A Low Carbon Transition*. In doing so, engagement with our key stakeholders (such as business, government, regulators, communities and research bodies) will be necessary to develop our plans, provide assurance, remove barriers and deliver.

We will need to develop engagement approaches support our overall aims and also provide sufficient focus on sector specific matters. We have looked at the Scottish approach, but rather than simply replicate Scotland we are seeking to ensure that the functions required in Wales drive the engagement approach. The Welsh Government already has a number of engagement mechanisms in place. We are reviewing how existing arrangements can provide the required functions and where they might need to be enhanced or strengthened. Our engagement approach will be published later in the year.

Recommendation 2. The Welsh Government needs to work closely with all the stakeholders to free up the backlog of onshore windfarm applications, particularly in mid Wales.

Response: Accept

We commissioned Hyder to carry out an evaluation of the consenting process of renewable energy projects since 2005 in Wales. This was published on 17 September 2011 and as part of the Planning White Paper we will be considering ways in which we can improve the consenting process of all renewable energy schemes under 50MW. In addition we will continue to work with important stakeholders including, the police, the Highways Agency, Local Highway Authorities and the renewable energy companies in order to seek to ensure that transport issues in Mid Wales are adequately resolved.

Recommendation 3. The Welsh Government should encourage local planning authorities to adopt formal working arrangements particularly at a regional level on dealing with renewable energy projects (the Simpson agenda).

Response: Accept

We have published a suite of evidence to inform the Planning Bill. This has included recommendations on decision-making processes for major infrastructure projects and we will be considering this as part of the Planning White Paper. One of the tests of soundness for LDPs (Local Development Plans) is the requirement to have regard to the relevant plans, policies and

strategies relating to adjoining areas, and we will continue to ensure that LDPs address regional level issues.

Recommendation 4. *The Welsh Government should develop a Natural Resource Plan for Wales by the end of 2013. This would sit alongside the Wales Infrastructure Investment Plan, be integrated with the Marine Spatial Plan and be used as a basis for the future planning of energy projects in Wales. The framework should be evidence-based and tested for “soundness” through an independent examination before it is adopted.*

Response: Accept in Principle

The consultation paper *Sustaining a Living Wales* included a commitment to develop a national framework for natural resource planning, based on the application of the ecosystems approach to all decisions affecting the environment and natural resources. The purpose of such a national framework is to bring together a number of different sector-specific plans and policies affecting the environment and natural resources, to identify areas of synergy and resolve conflicting aims, and to enable the establishment of a clear set of national spatial priorities embedding the principles of the ecosystem approach.

This work needs to integrate with the Wales Infrastructure Investment Plan and the developing Wales Marine Spatial Plan. Natural resource planning needs to integrate with and add value to current planning and decision-making arrangements, and so its relationship to existing systems needs careful consideration. Once in place, the future planning and development of energy projects in Wales will be informed by the new natural resource planning framework.

The work on natural resource planning will be informed by the responses to the *Sustaining a Living Wales* consultation and we will be consulting with relevant experts and stakeholders in developing and taking forward the approach, including the new natural resources body for Wales.

There are also clear connections with our ongoing work on the development of marine spatial planning, and it is important that we integrate across Wales’ terrestrial and marine environments.

Recommendation 5. *The Sustainability Committee of the Third Assembly recommended that the role and function of the Wales Spatial Plan should be reviewed. This needs to be taken forward alongside work on the natural resource planning.*

Response: Accept in Principle

A key purpose of the Wales Spatial Plan was to recognise that policies and their delivery should reflect differences within Wales – one size does not fit all. We have made huge progress in this area and we will continue to work to

improve still further, embedding the principles and ethos of spatial planning in our policies. This is being reflected in a number of areas going forward such as the Wales Infrastructure Investment Plan, city regions, and of course natural resource planning.

Recommendation 6. *The Welsh Government should ensure that the Energy and Environment Sector Panel in future represents all forms of renewable energy, including Marine and should continue to use its expertise to inform future policy and initiatives.*

Response: Accept

The Energy & Environment Private Sector Panel provides views, knowledge and experience to advise our approach. Renewables, including Marine, is one of the five priority themes identified by them.

Experience of the renewable energy sector is well represented on the Panel. The Sector Panel Chair, Kevin McCullough is Chief Operating Officer at RWE npower. Planning, building and operating facilities which generate power from renewable energies is a core part of the company's business, including several on and offshore wind farms, and hydro schemes.

David Williams' company Eco2 Ltd specialises in initiating, developing, financing and operating renewable energy projects across the UK and Europe including backing Tidal Energy Limited in Pembrokeshire to develop DeltaStream - an innovative technology designed to generate electrical power from tidal stream resources.

Gerry Jewson is Chairman and Chief Executive of the West Coast Energy Group, one of the leading independent renewable energy developers in the UK.

Alan Proctor has held a diverse range of executive and non-executive posts in the public and private sector. Of particular relevance to renewable energy is his Chairmanship of Rhead International. A significant part of the business focuses on the construction of renewable energy projects.

John Idris Jones has been appointed Director of the Energy Island Programme.

And Nigel Annett is Managing Director of Dŵr Cymru Welsh Water since 2005.

Recommendation 7. *The Welsh Government should organise and fund a programme to improve the level of public engagement, empowerment and political debate about renewable technologies.*

Response: Accept in Principle

The Welsh Government's commitment to sustainable development as our core principle means that we are committed to effective engagement, and look to work with people in Wales to make sure that those who are impacted by decisions are involved in making those decisions.

We have committed to the transition to a low carbon energy mix and this will only be achievable where the technologies and infrastructure are developed in ways which benefit people in Wales now and for the long term. We have already offered significant support to increase the uptake of renewable technologies, for example through the Ynni'r Fro scheme.

We accept the recommendation in principle, but would look to deliver in practice through a lasting engagement, which focuses on people's priorities. The issues of renewable technologies should be included in the broader discussions around the plans for each region, and the decisions about the future which people want to see for the places where they live.

Recommendation 8. The Welsh Government should publish its case for further devolution of energy consenting and financial incentive powers.

Response: Accept

We intend to provide information about the case for the devolution of energy consenting and financial incentive powers on the Welsh Government's website. The seven main strands of the Welsh Government's case for further powers are:-

- Concerns over the delivery of EU/UK renewable energy targets.
- Consistency with the other devolved administrations.
- Managing the impact of renewables and responding to public concern and opposition.
- Community benefits and exploitation. Consenting decisions affecting Welsh communities made in London risk positioning some energy developments as exploitive.
- Accountability and localism.
- Coherence with planning policy – consequences of split competence.
- Consistency and credibility for investors.

Recommendation 9. As part of this case the Welsh Government should consider the introduction of a process in which the Planning Inspectorate's National Infrastructure Directorate continues to consider major energy infrastructure projects in Wales, but in future makes its final recommendations to the Welsh Ministers rather than UK Ministers.

Response: Accept in Principle

This is not within the scope of the Welsh Government. We continue to believe that executive powers to grant consent for large power stations under the Electricity Act should be a matter for Welsh Ministers. Under current arrangements decisions on such applications are made by UK Ministers and

the Welsh Government has no role in the decision making process. While we welcome the recognition of Welsh planning policy within the National Policy Statements (NPS), it is clear that the National Infrastructure Directorate (NID) and UK Ministers are not obliged to take decisions in accordance with our policy in Wales. There is cross-party support for further devolution of energy powers. We continue to press for the devolution to Wales of large power station and associated consents for renewable energy projects on land and sea. It is clear from the evidence gathered by the committee that others share this view.

Recommendation 10. Engage with the UK Government to ensure that the market mechanisms proposed by the UK Government's Electricity Market Reform are implemented with greater transparency and speed and to ensure that stability is achieved in the longer term by confirmation of the changes to the Renewable Obligation Certificate regime beyond 2017 as soon as possible.

Response: Accept

The Welsh Government has been engaged with the UK Government concerning Electricity Market Reform from the outset. Ministers continue to press the UK Government for both a fair resolution to the current situation that sees Wales lose out under the Renewables Obligation in comparison with other parts of the UK and a longer term solution under the Electricity Market Reform that provides a more equitable and stronger support mechanism for renewable energy in Wales.

We agree that reforms must be fit for purpose, both in principle and detail, and be put in place quickly to command important private-sector investment confidence. The First Minister raised concerns again with the UK Government in July regarding the impact of delays in announcing Renewables Obligation banding levels on investor confidence in Wales.

Recommendation 11. The Welsh Government should work with the UK Government to help identify and secure an alternative developer to take forward proposals for a new nuclear reactor at Wylfa B.

Response: Accept

The Welsh Government, under a team Wales approach, continues to work with the UK Government's Department of Energy & Climate Change, Horizon Nuclear Power and the Isle of Anglesey County Council to seek new investors for the Wylfa site. The Energy Wales Document of March 2012 strongly states our commitment to the development of Wylfa B and Anglesey Energy Island.

Recommendation 12. The Welsh Government should actively encourage a greater mix of below 50 Megawatt renewable energy developments across

the whole range of technology types and including as many community-based schemes as possible.

Response: Accept

TAN 8 provides an appropriate framework for the strategic planning of all forms of renewable energy in Wales. Local authorities are responsible for consenting projects under 50MW. In July last year, the Minister for Environment and Sustainable Development wrote to all local authorities providing direction to help simplify the existing system and achieve a more consistent approach. We have made available practical and financial support to help small and medium enterprises in Wales to reap the benefits of renewable energy. Ynni'r Fro is our community-scale renewable energy generation project which provides technical advice and preliminary financial support to communities.

Recommendation 13. The Welsh Government should engage with the UK Government to ensure that the proposals in the Renewable Obligation Certificate (ROC) review for 5 ROCs for marine wave and tidal projects in Wales are implemented, so that Wales is on a par with Scotland.

Response: Accept

Despite outstanding natural resources, Wales continues to be marginalised by its inability to plan and encourage renewable investment in a timely and appropriate manner, unlike Scotland and Northern Ireland, which during this period of transition to 2017 retain not only the right to decide what is built and where, with their devolved planning powers, but the right to decide their own levels of Renewables Obligation (RO) support to encourage investment.

While a common UK Marine RO band at 5 ROCs for wave and tidal-stream from 2013, as recently announced by the UK Government, is most welcome and addresses concerns previously raised by the Welsh Government for parity with the other Devolved Administrations, the potential for bias towards other Devolved Administrations for renewables deployment remains.

The Welsh Government continues to press the UK Government for parity of powers with the other administrations, both in terms of its own Renewables Obligations scheme during the proposed transition to Feed in Tariff Contracts for Difference and increased energy planning powers.

Recommendation 14. The Welsh Government should ask the Energy and Environment Sector Panel to advise it on how best to use the opportunity of the next round of European Structural funding to support the provision of strategic infrastructure for the energy sector in Wales.

Response: Accept

The sector panel has advised the Government that resources need to be focused on access to finance and this is a key element of the Energy & Environment sector framework. This framework acknowledges the important role structural funds can play in delivering key strategic projects and enabling the sector to grow.

Going forward the panel will be providing the Government with further advice as to how these opportunities can be maximised for Wales in conjunction with the Welsh Infrastructure Investment Plan.

Recommendation 15. *The Welsh Government should prioritise support for innovation, research and development, particularly to the emerging wave/tidal industry and should provide greater encouragement to international and global collaboration in research and innovation activity relating to emerging renewable energy technologies.*

Response: Accept

The Welsh Government recognises innovation as a priority for the sector. A new innovation strategy is in development which will build on the principles called for in Science for Wales, our national science strategy, and bringing more detail to plans. Building on Science for Wales, the innovation strategy will have the specific goal of optimising the translation of the pure research and development undertaken in higher and further education, into commercial innovation in Welsh industry. It will ensure we support innovation in its broadest sense.

This, alongside Science for Wales, which laid out how Wales can maximise its international research potential by concentrating on areas of strength and attracting star academics, shows the Welsh Government's commitment in fully recognising the vital links between the research and science skills base in Wales, and the processes of innovation, development and commercialisation that can transform scientific outputs of research into economic advantage for Wales.

Welsh Government has specifically supported a number of projects in the emerging wave/tidal industry and will continue to do so.

Recommendation 16. *The Welsh Government should clarify in detail before the end of 2012 how the energy Enterprise Zones will operate and the financial and planning incentives that will be offered.*

Response: Accept in Principle

In July 2012 the Minister for Business, Enterprise, Technology and Science gave an Oral Statement that provided a comprehensive update on the delivery of Enterprise Zones in Wales. This included detail on the alignment

of policy levers and support in each Enterprise Zone. Which particular policy levers are prioritised in each Enterprise Zone will in large part be dependent upon local discretion, empowerment and input. This process is being led by each Enterprise Zone Board. The Boards' have been tasked with developing a strategic plan for each Enterprise Zone, setting out the vision for their area, key priorities, infrastructure and other requirements. We would anticipate that each Enterprise Zone Board will have its strategic plan in place well before the end of the calendar year.

Recommendation 17. The Welsh Government should work with the Welsh Local Government Association to encourage local authorities in Wales to prepare for the Green Deal, using examples of good practice in England as a model.

Response: Accept

In November 2011, the Welsh Government and Welsh Local Government Association jointly hosted a day to ensure that local authorities in Wales were aware of the Green Deal and the potential opportunities available to them. A range of similar seminars have been held across Wales hosted by a number of organisations involving local authorities.

Following early discussions, the Welsh Government ensured that a number of leading local authorities in Wales have accessed the Energy Saving Trust's Finance Innovators Group. This group is predominantly made up of the local authorities leading on Green Deal models and has allowed Welsh authorities to access the expertise and thinking available.

During the current year, the Welsh Government, through the Energy Saving Trust, is supporting a series of seminars supporting local authorities to make the most of the Green Deal.

Commencing in July, the series consists of three seminars in north Wales and three in south Wales, designed to help local authorities to understand the potential roles they could play in the Green Deal and to help them through the decision making process. The series builds on examples of good practice from the projects that have taken place in England.

Recommendation 18. The Welsh Government should commission research to measure the economic impact of windfarms and associated grid infrastructure on the tourism industry in Wales.

Response: Accept in Principle

A diverse range of factors influence the tourist industry, unrelated to windfarm development. Previous research carried out into the impact of windfarms on tourism in Wales has indicated that for the majority of visitors, the existence of windfarms in the countryside does not significantly impact upon their

decision to return to Wales on holiday, while a common finding of many other surveys is the public's desire to find out more about windfarms and renewable energy.

Studies carried out elsewhere indicate that the impact of windfarms in tourism is minimal if they are properly designed and sensitively laid out and that there is no reason to believe that renewable energy targets and tourism are incompatible. This includes research in 2005 by the University of St Andrews examining several wind farms in the Scottish Borders and in Southwest Ireland, two important tourist regions. The research concluded that fears of negative impacts were not realised, with many people even finding the windfarms a positive addition. More recently, the Scottish Government published a report examining the economic impact of wind farms on Scottish tourism. It concluded that the impact is expected to be very small, and in most cases, hardly noticeable.

Notwithstanding the research referred to above, the Welsh Government will commission research on the economic impact of windfarms and associated grid infrastructure on the tourism industry as part of its forward research programme. We will also consider investigating attitudes to wind farm development in our current tourism research programme through the inclusion of specific questions in our consumer surveys and tourism business surveys.

Recommendation 19. To complement Energy Wales: A Low Carbon Transition and the associated energy programme the Welsh Government should produce a detailed Action Plan by the end of 2012 with details of specific actions that are required by the Welsh Government and others to meet the targets for each form of renewable energy.

Recommendation 20. The Welsh Government should publish an annual monitoring report that sets out progress towards the targets for each form of renewable energy and this should include an explanation of the reasons for any future changes to these targets that it may make.

Recommendation 21. As part of the detailed action plan (see recommendation 19) above the Welsh Government should:

- Provide robust information about existing and proposed renewable energy developments in Wales;*
- review the 2025 target for wave/tidal power;*
- clarify what is included in the 300 megawatts target for onshore wind developments of between 5 to 25 megawatts outside of the Strategic Search Areas and how this is to be monitored;*
- Consider the need for a longer-term target for offshore wind beyond 2015/16.*

Response to recommendations 19, 20 and 21: Accept in Part

The Energy Wales Programme has been mobilised and will publish action plans with further detail available before the end of 2012.

In parallel, the Welsh Government is developing a dataset describing the existing and proposed renewable energy developments in Wales. The Welsh Government is also exploring all existing sources of data to understand whether they provide a baseline for regular reporting of progress, both in terms of installed capacity and the delivery of sustainable benefits. Through these investigations, the Welsh Government will develop both the appropriate measures of progress and the reporting methods.

Energy Wales : A Low Carbon Transition sets out an ambition to transition to low carbon in a way that delivers greatest sustainable benefit for Wales. It does not set targets for percentage or capacity of renewable technologies as consents and incentives for large scale energy schemes (over 50MW onshore and over 1MW offshore) rest with the UK Government. As a consequence of this lack of direct control, Energy Wales : A Low Carbon Transition focuses on the delivery of sustainable benefits to Wales rather than setting targets in relation to percentage or capacity of any renewable technology.

'A Low Carbon Revolution' (2010) set out indicators of the potential for renewable energy generation in Wales and we will continue to monitor, with the aim of maximising the appropriate use of proven renewable energy generation in line with these aspirations. Given the comments above, there are no current plans to amend these aspirations.

Recommendation 22. The Welsh Government should pilot the introduction of a system that better integrates the planning and environmental permitting systems in Wales before the full introduction of a new system in April 2013. Such a system should be flexible enough to allow for some choice of which permitting route is the most suitable for each project.

Response: Accept in Principle

We are committed to simplifying planning and environmental permitting systems at the earliest opportunity, whether through primary, secondary or other delivery mechanisms. The Welsh Government will seek to work with developers to ensure that relationship between these systems is managed as effectively as possible.

Recommendation 23. The Welsh Government should implement improvements to the current planning and consenting systems for renewable energy projects of up to 50 Megawatts emerging from the Hyder report, that do not require new legislation as soon as possible and by April 2013 at the latest.

Response: Accept

We have published the findings of the Hyder research as part of a suite of evidence to inform the Planning White Paper. We will consider the recommendations and identify short and long term measures to improve the consenting process for projects under the Town and Country Planning Act.

Recommendation 24. *The Welsh Government should establish a one-stop shop for advice to businesses and community groups to help them navigate the renewable energy planning/consenting processes. This could be provided by the central renewable energy team (see recommendation 31).*

Revised Response: Accept in Principle

The Welsh Government has set up Ynni'r Fro to provide support, advice and funding for community organisations developing renewable energy projects. This includes information and guidance to help community groups navigate the consenting process and also includes information on the potential for funding for planning applications.

The Welsh Government currently provides advice on request to businesses on planning and consenting processes. We will consider/explore ways of making it easier for businesses and community groups to access the right information and individuals within the Welsh Government.

Recommendation 25. *The Welsh Government should produce further targeted guidance about how the cumulative impact of onshore windfarms in the Strategic Search Areas should be assessed (paragraph 12.8.2 of Planning Policy Wales states that the production of further targeted guidance will be considered).*

Response: Accept in Principle

We will consider this recommendation. TAN 8 already contains guidance on this matter but we will reflect on whether further guidance is required.

Recommendation 26. *The Welsh Government should ensure that the second stage of the Hyder research considers energy applications that are yet to be determined as well as those that have already determined.*

Response: Reject

The purpose of the Hyder research is to evaluate and identify bottlenecks in the current process for schemes that have gone through the planning process - a beginning to end review from submission to decision, and eventual operation. Welsh Ministers have a statutory role in the planning process, and there is a possibility that a planning appeal may come before Welsh Ministers

at some point. We do not therefore think it appropriate for the case studies to draw on live planning applications. We are confident that the issues and barriers identified from existing schemes are those faced by live schemes in Wales.

Recommendation 27. *The Welsh Government should consider introducing a requirement for a single environment statement to be used for both planning and environmental permitting purposes.*

Response: Accept in Principle

The Welsh Government will consider whether there are opportunities to introduce a single environment statement for both planning and environmental permitting purposes as part of its work on developing the Planning and Environment Bills. In advance of these Bills, the Welsh Government will seek to work with developers to ensure that relationship between these processes are managed as effectively as possible.

Recommendation 28. *As part of setting out a case for further devolution (see recommendation 8), the Welsh Government should propose that any associated development would also be considered alongside the main project by the National Infrastructure Directorate under any new arrangements.*

Response: Accept in Principle

We accept in principle the proposal that any associated developments should be considered alongside the main project application although the detail of how that might function in practice would depend on the approach for devolving consents for large energy developments.

Recommendation 29. *The Welsh Government should implement the Committee's recommendations made in its report on the business case for a Single Environment Body.*

Response: Accept in Principle

This recommendation refers to the Environment and Sustainability Committee's inquiry into the business case for a Single Environment Body.

Their report dated 27 April 2012 made 4 recommendations and the Welsh Government responded as follows:

Recommendation 1 - Accept

Recommendation 2 - Reject

Recommendation 3 - Accept

Recommendation 4 - Accept

The response by the Welsh Government was laid on 1 June 2012 and this is the response to this recommendation.

Recommendation 30. *The Welsh Government should confirm whether or not the Memorandum of Understanding with the Infrastructure Planning Commission will continue to apply now that it has been replaced by the National Infrastructure Directorate.*

Response: Accept

Although the Welsh Government is seeking further energy consenting powers, it is unlikely that this will be achieved in the short term. It is therefore considered appropriate that the Memorandum of Understanding should be updated in conjunction with the National Infrastructure Directorate of the Planning Inspectorate.

Recommendation 31. *The Welsh Government should establish a central team with particular expertise in renewable energy technologies. This team should be made available to local planning authorities to assist them in dealing with planning applications and Planning Act 2008 consultations, particularly to help those authorities dealing with applications involving novel technologies.*

Response: Accept in Principle

We recognise the need to provide assistance to local planning authorities and provide direct financial support in respect of technical assistance for major projects for which they receive no fee income. Furthermore, we are considering the implications of establishing a Planning Advisory and Improvement Board as part of the ongoing improvements to the planning system. We need to consider in more detail whether a dedicated central team of expertise would be more effective than having a call-off list of experts who could be deployed as the need arises.

Recommendation 32. *Until the central team is established, the Welsh Government should continue to provide grant aid to local planning authorities to assist them with buying in technical expertise.*

Response: Accept

In 2010/11 we introduced a pilot scheme to provide financial assistance to Local Planning Authorities (LPAs) to procure the resources and skills necessary to determine complex planning applications. The scheme enabled LPAs to undertake technical work to inform decisions, taken by the UK Government on major wind farms (50MW+) within the TAN8 Strategic Search Areas. Since its introduction in 2010-11, the Welsh Government has funded schemes totalling £152,000 in areas such as renewable energy and waste developments.

Recommendation 33. *The Welsh Government should encourage the development of regional working and the sharing of expertise.*

Response: Accept

Through our Planning Improvement Fund, we encourage local planning authorities to work with neighbouring authorities on facilitating renewable energy within their area. Planning policy and guidance already encourages this. We will build upon this recommendation and develop it through the Planning White Paper.

Recommendation 34. *As part of its current review of the planning system, the Welsh Government should consider introducing a cap on planning application fees for community-led renewable energy projects.*

Response: Reject

We must reject this recommendation for technical reasons. We envisage that it will cause difficulties for local authorities in determining what is meant by community-led schemes. The Welsh Government already facilitates community led projects through the Ynni'r Fro scheme and generous financial assistance, which can be used to pay planning fees, is already available to community led projects. Furthermore, where applications are made by or on behalf of parish, town and community councils under current provisions, the planning fee is half the normal fee for an application. We therefore believe that assistance is already available via other routes.

Recommendation 35. *The Welsh Government should encourage further use of planning performance agreements with developers as an alternative way of providing additional resources for dealing with major energy projects (eg: as was agreed between Anglesey County Council and Horizon Nuclear Power).*

Response: Accept

Planning Performance Agreements can be useful in ensuring the timely processing of planning applications and we encourage their use. The agreements are however drawn up between local planning authorities and applicants and the Welsh Government has a very limited role in the contracts which are agreed.

Recommendation 36. *The Welsh Government should establish a dedicated energy team within the Natural Resources Body and ensure that this team has adequate resources and a focus to deal with its dual roles as a statutory consultee and as an environmental permitter.*

Response: Accept in Principle

As a Government we have clearly identified the significance of energy development as laid out in *Energy Wales: A Low Carbon Transition*. I expect

the body to ensure that it has the skills and resources to support the delivery of *Energy Wales* and to be able to handle energy matters efficiently with the priority required. However, it will be a matter for management of the new body to determine the detail of the arrangements it will put in place to enable itself to do so. The dual role of the body as a consultee and a regulating authority applies to a number of areas across its remit and steps are being taken to ensure that it will be able to carry out both roles effectively and transparently.

Recommendation 37. As part of its current review of the planning system, the Welsh Government should consider how it can quickly deliver a consistent local or regional planning policy framework for decisions on renewable and other energy planning applications that local communities can understand and engage consistently with.

Response: Accept

The Planning White Paper will address this matter.

Recommendation 38. Following its recent consultation on a “presumption in favour of sustainable development”, the Welsh Government should revise Planning Policy Wales by the end of 2012 to give more weight to national planning policies in circumstances where there is no up to date development plan in place.

Response: Accept

A new edition of Planning Policy Wales (Edition 5) has been published which strengthens and clarifies the presumption in favour of sustainable development within the planning system. This reinforces the need for adopted development plans and advises Local Planning Authorities (LPAs) to give less weight to outdated or superseded policies in favour of other material considerations such as national planning policy.

Recommendation 39. In the short-term the Welsh Government should encourage individual or regional groupings of local planning authorities to give priority to the preparation of Renewable Energy Assessments based on the Welsh Government’s practice guidance, even if their Local Development Plans are at an advanced stage of development.

Response: Accept

In 2011-12, we funded 11 Local Planning Authorities to the total of £140K, to carry out all or parts of a local renewable energy assessment in line with the Renewable Energy Toolkit. These will be feeding into emerging Local Development Plans (LDPs) or will feature as part of the future review of

adopted LDPs. We will consider how this support can continue as part of the ongoing review of the planning system in Wales.

Recommendation 40. *Where there is no up-to-date development plan, the Welsh Government should encourage local planning authorities to prepare and adopt formal Supplementary Planning Guidance, on the development of renewable energy in their area, building on its Renewable Energy Assessment.*

Response: Accept in Principle

We accept the need for Local Planning Authorities (LPAs) to have up-to-date policy guidance. However, Supplementary Planning Guidance (SPG) is supplementary to a development plan and it would not be possible to produce SPG for those LPAs without a Development Plan. Our committed view is that all LPAs must fulfill their statutory obligations and adopt Local Development Plans (LDPs) and these must address the issues of renewable energy. We will continue to assist LPAs in the production of their LDPs.

Recommendation 41. *The Welsh Government should clarify how the proposed Natural Resource Plan is to be integrated with any changes made to the development plan system and how this new plan relates to the Wales Spatial Plan.*

Response: Accept

We are currently considering options for the development of natural resource planning and how it relates to and integrates with wider Welsh Government policy, the planning system and the Wales Spatial Plan.

Recommendation 42. *Once the major overhaul of the planning system in Wales that is now underway is completed, the Welsh Government should consider whether it needs to amend its planning policies for all forms of renewable energy.*

In considering this it should take account of:

- the outcome of the current backlog of outstanding onshore wind applications;***
- progress achieved by that time on the implementation of all other forms of renewable energy, including the current round of offshore windfarm proposals;***
- the new Natural Resource Plan for Wales.***

Response: Accept

In 2011, we published an update to our Planning for Renewable and Low Carbon Energy policy contained in Planning Policy Wales. Many of the changes that will emerge through the Planning White Paper and eventual Bill will seek to improve the consenting process for renewable energy projects.

We will continue to review Planning Policy Wales to ensure that it is fit for purpose.

Recommendation 43. *As part of an annual monitoring report setting out progress towards the targets for each form of renewable energy (see recommendation 20), the Welsh Government should include a detailed assessment of progress in the development of onshore wind for each Strategic Search Area, compared with their maximum capacities.*

Response: Accept

Each year we publish an update on the delivery of wind energy within the Strategic Search Areas. We will continue to collect this information and will look to include this within the annual monitoring report of the Local Development Plans of those Local Planning Authorities with Strategic Search Areas.

Recommendation 44. *As part of working closely with all the stakeholders to free up the backlog of onshore windfarm applications (see recommendation 2) the Welsh Government should particularly concentrate on resolving the transport issues associated with such developments.*

Response: Accept

We will continue to work closely with Renewables UK and developers to develop their Traffic Management Plans for the Strategic Search Areas.

Recommendation 45. *The Welsh Government should take action and provide stakeholders with support to enable the early publication of the overdue strategic transport management plan for mid Wales, to be followed by similar plans for each of the remaining Strategic Search Areas. It should ensure that those communities likely to be affected by these plans are properly consulted.*

Response: Accept

The responsibility for developing the Traffic Management Plans lies with the developers. The Welsh Government will continue to work closely with the developers to resolve the issues associated with those plans.

Recommendation 46. *The Welsh Government should commission a quick economic impact assessment study of the impact of transport movements associated with windfarm developments in mid Wales, as originally recommended to them by Capita Symonds. This study should be completed by April 2013 at the latest.*

Response: Reject

The recommendation relates to a study by an external contractor to the Welsh Government which was completed in 2008. Since the publication of that report, the Welsh Government has undertaken a significant amount of work, particularly through its consultative role on Strategic Transport Management Plans, to mitigate against the potential impacts of transport movements associated with windfarm developments. The Welsh Government's Transport Department is currently actively working with the windfarm industry and with all the appropriate bodies involved in facilitating and regulating the use of the highways (the Police and County Councils in Wales and England, the Highways Agency, the Department for Energy and Climate Change, and the Welsh Government itself as the Trunk Road Highway Authority in Wales) to enable wind turbine components to be brought to site safely in the timescales appropriate for the windfarm developments, whilst reducing the impact on communities, businesses, other road users and the environment. In particular, the Welsh Government has put the onus on the windfarm industry to work collaboratively with all parties to develop plans which minimise disruption to local economies and communities and have emphasised the importance of having a robust transport plan as a key part of any planning application.

Trial runs have been undertaken on a number of routes which have been observed by officials from both the Welsh Government and local highway authorities. There were minimal impacts on wider transport movements which the windfarm industry are looking to mitigate.

We will also be working closely with National Grid and other Statutory Undertakers to facilitate the provision of the associated power grid.

In light of the significant work underway on this topic and the approach adopted by the Welsh Government, we do not consider it necessary to implement this recommendation.

Recommendation 47. *Following the study by Capita Symonds which indicated that rail could play a part in the movement of some turbine components particularly to mid Wales, the Welsh Government should work with Network Rail and other stakeholders to ensure that the use of the railway network for the delivery of windfarm components is integrated into the transport plans of developers where appropriate.*

Response: Accept

The responsibility for developing the Traffic Management Plans lies with the developers. Network Rail is responsible for the rail network and allowing freight access to it, and is actively seeking to encourage increased rail freight transport.

We will continue to highlight rail freight options where appropriate in discussing Traffic Management plans with developers.

Recommendation 48. *As part of the current review of the planning and consenting process for windfarm development, the Welsh Government should share good practice on dealing with transport issues post-consent through the use of appropriate planning conditions where there are no cumulative issues.*

Response: Accept in Principle

The Welsh Government is the Highway Authority for trunk roads and local authorities are responsible for county roads. Where there is no cumulative impact, issues concerning the transportation of windfarm components are to some extent dependent upon the location. It would be beneficial to share good practices where appropriate. It is the responsibility of the developer to address transport issues as part of the application process. Project consents contain conditions which include traffic management.

Recommendation 49. *The Welsh Government should seek an urgent assurance from OFGEM that National Grid is building adequate levels of future proofing into its plans for grid reinforcement in all parts of Wales, so that the grid can cope with the increasingly diverse and dispersed nature of energy generation.*

Response: Accept

Discussions between the Welsh Government and National Grid about future proofing the transmission network are ongoing.

Recommendation 50. *The Welsh Government should clarify its position on the need for major grid reinforcement in mid and north Wales given apparent differences between last year's statements on the capacity of the Strategic Search Areas and more recent statements in Energy Wales: A Low Carbon Transition and the Wales Infrastructure Investment Plan.*

Response: Accept

The Welsh Government believes that modern, efficient and reliable energy infrastructure is important for our businesses and communities, and we are committed to supporting the development of new renewable energy generation, including wind energy. Crucially, as a Government we also support placing limits on the level of wind farm developments within given areas, as defined by the Welsh Strategic Search Areas (SSAs) set out in Technical Advice Note (TAN) 8 on Renewable Energy. This is in contrast to England, where there are **no** limits on the level of renewable energy developments.

Unfortunately, the consenting of major energy infrastructure is not devolved to the Welsh Government, despite continued representations to the UK Government that we should be responsible for decisions affecting Welsh

communities. It follows that the 'no limits' English approach will now be imposed on Wales.

Decisions on large wind farm schemes, as well as associated grid infrastructure, are the responsibility of UK Government Ministers who regrettably have not indicated that they will respect the limits on wind farm development set out in the Welsh Government's TAN 8 policy.

With regard to the issue of new grid infrastructure, the Welsh Government's preferred position is one of undergrounding. Without prejudice to this position, we have and continue to engage with the National Grid to mitigate the visual impact of any potential new transmission lines. We believe that without our representations, the impact of the proposed new infrastructure would have been much greater.

If the UK Government gives consent to large developments which is out of our hands, then we would expect there to be significant benefits to affected communities.

Recommendation 51. *The Welsh Government should ensure that National Grid and the District Network Operators are included in the protocol for community benefits (see recommendation 53), so that communities affected by new grid infrastructure also benefit from the associated infrastructure.*

Response: Accept in Principle

There are regulatory aspects to be considered in responding to this recommendation. The Welsh Government will seek dialogue with Ofgem in the first instance to discuss how both economic and community benefits can accrue from grid infrastructure developments in Wales. If appropriate, the Welsh Government will then seek dialogue with the National Grid and District Network Operators. The Welsh Government is mindful that costs for grid infrastructure enhancements are in part passed to consumers and this must be considered in detail given the significant infrastructure enhancements we are likely to see across the UK in years to come.

Recommendation 52. *The Welsh Government should encourage OFGEM to ensure that there is a consistent and simplified approach to the securing of and charging for connections to the grid for small-scale renewable energy projects.*

Response: Accept in Principle

As we move to the development of low carbon networks, the connection of distributed generation is an increasingly complex, commercial and engineering process. There has been a large increase in the volume of distributed generation applications, driven by UK Government policy changes in relation to Feed-In Tariffs.

Ofgem will introduce a new approach to network regulation in 2015 which aims to promote smarter networks for a low carbon future and puts sustainability alongside consumers at the heart of what network companies do. The Welsh Government is supportive of Ofgem's new approach to network regulation and welcome the positive responses from Scottish Power Energy Networks and Western Power Distribution.

Recommendation 53. The Welsh Government should work with developers and Renewable UK Cymru to complete work on a protocol for community benefits by mid - 2012.

Response: Accept in Principle

The Welsh Government is in dialogue with Renewable UK Cymru and onshore wind developers on this matter. The output of this work may be a protocol, but we are keen to learn lessons from the England protocol, which has had minimal impact. We are also progressing work to understand the potentially significant economic benefits derived through supply chain opportunities placed with Welsh businesses during both construction and operational and maintenance phases, to drive local employment, which cannot be entirely disassociated from the community benefit approaches. This is a complex piece of work and will be published in due course.

Recommendation 54. As well as communities directly affected by renewable energy developments, the protocol should require developers to contribute to communities that are indirectly affected by their development proposals as a result of associated infrastructure (roads and grid).

Response: Accept in Principle

This recommendation is accepted in principle as is recommendation 53. However, it is important to note that, for technical reasons, it is likely to be problematic to accurately assess and determine the effects on communities indirectly affected by renewable energy developments.

Recommendation 55. The Welsh Government should support and promote the work of Community Energy Wales as a source of information and advice to local communities. It should provide some funding to Community Energy Wales to enable it to act as a skilled intermediary to advise local communities on the management and use of community benefit contributions for large-scale energy and associated infrastructure projects.

Response: Accept in Part

The Minister for Environment and Sustainable Development recently launched Community Energy Wales (CEW) at the Hay Festival and the Welsh Government is supportive of community groups in Wales coming together to establish a support network for the sector.

The Welsh Government has supported the work of CEW in particular building links between CEW and the Welsh Government's community renewable energy programme Ynni'r Fro. The Welsh Government has also supported CEW's development through our funding of Cynnal Cymru, which has led on the establishment of the network.

The Welsh Government stated in *Energy Wales* that it will seek to reinvest benefits realised from energy projects to support further improvements in infrastructure, to maximise economic and community benefit, and progress innovative technology to commercialisation in Wales. The mechanisms for supporting this aim are yet to be developed, with the Welsh Government currently working in the first instance with the onshore wind industry and Renewables UK Cymru to agree how economic and community benefits can be maximised. Any support mechanisms the Welsh Government employs are likely to be subject to a future competitive tender process.

Recommendation 56. *The Welsh Government should commission a study to investigate the feasibility of amending current national policy and local planning guidance to incorporate a more robust and systematic consideration of community benefits packages and mandatory levels of payment by renewable energy developers formally linked to the planning/consenting process.*

Response: Reject

It is a well established principle of the planning system that decisions on applications are taken on planning merits. There is a legal requirement that all planning decisions must be taken in accordance with the development plan unless material circumstances indicate otherwise. The planning system is subject to challenge throughout the process of determining applications and including a consideration of potential community benefit into the decision making process could bring the system into disrepute.

We support the principle of community benefits accruing as bi-lateral undertakings between developers and the community. The terms are usually negotiated outside the planning consent. If there is not a clear demarcation between the planning system and any material benefits which may be accrued, consent decisions could be construed as being bought.

Recommendation 57. *The Welsh Government should establish a formal mechanism so that information is made publicly available about the level and nature of benefits associated with energy development that have been made available to communities.*

Response: Accept

The Welsh Government will be progressing this with, in the first instance, Renewables UK Cymru and onshore wind developers. Transparency in

understanding the significant benefit to Wales of the low carbon transition can only help communities and developers.

Recommendation 58. *The Welsh Government should introduce a formal pre-application consultation stage for renewable energy projects of between 5 megawatts and 50 megawatts, modelled on the Planning Act 2008 procedure for Nationally Strategic Infrastructure Projects.*

Response: Accept in Principle

In July 2012 we published new guidance on realising the potential of pre-application discussions. The guidance applies to all types of developments and is designed to support applicants and Local Planning Authorities reduce the time taken in dealing with applications and improve the quality of planning applications. We will consider the formalisation of pre-application stages in the Planning White paper.

Recommendation 59. *The Welsh Government should bring forward changes to extend permitted development rights to non-domestic premises by the end of 2012 at the latest.*

Response: Accept

Both domestic and non-domestic PDRs will be introduced by the end of 2012.

Recommendation 60. *As part of supporting/promoting Community Energy Wales (see recommendation 55), the Welsh Government should encourage the development of a toolkit and specific training for communities wishing to pursue the development of small-scale renewable energy projects.*

Response: Accept in Principle

A range of toolkits to help communities develop small-scale renewable energy projects have been developed across the UK. As part of its commitment to support community energy projects, the Welsh Government has co-funded the development a toolkit called Community Pathways which has been designed by the Community Energy Practitioners Forum.

This toolkit provides independent, interactive information and guidance on nearly 40 different community approaches to action on climate change, including advice on developing community renewable projects. The toolkit can be accessed via a website which also provides links to a wide range of community project examples in action. Further resources and information that may be relevant to each type of project are also provided from this website.

Our Ynni'r Fro European Regional Development Fund project provides specific support for communities who wish to undertake small scale renewable projects. An important component of the support provided through Ynni'r Fro, is the Wales-wide network of Technical Development Officers who

work closely with communities who wish to develop renewable energy projects and provide them with support and technical advice.

Recommendation 61. *The Welsh Government should publish revised targets for Microgeneration, given that the targets in the 2007 Micro-generation Action Plan have been superseded.*

Response: Reject

The original targets were set prior to the UK Government establishing the Feed-in Tariff Scheme. This scheme has been the main stimulus and incentive to the uptake of microgeneration technologies since it commenced in April 2010.

In response to the level of demand experienced and the need to ensure that the budget remains within the parameters set, during the past year, the UK Government's Department for Energy and Climate Change has made, at short notice, significant reductions in the tariffs available. In particular these changes have had an impact on small-scale solar photovoltaic measures and have markedly reduced the uptake of this technology.

The Feed-in Tariff is the main driver for promoting the uptake of microgeneration technologies. Following the recent policy changes, future degeneration in tariffs based on deployment rates in the market, will be the main cost control measure to ensure that the scheme remains within the budget set. As reductions in tariffs based on deployment will be used to control levels of uptake in the market, it is no longer appropriate to set targets for microgeneration.

Recommendation 62. *The Welsh Government should work with the UK Government and Ofgem to resolve outstanding problems with the interpretation of European State Aid rules where community projects are applying for Feed In Tariffs and are also receiving funding from the structural funds.*

Response: Accept in Part

European State Aid rules, together with associated UK legislation on the Feed-in Tariffs (FiTs) scheme regarding community projects and support from the structural funds and other public funds, now offer clear guidance in relation to the activities that are eligible for support. The rules continue to incentivise and stimulate investment in community renewable energy projects through the income provided under the Feed-in Tariff.

UK legislation and Ofgem Guidance produced in 2011 provided further clarification of the public support from all sources, including both Welsh Government funds and European structural funds, that is allowable as grant funding for community projects. It is now clear that, other than in cases of

“non-standard” costs incurred as a result of installing measures directly related to avoiding or mitigating environmental harm, a community project cannot receive public funding towards the costs of the installation (i.e. the generating equipment and associated building and design work) and also claim support under the FiTs scheme.

In our response to the UK Government’s Phase 2B consultation on FiTs, the Welsh Government highlighted the need for Ofgem to work with community groups to help them identify specific activities that would, or would not, be eligible for grant funding.

The Welsh Government will continue to work with Ofgem to secure further clarity for communities on categories of eligible expenditure and funding sources as queries arise. Similarly, we will continue to work with the UK Government and Ofgem to support the development of community energy projects.

Recommendation 63. *The Welsh Government should establish a sub-group of the proposed Renewable Energy Delivery Board (see Recommendation 1) with responsibility for Marine and Tidal energy development across Wales and this should be modelled on Marine Energy Pembrokeshire.*

Response: Accept in Principle

The Energy Wales Programme has been mobilised to deliver *Energy Wales : A Low Carbon Transition*. In doing so, engagement with our key stakeholders (such as business, government, regulators, communities and research bodies) will be necessary to develop our plans, provide assurance, remove barriers and deliver.

We will need to develop engagement approaches support our overall aims and also to drill down into sector specific matters. We already have strong engagement in the marine and tidal sector but, this will be formalised in the coming months. The Marine Energy Pembrokeshire approach may be the most appropriate approach, but we will always seek to ensure that form follows function.

Recommendation 64. *The Welsh Government should ensure that robust information on tides, waves and currents around the Welsh coast is collected and made publicly available to reduce uncertainty for potential developers.*

Response: Accept in Principle

The Welsh Government is taking a pro-active, co-ordinated approach to the delivery of marine energy in Wales under the umbrella of the Energy Wales Programme Board.

During 2008-2011, the Welsh Government funded the Marine Renewable Energy Strategic Framework (MRESF), a £1m project to assess the potential

for energy extraction from Welsh waters from wave and tidal stream technologies, taking into consideration the environmental and socio-economic constraints to development. The project pulled together a library of environmental and socio-economic data in order to carry out the constraints mapping. Currently, all the data captured by the project, along with the constraints mapping work is only available for developers to view upon request.

The environmental and socio-economic baseline data underpinning the MRESF is subject to licence agreements which restrict the use of the data to the purposes of the project. In the majority of cases, the Welsh Government is not the data holder and therefore is unable to make the baseline data freely available. However, in the autumn the Welsh Government will refresh the constraints mapping web tool, making it publicly available and adding the ability for the developer to upload their own site information.

Research into refining the wave and tidal resource at key locations around our coast has been undertaken by the Low Carbon Research Institute. All publicly funded research, including the data collected under the banner of the MRESF will go into the public domain.

The Welsh Government will continue to establish a prioritised programme of research for key sites off Wales, overseen by Government, academia, regulators and industry.

Recommendation 65. *The Welsh Government should work closely with private and public sector stakeholders to explore the potential of the Severn estuary as a source of renewable tidal energy.*

Response: Accept

A private consortium has put forward proposals for a Severn Barrage and has held discussions with the UK Government. We will be undertaking our own discussions with the consortium to discuss their proposals in more detail.

Recommendation 66. *The Welsh Government should prepare and agree a formal Memorandum of Understanding with the Marine Management Organisation on the handling of renewable energy projects, by the end of 2012 at the latest.*

Response: Accept in Principle

On the basis that this recommendation relates to projects where the energy consent is the responsibility of the Marine Management Organisation (MMO) and the marine licence is the responsibility of Welsh Ministers, we already have a working arrangement with the MMO for the Welsh Government's Marine Consents Unit to take the lead on such projects in order to provide as streamlined a process as possible for applicants. This is currently the case

with the MCT Skerries marine turbine installation for example. We will look at the need to formalise such arrangements but as the marine licensing function is set to be delegated to the Natural Resources Body for Wales from April 2013, it would probably be more productive to proceed directly to a formal agreement between the MMO and the new body.

Recommendation 67. *The Welsh Government should closely monitor the total capacity and levels of waste tonnage associated with energy from waste plants that are commissioned by local authorities and should review its policies for the treatment of residual waste when the position is clearer.*

Response: Accept in Principle

It is agreed that the situation needs monitoring and such monitoring is already in place. The Welsh Government published on 10 July 2012 its Collections, Infrastructure and Markets Sector Plan. This includes details of current and projected future residual waste arisings, and includes details of existing and planned energy from waste capacity. The plan identifies the future capacity gap for new energy from waste facilities that need to be developed in Wales to manage residual waste sustainably.

Recommendation 68. *The Welsh Government should work with planning authorities to encourage the development of facilities which offer the best options for the utilisation of heat recovery from waste, through the revisions to Technical Advice Note 21 (Planning and Waste) and local planning authority supplementary guidance.*

Response: Accept

We will consult on revisions to planning policy for waste and associated Technical Advice Note 21.

Recommendation 69. *The Welsh Government should consider ways of introducing a requirement for Local Planning Authorities to give greater weight to the re-use of heat for district heating schemes as a material consideration in their determination of planning applications for energy from waste plants.*

Response: Accept in Principle

We believe that current guidance and support contained in Planning Policy Wales Chapter 12 and the Renewable Energy Toolkit already provides the context for achieving this.

Recommendation 70. *The Welsh Government should publish a draft Industrial and Commercial Sector waste management plan by the end of 2012 at the latest. This should include detailed action plans for this sector for source segregation of food waste and diversion of food waste from landfill to*

anaerobic digestion plants as well as ways of seeking an overall reduction and alternative disposal arrangements for all types of waste from this sector.

Response: Accept

The Welsh Government intends to publish for consultation in autumn 2012 the draft Industrial and Commercial Sector Plan. The prevention and recycling of food waste is a priority under *Towards Zero Waste*, the overarching waste strategy document for Wales. Anaerobic digestion is the preferred technology for the management of separately collected food waste.

Recommendation 71. *A consultation draft of the Food Manufacture, Service and Retail Sector Plan for waste management was published in March 2011. The Welsh Government should publish a final version of this plan as soon as possible and take forward the actions it identifies to encourage further use of anaerobic digestion for the treatment of biodegradable waste produced by the sector.*

Response: Accept

The Welsh Government intends to publish the final Food Manufacture, Services and Retail Plan in autumn 2012.

Recommendation 72. *The Welsh Government should provide additional support to assist the development of small-scale on-farm anaerobic digestion.*

Response: Accept in Principle

The previous Welsh Assembly Government accepted a recommendation in the report of the external Land Use Climate Change Group (October 2010) to provide support for all manure/slurry from the dairy herd and attendant beef/veal systems to be processed through anaerobic digestion and to exploit the biogas potential.

The current Welsh Government, in partnership with the Land Use Sub-group of the Climate Change Commission for Wales, is actively seeking to identify barriers to uptake and measures to overcome these barriers. There will also be an opportunity to look further at potential support measures as the next Rural Development Plan is prepared.

Recommendation 73. *The Welsh Government should make sure that no local planning authority is insisting on consent from the Environment Agency for a hydro scheme before it will consider a planning application. This requirement should be built into its review of the planning/permitting process for renewable energy projects (see recommendation 23).*

Response: Accept in Principle

We accept that the planning system should be as efficient and proportionate as possible. We will consider how efficiencies can be expedited through the Planning White Paper and the establishment of the Single Body offers scope to undertake a rationalisation of the consenting and permitting regime.

Recommendation 74. *The Welsh Government should urge the Environment Agency to produce a revised version of its Good Practice Guidance for “High Head” hydro power schemes to include a consistent approach to ‘flow splitting’ across England and Wales as soon as possible and by the end of 2012 at the latest.*

Response: Accept in Part

In July 2011, the Environment Agency published a formal consultation on reviewing their hydropower Good Practice Guidelines (GPG), which included revised advice on flow splitting in ‘High Head’ schemes. Since the consultation closed, the Environment Agency has been considering the responses and developing their revised guidance in liaison with representatives from industry and environmental interests. To date, the Agency has made significant progress and has completed a large part of the review. However, after detailed consideration of the results of the consultation and associated discussions, the Environment Agency has decided to launch a Supplementary Consultation on options for future flow and abstraction standards for hydropower in Wales and England. As a result, it will not be possible to produce new guidance by the end of 2012. The Agency expects to publish its consultation in September 2012 with a final, revised Guide published in 2013.

Recommendation 75. *The Welsh Government should continue to provide support for Research and Development within Wales to explore the technical and economic feasibility of carbon capture and storage for existing and future gas fired power stations.*

Response: Accept

Whilst the rise of gas is essential in a low carbon transition, it cannot be a long term basis for the energy economy of Wales without carbon capture and storage. Carbon capture and storage therefore, if successfully commercialised and supported by the appropriate regulatory framework, will be a vital component of our medium to long term energy future.

We are pleased Wales leads the UK through the pilot carbon capture project at Aberthaw Power Station, which the Welsh Government has supported from the outset.

Recommendation 76. *The Welsh Government should work with the UK Government to ensure that private companies understand that from the outset, where public money is being provided to help fund energy Research and Development work, then the value of the intellectual property rights*

associated with that investment will be shared with the public sector funding body.

Response: Reject

In line with the guidelines published by the UK Intellectual Property Office, “Intellectual Property in Government Research Contracts”, Welsh Government policy is that ownership of the Intellectual Property generated in publicly funded research should in general be vested in organisations that actually carry out the research (the research providers), rather than being held by a public sector purchaser. However, Welsh Government interests (including rights to make full use of the Intellectual Property for the policy and business needs of the Government, and to permit publication of information as appropriate in accordance with Government policy) will be protected through suitable contractual provisions.

Recommendation 77. *The Welsh Government should work with the UK Government and the other devolved administrations to produce technical guidance in the form of a new Technical Advice Note to help local planning authorities in Wales in dealing with planning applications for the exploration and extraction of unconventional gas, including applications where the use of hydraulic fracturing is proposed.*

Response: Accept in Principle

We will continue to work with other Governments in the UK in order to consider the emerging science in this area, and we will ensure that policy is kept up to date in this context. We are not necessarily convinced however that the issues are sufficiently distinct to justify a new Technical Advice Note.

Financial Implications:

Some of the recommendations, specifically number 18 concerning a tourism study, could incur costs over and above existing DRC/staff costs and have financial implications. These costs will be met within existing budgets.