



Economy, Trade and Rural Affairs Committee; Strategic priorities and longer-term objectives consultation

Marine Energy Wales Response

Marine Energy Wales (MEW) welcomes the opportunity to represent our membership and provide feedback to this consultation around the opportunity of emerging offshore renewable energy in Wales. We look forward to presenting oral evidence and would welcome continued engagement with the Economy, Trade and Rural Affairs Committee on this emerging sector and the opportunities it presents. This consultation response seeks to provide a brief summary of the industry, to highlight the importance of the emerging offshore renewables sector to drive decarbonisation and the green recovery here in Wales, and to answer the questions posed.

MEW is *the* industry led stakeholder group representing the wave, tidal (stream and range) and floating offshore wind industries in Wales.

The Welsh Opportunity

MEW champions a green economic recovery with emerging offshore renewable energy playing a pivotal role. Harnessing the power of the sea will provide a clean, low carbon and sustainable source to meet the UK's energy demands and contribute to a successful, resilient and diverse UK energy mix which aims towards net zero. Wales has a unique offer with abundant tidal, wave and wind resource right on our doorstep. According to the Offshore Renewable Energy Catapult (OREC), the UK's practical resource has been estimated at 15GW for tidal stream and 23GW for wave energy¹. Furthermore, there is 20GW of tidal range resource (including 6GW in Wales) and at least 50GW in the Celtic Sea alone in Irish and UK waters for floating offshore wind. Emerging offshore renewable energy presents an opportunity for Wales to keep its own renewable energy technology value locally by supporting a currently homegrown industry to deliver a low carbon economy, with its own jobs and prospects, and export the knowledge, skills and expertise globally.

Despite a natural competitive advantage, innovative initiatives within the sector, and significant maritime experience developed over centuries, Wales is currently falling behind other areas of the UK and international competition due to a challenging consenting regime, slow delivery of policy intent and insufficient investment in infrastructure. Resulting in the potential forfeit of the associated jobs, prosperity and economic growth for Wales as well as the provision of secure and predictable energy to the energy mix. Thus we risk once inherent strengths, including know-how, technology, economic value and employment prospects, leaving Wales and being drawn overseas.

With adequate and consistent policy and financial support from government, we will be able to capitalise on this innovative maritime opportunity that supports supply chain resilience and clusters, in some of our most peripheral economies across Wales. Which, we are already seeing, represents significant global export potential.

Wales' ongoing ability to benefit from this new low carbon opportunity will ultimately depend on;

- the delivery of government policy in support of clean technology deployment.
- timely deployment of our technology that is not unduly constrained by the consenting regime;
- ensuring the infrastructure required to build the technology and export the power is available at the right time and to the right scale;
- enabling the upskilling and up-tooling of our supply chains; and
- a renewed approach to the opportunity of tidal range in Wales.

¹ [OREC \(2018\) Tidal Stream and Wave Energy Cost Reduction and Industrial Benefit](#)



Policy

Wales has a number of supportive policy regimes for a clean, green energy transition. However, these policies have so far proven slow to deliver the requisite change to enable marine renewable energy devices to deploy in Welsh waters, hindered by a risk averse regulator, a strong desire for localised evidence and the slow delivery of strategic planning mechanisms. In the short term we would welcome the committee's **scrutiny on the timeframes for driving change** and delivering meaningful policy outputs such as strategic spatial planning and mandated targets for deployment.

Consenting

Until the Wales Infrastructure Consenting bill can be enacted, **support and resources** are required to enable the regulator, Natural Resources Wales (NRW) to make timely and pragmatic decisions and to collaborate further with the sector. A **clear mandate for NRW** to enable the deployment of more devices in the water, would result in an increased availability of evidence to progress the industry which currently poses a significant constraint to timely deployment and thus the appeal of development in Welsh waters. The Committee should simultaneously pursue the **prioritisation of the introduction of the Wales Infrastructure Consenting bill** at the earliest opportunity within the Senedd term to enable the existing arduous consenting processes to become streamlined and efficient.

Infrastructure

Supporting the **building of required infrastructure and developing grid capacity** is key to enable the growth and progression of the industry to deliver projects. Port development needs to be able to accommodate large scale technology components to be able to maximise opportunities for the sector in the 2030s. Furthermore, to address grid constraints integration with broader SMART energy systems and with the hydrogen economy should be encouraged. **Timely delivery of recommendations to Welsh Government's reports undertaken on grid and ports** should be encouraged by the committee.

Supply Chain

For floating offshore wind in particular, Welsh supply chain will struggle to compete with large established offshore wind construction and operations and maintenance contractors without significant government support, and there is a risk of missing out on a large proportion of the economic benefits. Stepping stone projects such as those in the Celtic and Irish Seas will help the supply chain develop a staged process by providing a clear pipeline of opportunity; however, this **requires accelerated government support in port investment**. For wave and tidal, the demonstration zones will act as the equivalent stepping stones, enabling supply chain players to become manufacturers as volumes increase in line with the commercialisation of these technologies and deployments succeed in the array demonstration zones (should they receive consent in a timely fashion).

Tidal Range;

Wales can lead the way in developing the necessary framework to demonstrate the value of tidal range to the UK. Rather than concentrating on simple cost of energy models, there **needs to be broad recognition of tidal range's unique multi-generational operating life, extensive co-benefits and contribution to Wales and the UK's energy security, stability and Net Zero targets**. A fresh assessment of tidal range, recognising these factors and using up-to-date independent engineering and financial models would not only provide the much-needed evidence needed to compare tidal range's unique features and benefits against other forms of low-carbon energy, but also provide the technical, environmental and financial models to guide Government and investor decisions.

The committee must scrutinise the efficacy of Wales' efforts to anchor this sector of significant promise here, in Welsh waters. After such commitment and support in recent years, the timely delivery of policy impact and a coordinated strategic approach to regional development must be achieved so that Wales' competitive marine energy opportunity can be realised and showcased.