



Llywodraeth Cymru
Welsh Government

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Annex A: Welsh Government response to each recommendation from the Preparing Wales for a Renewable Energy 2050 report

Each recommendation from the Preparing Wales for a Renewable Energy 2050 report, provided by The National Infrastructure Commission for Wales (NICW).

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Leadership and strategic approach

Recommendation 1

By 2025, the Welsh Government should present a vision for energy in Wales to 2050, with an accompanying Strategy and Action Plan to set out its long-term ambition. This should include detail on renewable energy production and grid development. These should be informed by extensive public engagement which use recognised methodologies for maximum effect. The implementation of this Vision should be overseen by a cross-Government / sector group, chaired by the Minister.

Response

We are taking a planned approach to the energy transition to ensure our future energy system meets the needs of Wales.

Our work on energy planning is identifying the changes needed to the energy system to:

- decarbonise heat and transport;
- identify opportunities for renewable energy production; and
- decarbonise industry.

We will use our energy planning evidence to develop a National Energy Plan for Wales by the end of 2024. The National Energy Plan will set out the energy system changes required to achieve Net Zero by 2050, while delivering a secure and affordable energy system in Wales. It will enable Wales to accelerate the transition to a Net Zero energy system, by providing confidence in key steps to be taken. It will also provide a clear steer for what gas and electricity network operators need to deliver to support these plans.

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We will also be working on a Sector Deal which will consider the renewable energy technologies options we have in Wales and how we work with stakeholders to understand our future roles and expectations.

A grid fit for a Future Wales

Recommendation 2

By 2025, planning for the electricity grid in Wales should be based on policy considerations as well as functionality. A shift is needed for grid planning to consider the needs of Wales and be strategically developed with a long-term view.

Response

We very much support the proposal for a long-term strategic approach to network design and planning, that responds to Welsh plans for a prosperous Wales. Welsh Government is already working with network companies, Ofgem and UK Government to inform network planning to account for Welsh needs and design the most efficient, least impact networks possible.

Welsh Government has been both advocating and delivering the evidence for a more planned approach to the future energy system for some time, looking at the energy system from both the top down, for example through the Future Energy Grids for Wales report, which was published in July 2023, and from the bottom up, through funding for local authorities to develop Local Area Energy Plans. We have committed to aggregate this evidence to develop a National Energy Plan by the end of 2024.

We welcome the proposal for a Regional Energy System Planner for Wales,

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which has a strong basis in Wales building on the Energy Networks forum, where we discuss strategic and operational challenges with all network companies operating in Wales: our local area energy plans and our strategic work on Future Energy Grids for Wales.

We are also working with UK Government to ensure the spatial energy planning approach we have taken in Wales is reflected in the Strategic Spatial Energy Plan, which is expected to drive transmission networks in the medium to long term.

Through this approach, Welsh Government will champion Wales having the infrastructure it needs for the future, delivered in the right place, in a way that minimises cost to the public, while protecting our environment for the future.

Recommendation 3

By 2025, Ofgem should reform the system that plans for and delivers grid access for renewable energy, to enable rapid deployment. Policy considerations should become a factor in determining grid connections. Innovative forms of grid development should also be encouraged.

Response

Welsh Government strongly endorse that policy consideration should drive planning for and delivery of grid infrastructure and have been working with Ofgem in this area.

Welsh Government is working closely with stakeholders on several strategic levels, to formulate a National Energy Plan for Wales and develop policy criteria for connections in Wales.

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The outputs from both pieces of work will provide a basis for Welsh Government to work with Ofgem to embed policy considerations and strategic needs within the strategic planning of grid connections.

Welsh Government is working with the UK Government and the Energy System Operator to ensure the existing body of work is considered as the Regional Energy

System Planner function is developed, and as the thinking behind the emerging Strategic Spatial Energy Plan evolves. This evidence base puts Wales in a strong position to shape network development.

Welsh Government is also representing the needs of the people of Wales at the UK level. It is reviewing the growing body of work around speed of connection and use of new technologies in connections, for example, the transmission acceleration action plan, in order to ensure policy development considers the Welsh policy context.

The built environment

Recommendation 4

An immediate review of Part L of the Building Regulations is needed to mandate the use of renewable technologies (especially solar thermal and solar photovoltaics) and battery storage in all new developments, and in significant renovations or extensions.

Response

The previous Building Regulation Part L 2022 review in Wales resulted in

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significant aggregate carbon emission performance improvements to new buildings of 37% for residential and 28% for non-domestic buildings.

These reductions are a stepping stone towards the next changes to energy efficiency in Building Regulations in 2025. Our vision for the Part L 2025 standard is to shift new buildings to use low-carbon heat sources for heating and hot water. The Part L 2025 review has commenced, and a public consultation is expected later this year which will contain the full technical details of the proposals.

In relation to mandating certain technologies, Part L of the Building Regulations is in general, technology and fuel neutral so we do not prescribe or prohibit any particular form of heating or energy generation, the intention being flexibility in meeting energy targets so as not to act as a barrier to innovation.

The current Part L 2022 requirements do not, therefore, mandate a particular technology (such as solar PV), we do however recognise that in raising our mandatory energy targets there is likely to be an increasing role for renewable energy technologies as they become more cost effective. For example, the recent 2022 amendments include solar PV within the notional building specification which sets the energy target. This in turn encourages the use of renewable energy in new buildings.

In relation to existing buildings, currently an extension to a non-domestic building over 100m² (or greater than 25% of the total useful floor area of the existing building) should be regarded as a new building in relation to Part L compliance. Requirements (including consequential improvements) for when significant building work to existing dwellings is carried out will be considered as part of the 2025 review.

The previous Building Regulation Part L 2022 review introduced a more stringent set of transitional requirements to make sure that developers do not continue to build to older energy efficiency standards for longer than is

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appropriate. Where applications will be in respect of a number of buildings on a site (for example an application for a number of houses), in such cases, it is only those individual buildings for which work is commenced which can now take advantage of the transitional provisions.

Recommendation 5

Permitted development rights should be immediately reviewed with a specific focus on eliminating impediments to measures that increase renewable energy generation, with a shifted focus on the climate crisis.

Response

Permitted Development Rights are kept under review. We have made significant changes to the PDRs for solar as most types of solar panels on domestic and non-domestic properties are permitted development.

We know that more needs to be done in respect of air source heat pumps. We will be working through a suite of options ranging from complete de-regulation through to more nuanced planning controls. We intend to work up options this year which will precipitate a review.

Planning

Recommendation 6

By 2025, where renewable energy planning applications (and associated regulatory regimes) have a mandated, statutory time allocation, decisions should default to a positive if the time allocation elapses with no response ('positive

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silence' approach).

Response

It is important that we get the right development in the right place. It is also important that the planning system facilitates appropriate renewable development in a timely manner. Reasons for delay can be complex and are not necessarily within the gift of local planning authorities to resolve every time. For example, the input of statutory consultees can cause delay as can inadequate information submitted by applicants.

It is difficult to see how adopting a “positive silence” approach will resolve these issues and could have the unintended consequences of quicker refusals if local authorities felt pressured into making a decision.

Recommendation 7

By 2025, a pooled planning resource for energy should be created, to share expertise and technical skills for articulating planning policies, engaging with the public and considering planning applications.

Response

We recognise there is a growing case load from the rising number of planning applications for renewable energy projects in Wales. We are keen to explore ways to ensure the planning and consenting resources within Wales are sufficient to respond to the growing demand. Work is to be progressed on Corporate Joint Committees (CJCs) to allow for strategic planning and the deployment of technical expertise across a wider area.

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Welsh Government is working with Net Zero Industry Wales to consider what options might exist to create a more effective resourcing model for consenting bodies to respond to the growing applications for decarbonisation and renewable energy projects in Wales.

Community benefits and ownership

Recommendation 8

A Renewable Energy (Wales) Bill should be brought forward in the next Senedd to legislate to enable greater community ownership from renewable energy.

Response

We do not consider a Renewable Energy Bill is currently required to allow greater community ownership. We have set ambitious targets and guidance for how developers should work with communities to secure local ownership and we intend to meet those targets within existing powers.

The Welsh Government is currently supporting our target for local ownership through:

- Funding to build additional capacity in community enterprises to help them start to scale their work has been given in the form of resource grants.
- Recipients of the resource grant funding are engaged with Ynni Cymru as part of the community stakeholder working group.

Recommendation 9

Policy should require renewable energy developments to offer up elements of community ownership and repowering of sites should be greatly simplified but include community ownership requirements.

Response

Wales is at the forefront of local ownership and community benefits - the value of local ownership of energy assets and community involvement has been recognised by the Welsh Government and is a key part of Wales's energy policy.

Demonstrating our ambition for local ownership, we adopted the target for at least 1.5 GW of renewable energy capacity to be locally owned by 2035, scaling up our current target for 1 GW by 2030.

We believe investment in renewables is a “win-win” situation for Wales providing jobs and economic growth, a pathway to decarbonise our heavy industry, funding environmental programmes and the security of generating our own energy.

Our [guidance on local ownership](#) was published in June 2022 which applies to all new energy development, and it provides a framework to utilise Wales' abundant natural resources whilst ensuring projects are designed and delivered in harmony with the people and places that host them.

The guidance clarifies the options available for meeting the policy objective on local ownership and the core benefits associated with an element of local ownership.

The Collaborative Benefits Report (CBR) is a practical tool which can help

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improve transparency throughout the development process and increase the participation of all stakeholders, providing a pathway of engagement. We want to see greater levels of value in Wales demonstrated in these reports.

Ynni Cymru will expand community owned renewable energy and smart local energy systems, which retain the benefits in Wales. The recently launched Ynni Cymru is positioning Wales at the forefront of developing and delivering Smart Local Energy projects, which deliver more localised energy. Ynni Cymru has already committed £900,000 of resource grants which will help community groups to employ the necessary staff to accelerate project delivery.

Wales has already achieved 97% of its target for at least 1 GW of renewable electricity and heat capacity to be locally owned by 2030. I am proud of the innovative community groups who have been responsible for these projects.

The Welsh Government Energy Service's support for renewable energy projects in Wales extends from the concept stage through to financial close and completion, providing help each step of the way.

The publicly owned large scale developer, Trydan Gwyrdd Cymru, is informed by a community representative on the Board.

Recommendation 10

The forthcoming Freeports initiative should be seen as an opportunity to allow more community renewable energy in a deregulated environment.

Response

The purpose of the Freeports is to maximise economic benefits for the deprived coastal areas of Wales. The purpose of the Freeport deregulated environment is

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to minimise costs for manufacturing companies.

Both the Celtic and Ynys Mon Freeport business cases have a strong focus on bringing green investment, innovation, skills and jobs to their areas. In doing this they are required to engage with local communities. For example, in the Celtic Freeport, the Enhanced Advanced Manufacturing Production Facility and National Net Zero Skills Centre of Excellence project at Baglan Energy Park, Port Talbot will bring together production space, innovation and manufacturing, linking with community partners with the aim of integrating and nurturing likeminded enterprises.

Crown Estate Cymru

Recommendation 11

By 2030, The Crown Estate's functions in Wales should be completely devolved to a new body that has as its principal aim the reinvestment of all funds in Wales for the long-term benefits of the people of Wales in the form of a Sovereign Wealth Fund.

Response

We welcome the recommendation from the Independent Commission on the Constitutional Future of Wales that the Crown Estate should be devolved to Wales in line with the position in Scotland. We continue to make the case to the UK Government to devolve the Crown Estate to Wales.

We also believe decisions on energy projects in Wales should be taken in Wales as well without an arbitrary capacity limit.

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