

Public position on onshore wind and solar

The Paris Agreement, ¹ signed by 195 international governments, sets both the context for tackling the causes and consequences of climate change and for the decarbonisation of the global economy. The UK Government ratified the Agreement last year, reinforcing their support. Here in Wales we have strengthened our action around climate change through the Environment (Wales) Act 2016, which sets a decarbonisation framework for Wales with a minimum of 80% reduction by 2050 and a supporting carbon budgeting framework.

Wales has made great progress in decarbonising power supplies: since 2010 electricity generation from renewable sources has trebled and last year provided 32% of our electricity. Decarbonising the power sector is a priority in all the potential pathways to achieve Wales' 2050 goals. Our Wellbeing Goals require us to do this in a way that delivers maximum opportunities for communities and minimises the costs.

Policy in Wales supports further renewable generation in the appropriate sites and at an appropriate scale. Their impact and contribution to the resilience of our natural resources and ecosystems, and the benefits they provide to wellbeing, will be key to their consideration. We believe the Wellbeing of Future Generations Act, the clear direction in planning policy and the direction set within the Natural Resource Management policy provide a supportive framework to appropriately harness our rich natural resources, maintaining and enhancing the resilience of Wales' ecosystems, in a way which people who live and work in Wales will support. With careful planning, there is potential for significant renewable energy deployment in Wales.

Over the last few years Welsh communities and businesses have benefited from adopting renewable technologies. Farmers, rural and urban businesses, homes and communities have all taken control of their energy use and invested in generation, providing more certainty around their bills and helping Wales on its decarbonisation journey. This has not only secured jobs in those organisations, but has created skilled posts in delivery and maintenance.

The UK Government has rightly stressed the importance of managing the costs of electricity generation, and the subsequent costs to bill payers. This is important for Wales, which has both a high proportion of people in fuel poverty and a significant part of the UK's energy intensive industries. We support the approach that Government support should decrease as technologies mature.

However, the changes made to support for renewable developments in 2015 have had a significant impact on development, particularly for onshore wind and solar technologies. No new applications for planning permission have been made in 2016 within the Strategic Search Areas designated in Wales, and a number of developments with planning consent are not progressing. Larger scale ground mounted solar developments are also no longer being taken through the planning system, with the last consented schemes being built out by the end of March 2017. Projects being developed by communities and local authorities to deliver local

¹ The 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21)

benefit, including solar rooftop schemes in fuel poor areas as well as wind and solar to power public buildings and local businesses, can no longer attract investment.

This is threatening both the once growing sector developing and delivering these projects and the ability of bodies in Wales to build resilience for the future. It also threatens Wales' ability to meet its climate goals, which contribute to the UK's 2050 targets. This is at a time when the future looks more uncertain than ever as a result of the decision to leave the EU, and the need for resilient low carbon business models becomes even more urgent.

We believe there is an opportunity in this new world for the UK Government to look again at the way it supports new investment in energy. We believe that excluding the most affordable technologies from market mechanisms makes little sense from the supply side, with respect to the cost to bill payers, or from the economic perspective. Support for earlier stage technologies is important for economic prosperity and for decarbonisation. We need a concerted approach that provides incentives to new technologies as well as supporting those which are most economical in order to keep costs at affordable levels.

We call on the UK Government to enable onshore wind and solar technologies to compete in the Contract for Difference mechanism to reduce overall costs and enable the continued renewable deployment needs to meet the UK's legally binding decarbonisation goals.

Although we need to develop at all scales to meet our energy needs in the UK, many locations cannot support the very large developments which make economic sense to major developers. The current mechanism recognises only the economic value of electricity and not the wider social and economic benefits. Similar mechanisms used in other countries do recognise these wider benefits. For example, South Africa included job creation and community ownership targets within their auction process.

We have seen the difference in approach where developers work with local people and businesses to deliver projects people are involved in designing and have the opportunity to buy into. We believe this is fundamental to the acceptability of future developments and have evidence it can be achieved at an affordable cost. We ask the UK Government to recognise the additional social and economic value provided from distributed generation within the Contract for Difference regime, in the same way as is required in Wales under the Wellbeing of Future Generations Act.



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