

Environment and Sustainability Committee

E&S(4)-08-12 paper 4

Inquiry into Energy Policy and Planning in Wales – Evidence from The Crown Estate

David Tudor

Senior Policy & Planning Manager

23 September 2011



Executive Summary

The Crown Estate welcomes the opportunity to provide written evidence for the National Assembly for Wales' Environment and Sustainability Committee inquiry into energy policy and planning in Wales.

As outlined in the Terms of Reference for written evidence, we set out our view and hope this proves to be useful information of relevance to the inquiry. This is elaborated in more detail below but the summary points are:

- The Crown Estate is commenting from its position as a rural landowner in Wales, with an estate of over 27,000 hectares most of which is Common land upon which we are working with developers to deliver renewable energy through a variety of technologies, such as onshore wind, solar and hydropower, and as steward of the UK marine estate which includes over half of the UK's foreshore and vast majority of the seabed out to territorial 12 nautical mile limit and vested rights for the development of renewable energy in the UK Continental Shelf.
- The Crown Estate works with the grain of UK and Welsh Governments' policies and we help to deliver many of the key aspirations set out in *A Low Carbon Revolution – The Welsh Assembly Government Energy Policy Statement* (March 2010) and the *Ministerial Policy Statement on Marine Energy in Wales* (July 2009).
- The Crown Estate have and will continue to work with and support the relevant consenting body and statutory advisors with regards to major onshore and offshore energy infrastructure projects.
- If any changes are made to the consenting regime for major onshore and offshore energy infrastructure projects in Wales then it is essential that any potential uncertainty is reduced; any real or perceived uncertainty felt by developers could discourage investment within Wales.

Section 1: The Crown Estate's remit and responsibilities

The Crown Estate's role is to maintain and enhance the value of the hereditary estates of the Crown, on behalf of the nation. The Crown Estate manages an estate worth £7 billion and consists of an Urban, Rural, Marine and Windsor estate. The profit earned from our activities is paid to the Treasury, and over the last 10 years this has amounted to nearly £2 billion; whilst the capital value of the portfolio has increased by over £3 billion during the same period.

The Crown Estate's portfolio in Wales is significant and diverse. Our rural estate extends to over 27,000 hectares in Wales, including substantial areas of common land, agricultural holdings and a range of mineral interests. Our marine estate takes in around 65 percent of the foreshore around Wales and the seabed out to 12 nautical miles. In managing our estates in Wales, we aim to work in partnership with government and local communities for mutual benefit. We have built good working relationships with the Welsh Government and the National Assembly for Wales, local councils, communities and our own customers.

In carrying out our duties, under the core values of commercialism, integrity and stewardship and in line with government policy to deliver sustainable and secure energy, The Crown Estate aims to realise the renewable and low carbon energy potential of its estates. We are working to develop new energy projects across the UK through several programmes of work, and across several renewable and low carbon technologies including: offshore wind, wave and tidal, carbon capture and storage, natural gas storage, onshore wind, hydro, geothermal, and solar (some but not all of which relate to our Welsh estates). See Section 3 for more detail on our low carbon portfolio.

The Crown Estate's permission, in the form of a lease or licence, is required for the placement of structures or cables on the seabed; this includes offshore wind farms and their ancillary cables and other marine facilities. In addition to this, by virtue of the Energy Act 2004 (and Energy Act 2008) it has the rights vested in it for the development of renewable energy within the Renewable Energy Zone and to the UK Continental Shelf for development of natural gas and carbon dioxide storage.

Through our Marine Communities Fund we support a range of practical projects that contribute to good stewardship around the UK coast. In Wales our projects range from supporting sustainable boating in the River Teifi, to investment in Conwy Bird Reserve.

The Crown Estate's interests in land-based and offshore renewables allow us to make a general statement on the initial questions set out in the Terms of Reference as shown below. Consideration of points in relation to the petition about Welsh Government planning guidance is provided in section 3.

Section2: Inquiry Questions

- ***What are the implications for Wales if responsibility for consenting major onshore and offshore energy infrastructure projects remains a matter that is reserved by the UK Government?***
- ***How does this affect the achievement of the Welsh Government's aspirations for various forms of renewable and low carbon energy as set out in the Energy Policy Statement?***
- ***How does this affect the delivery of the Welsh Government's target of a 3 percent reduction in Green House Gas emissions per annum from 2011?***
- ***What will be the impact if consenting decisions on major infrastructure projects and associated development are not all taken in accordance with Welsh planning policy?***

The Crown Estate works with the grain of UK and Welsh Governments' policies and we help to deliver many of the key aspirations set out in *A Low Carbon Revolution -The Welsh Assembly Government Energy Policy Statement* (March 2010) and the *Ministerial Policy Statement on Marine Energy in Wales* (July 2009). The Crown Estate have and will continue to work with and support the relevant consenting body and statutory advisors with regards to major onshore and offshore energy infrastructure projects.

We believe it is important to consider the implications of changing the regime for consenting major onshore and offshore energy infrastructure projects in Wales. Any changes which are made need to be done swiftly, with a clear timetable, and with an effective system in place, otherwise there is a significant risk to the build out of renewable / low carbon energy projects to help meet binding renewable energy targets. If changes are to be made then it is essential that any potential uncertainty is reduced; any real or perceived uncertainty felt by developers could discourage investment within Wales.

Section 3: Response to Planning Guidance Points

The following feedback is provided in response to the planning guidance points posed in the consultation:

The relationship between the UK Government’s Energy National Policy Statements and Welsh national and local planning policies (including Planning Policy Wales, Technical Advice Note 8 and Local Development Plans) and whether or not these policies can achieve the Welsh Government’s aspirations, including whether or not a formal review of TAN 8 is now required:

The Crown Estate has and will continue to work within the appropriate planning policies and with the relevant consenting authorities. With regards to our onshore portfolio, we would like to highlight that TAN 8 was useful in enabling the strategic planning of onshore wind sites, and focused our interactions with onshore wind project developers on our land holdings within the identified Strategic Search Areas. As detailed below, this has resulted in three potential onshore wind projects coming forward within our rural estate in Wales.

The potential contribution and likelihood that different types of renewable and low carbon energy (offshore wind, tidal, onshore wind, hydro-power, nuclear, bio-energy/waste, micro-generation, community energy projects) will be capable of delivering the Welsh Government’s aspirations for energy generation as set out in A Low Carbon Revolution – Energy Policy Statement and the UK Renewable Energy Roadmap.

We cannot comment on the contribution of different renewable and low carbon energy technologies to the UK energy mix and contributions to Welsh Government’s aspirations. However, we have provided a summary of our low carbon/renewable energy portfolio in Wales and offshore to inform this debate, as follows:

Offshore Wind:

A major area of our work across the UK has been offshore wind energy. The Welsh Government has made a strong commitment to tackling climate change through diversified renewable energy generation, and this is an area where we aim to play a key role as enablers. The progress of zone leasing and project development around the coastline of Wales can be summarised as follows:

Zone / Site Name (Leasing Round)	Capacity (MW)	Status	Comments
North Hoyle (Round 1)	60	Operational	Completed in 2003.
Rhyl Flats (Round 1)	90	Operational	Completed in 2009.
Gwynt y Môr (Round 2)	576	Planning approved	Consented. Construction work has begun
Atlantic Array (Round 3)	1,500	Planning	This Round 3 zone is partially in Welsh waters
Irish Sea (Round 3)	4,200	Zone Appraisal (shortly to	This Round 3 zone is partially in Welsh waters

Zone / Site Name (Leasing Round)	Capacity (MW)	Status	Comments
		enter planning)	

During 2010/11 we continued to progress our Round 3 programme for offshore wind energy deployment. There are nine wind zones around the entire UK coastline, two of which are in waters close to Wales: the Irish Sea Zone was awarded to Centrica Renewable Investments Ltd, and the zone in the Bristol Channel is the responsibility of Bristol Channel Zone Ltd (100% owned by RWE npower). The Crown Estate has committed to remove as many of the risks as possible which could impede the delivery of these strategically important developments.

In March 2011 The Crown Estate and the Welsh Government signed a Letter of Intent to work together to support the development of the marine renewable energy industry in Wales. This agreement was first of its kind with any devolved administration. The work looks at the whole supply chain for offshore renewable energy, but with a particular focus on ports and harbours. We are talking to offshore energy developers and other marine energy stakeholders about their requirements and the challenges they face. Our shared aim is to enable Welsh ports to realise their potential; bringing jobs and new skills, and making an important contribution to the Welsh economy as well as climate change targets for Wales and the UK as a whole.

Wave and Tidal Energy:

At present, the only lease for a marine energy device in Welsh waters is for the DeltaStream demonstrator; which is to be located in Ramsey Sound off Pembrokeshire, and developed by Tidal Energy Limited.

We are continuing to lease demonstration projects of up to 10 MW capacity around UK territorial waters, with six-monthly application windows.

Onshore Wind:

In response to the Welsh Government's guidance for the development of onshore wind farms (TAN 8), The Crown Estate has entered into option agreements with three wind farm developers, who have applied for planning permission to build wind farms. If successful The Crown Estate will grant leases to the developers.

Site Name	Number of Turbines and Capacity	Status	Anticipated Timescale
Llanllwni	15 turbines (34.5MW)	Planning application submitted.	Grid offer received for connection in the fourth quarter of 2014. Potential to be completed by 2015.
Llys Dymper	11 turbines (40.6 MW)	Planning application submitted.	Grid connection could be made either in 2013 or 2015 depending on whether a new line is brought in from the North. Potential to be completed by 2015/16.

Site Name	Number of Turbines and Capacity	Status	Anticipated Timescale
Cilfaesty	4 turbines (approx 12-18MW)	Exhibition with commoners to be held before year end.	Planning application pending (awaiting outcome of other Mid-Wales wind projects). Grid connection not available until 2015.

Hydro-power and geothermal technology:

Within our rural estate, we are currently investigating Geothermal and Hydro schemes. All are in early stages of development.

Conclusion

We trust that you will find these comments constructive. We would be very willing to provide additional information on any of the points we have raised above and be very pleased to discuss these matters with you further. We are ready to engage in further discussions on these and other points relevant to our ownership or which our expertise may be brought to bear. All of this response may be put into the public domain and there is no part of it that should be treated as confidential.