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Environment and Sustainability Committee

Meeting Venue:
Committee Room 3 - Senedd

Meeting date:
5 June 2013

Meeting time:
09:30

Cynulliad Cenedlaethol Cymru
National Assembly for Wales

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Agenda

1 Introductions, apologies and substitutions

2 Progress towards the Sustainable Development Bill - round table discussion (09.30 - 11.30) (Pages 1 - 5)

Peter Davies, Commissioner for Sustainable Futures
Professor Gareth Wyn Jones
Anne Meikle, Head of WWF Cymru
Julian Rosser, Head of Oxfam Cymru

3 Papers to note (11.30)

3a. Inquiry into energy policy and planning in Wales : Report follow-up - paper from Natural Resources Wales (Pages 6 - 11)
E&S(4)-16-18 paper 1

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: Item 5 (11.30)

Private session

5 Progress towards the Sustainable Development Bill - Consideration of evidence (11.30 - 12.00)

Document is Restricted

The National Assembly for Wales Environment and Sustainability Committee Inquiry into Energy Policy and Planning in Wales – Update from Natural Resources Wales

23 May 2013

Introduction

The purpose of Natural Resources Wales is to ensure that the environment and natural resources of Wales are maintained, enhanced and used in a sustainable way, designed to benefit the people, environment and economy of Wales now and in the future.

This document provides an update which is focussed on the recommendations[1] of relevance to Natural Resources Wales and the delivery of our remit rather than the full suite of recommendations. The main focus is on planning and permitting issues, as requested by the committee.

Natural Resources Wales has multiple roles in relation to energy and planning, which include:

- A statutory duty in relation to permitting a wide range of energy facilities. The details of this permitting role vary according to the particular types of facility in question – ranging from nuclear power stations to small-scale hydropower schemes.
- We are a statutory consultee in the planning process
- We have a statutory duty in relation to designated sites, which includes consenting activities that might have an impact on those sites.
- We can provide advice and guidance to business before any formal applications for planning consent or operating permits.
- We also provide impartial advice and evidence to the Welsh Government and UK Government within energy policy and planning framework
- facilitator/enabler for energy projects on own land

[1] National Assembly for Wales Environment and Sustainability Committee Report on Energy Policy and Planning in Wales, June 2012: http://www.senedd.assemblywales.org/documents/s8778/Energy%20Policy%20and%20Planning%20in%20Wales%20-%20Report%20-%20June%202012.pdf

Update on specific 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.

CCW and EAW recommended greater coordination of policy and delivery frameworks at the Wales level on the basis that this would help bring policy makers, regulators, advisors and developers together and ensure a coordinated approach to the delivery of energy targets across Wales' terrestrial and marine environment through the integration of land and marine planning. The First Minister announced on the 14th of May[2] that the Energy Wales Strategic Delivery Group would meet shortly. Natural Resources Wales will be represented on the group by the Chief Executive. We believe this will create a 'team Wales' approach to facilitating energy deployment and allow a common understanding of policy, legislation and process in tackling key issues and facilitating the delivery of renewable energy targets together.

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

Natural Resources Wales is working with Welsh Government and other stakeholders to deliver on this recommendation. The legacy bodies provided evidence to inform the Hyder report evaluating the consenting regime for renewable energy projects and an analysis of issues. Recommendations from the report are informing our approach to delivering a single process for planning that provides environmental evidence and improvements in handling of casework to inform the planning process. This is a priority identified in our Business Plan for 2013/2014.

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.

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.

In reference to recommendations **4 and 5** above, following the *Sustaining a Living Wales* green paper consultation in 2012, work has been progressing within Government on the development of the options in order to identify the best approach to delivering the objectives of a Natural Resource Plan. Ultimately the aim of integrated natural resource management is to ensure that it informs and is fully integrated within the frameworks that guide development in Wales.

The Welsh Government has confirmed that 'a National Development Framework will need to be aligned with Natural Resource Management policy in guiding appropriate development opportunities, and exemplifying the need to integrate social, economic and environmental considerations'[3]. The national development framework also needs to be aligned with natural resource management policy and the Welsh Government's wider sustainable development policy framework and future legislative framework, with sectoral planning to be governed by the overarching planning framework, which would include terrestrial and marine spatial planning. NRW will focus on the integrated management of natural resources for better long-term outcomes for Wales.

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[2] Statement on Energy Wales, National Assembly for Wales Record of proceedings 14th May 2013: http://www.assemblywales.org/docs/rop_xml/130514_plenary_bilingual.xml

[3] Welsh Government Update on responses to individual recommendations: http://www.senedd.assemblywales.org/documents/s16516/Paper%201.pdf

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.

The Energy & Environment Private Sector Panel provides advice to inform the Welsh Government's approach. NRW does not have a formal role in the Panel but we are members of and have a proactive role in a number of groups which operate at a UK, National or Regional level as well as having good working relationships with individual developers or those working on individual projects, a number of whom are on the Sector Panel. These groups and relationships enable us to benefit from the wider sharing of best practice, lessons learned and research in renewable energy deployment at a UK, European or worldwide level which is of benefit to Wales. Natural Resources Wales has agreed a Memorandum of Understanding with Renewable UK Cymru

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.

NRW supports the recommendation made by the Committee and believes that to better understand the environmental risks associated with new technologies there is a need to:

- maximise and disseminate widely the learning from deployed demonstrator scale projects to help confirm or eliminate key impacts and begin to address issues associated with larger deployments;
- promote the sharing of info from R&D taking place across the UK and internationally so that developers, regulators and advisors can benefit from the huge investment in such research elsewhere
- improve the baseline data that characterises our natural heritage resources that are most likely to be at risk from the development of newer technologies; and
- develop a programme of research that carefully targets gaps in understanding that specifically relate to Wales and that have not been addressed already or elsewhere

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.

Anglesey Energy Enterprise Zone has an Energy Island programme established by Anglesey Council. The legacy Bodies, and now NRW, are represented on the various groups arising from the program at strategic and technical level and work in partnership with other stakeholders in the pubic and private sector towards common goals. Delivering such a variety of National Significant Infrastructure Projects in a small geographical area and within the same timeframe will be huge challenge for all the regulatory bodies. To ensure NRW provide the appropriate support, advice and guidance to partners, developers and stakeholder interim processes have been agreed, including the setting up of an NRW Energy Island Programme Board with Board membership and representation from the various Directorates and observer status from partner organisations. The first meeting of the Board will be in Q1 of 2013/14

NRW have developed a first draft financial agreement between Natural Resources Wales and Horizon Nuclear Power Ltd and hope to secure agreement before the end of May 2013. We will also endeavour to secure similar financial arrangements with other major developers, including Centrica and National Grid.

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.

Welsh Government officials are working on action plans and that these will be published soon. We are having ongoing discussions about the role NRW can perform in delivering these.

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.

Part of the business case for the creation of Natural Resources Wales was to bring together the functions of the legacy bodies in relation to planning and environmental permitting. Natural Resources Wales' remit letter for 2013-14 highlights the need for business continuity, and improved delivery of services including a 'one stop shop' and improved handling of casework. This includes the delivery of a single process for planning that provides environmental evidence and improvements in handling casework to inform the planning process, which is a priority identified in our business plan for 2013-14. Natural Resources Wales will work to frontload the decision making process both in respect to a spatial approach to identifying opportunities for development and a streamlined approach to decision making and consenting.

Natural Resources Wales effectively became a 'one stop shop' with respect to providing a single point of contact for advice on planning applications on day one. NRW has established arrangements for internal consultation for regulatory decisions such as permitting, and on planning to ensure that nature conservation, water and pollution issues are considered in the round to inform decisions on planning applications. We are establishing the required functional separation arrangements for Strategic Environmental Assessment, and a single application process for multiple consents required for e.g. hydropower developments. Further streamlining is a priority for the transition team and is ongoing. We will also work with the Welsh Government to identify potential improvements to the planning and environmental permitting systems that could be achieved through its legislative programme.

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.

As stated previously, (see Recommendation 1) CCW and EAW provided evidence to inform the Hyder report evaluating the consenting regime for renewable energy projects. Issues identified in report are informing our approach to delivering a single process for planning that provides environmental evidence and improvements in handling of casework to inform the planning process. NRW is also engaged in discussions with the Welsh Government on improving the ancillary consents and associated developments, especially for renewable energy projects above 50 megawatts.

Recommendation 24 The Welsh Government should establish a one-stop shop for advice to businesses and community groups to help them navigate the renewable 27 energy planning/consenting processes. This could be provided by the central renewable energy team (see recommendation 31).

Please refer to our update on recommendation 22 above

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.

Please refer to our update on recommendation 22 above. In addition, the majority of offshore development consenting Environment Impact Assessment (EIA) is typically served by a single environment statement.

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.

Interim processes have been established to enable business continuity whilst allowing flexibility in the transition from the legacy bodies to NRW and allowing new ways of working to be developed. A number of factors and approaches are being considered for the delivery of our energy work including the recommendation for a dedicated energy team and consideration of the separation of functions and potential conflicts of interest. We have established a team to identify enterprise opportunities including those for renewable energy.

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.

The Welsh Government has completed the refresh to its GIS constraints mapping created under the Marine Renewable Energy Strategic Framework (MRESF) project. NRW (and formerly CCW) made a significant contribution to this project as members of the Steering Group. Most notably the initiative provided a structured way for Government to capture evidence about all relevant interests, including natural heritage to inform planning for marine energy deployment. Maintaining the framework would provide Government with an important tool in planning for future deployment, including as part of Marine Spatial Planning. Some of the data collected is not sufficiently detailed to provide developers with the information necessary to plan for individual developments (e.g. on local tidal currents). Collecting such data on a large scale is expensive but the outputs of the MRESF would help target areas for more detailed data collection as well provide a mechanism for ensuring such information is widely shared.

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.

NRW is now responsible for devolved marine licensing functions. We will work with Marine Management Organisation (MMO) to sign off a formal Memorandum of Understanding as soon as possible in 2013-14. Marine planning remains the responsibility of the Welsh Government

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.

Developers have expressed concern over the likely timescales for production of Hydropower Good Practice Guidelines (GPG) and we are working to introduce the new guidance on flow and licensing for high head hydropower as quickly as possible. As part of our wider review of the GPG, the Environment Agency’s supplementary consultation on Flow and Abstraction Standards for Hydropower was published on 21 January 2013 and open for 10 weeks until 2 April. The work undertaken to date by the Environment Agency on reviewing and amending the Hydropower Good Practice Guidelines, as well as the responses to this consultation, will be available for use by Natural Resources Wales.

We have received a significant number of responses to the consultation and we are currently assessing the detailed information, views and evidence that were received. There is no one consensus view; the views of Hydropower developers and fisheries, and other groups concerned about ecology, continue to be polarised. In summary, developers wish to maximise scheme profitability by taking more water, whilst conservation and fisheries groups highlight the damaging impact that hydropower schemes might have and look to limit water abstraction. Our goal is to

achieve a consistent approach to ensure that hydropower schemes in Wales are developed sustainably. Later in 2013, we will publish a summary of the responses received along with the NRW decision and clear guidance for developers. As we continue to review the Hydropower Good Practice Guidelines, we have published Hydropower interim guidance notes on screening, fish passage, new weirs and competing schemes. We have also consulted on the transition period for how any new standards will be introduced.

Over recent years we have improved the service that we provide to hydropower developers. This includes guidance on how to produce schemes and a pre-application service. There has been a recent steady growth in the number of hydropower schemes licensed by us in Wales: 2009 = 5; 2010 = 13; 2011 = 19; 2012 = 35. Despite the growth in work, the time taken for us to determine the licences has dropped from 204 days in 2009 to 128 days in 2012. During this period we have only refused two formal applications.