



**Grŵp Trawsbleidiol**  
ar Ynni Cynaliadwy  
**Cross Party Group**  
on Sustainable Energy

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# Minutes

## **Cross Party Group on Sustainable Energy**

### **Presentations by**

**Hywel Lloyd, the IWA Re-energising Wales programme**

**Louise Wilson, Abundance Investment**

*Tuesday 11 June 2019 @ 12.00pm*

*Main Hall, Pierhead*

# Attendees

## **Industry Members**

Alex Meredith

Andrew Roberts

Angharad Neagle

Ben Lewis

Ben McCarthy

Carolyn Pugsley

Chris Jackson

Craig Harrison

Craig Salter

Dave Finley

David Clubb

David Fitzpatrick

Dimitri Batroumi, for Jayne Bryant AM

Edward Perkins

Emma Popham

Gareth Owen

George Watkins, for Jenny Rathbone, AM

Gerallt Hughes

Greg Parker

Guto Owen

Gwenllian Elias

Helen Parfitt, for Helen Mary Jones, AM

Huw Iranca-Davies, AM

Hywel Lloyd

Isabelle Michelson

Jeremy Smith

John Morgan

Judith Marquand

Kate Evans



Kate O'Sullivan

Llyr Gruffydd

Louise Wilson

Lucy James, for Jayne Bryant AM

Marianne Salomon

Marcia Spooner, for David Lloyd, AM

Megan Tomlinson

Mike Hedges, AM

Monika Zsemberi

Owen Jones, for Jayne Bryant, AM

Paul Davies

Peter Badcock

Rajni Nair

Rhun ap Iorwerth, AM

Rosemary Grogan

Sion Trewyn, for Llyr Gruffydd, AM

Sioned James

Thomas Pride, for David Melding, AM

Tony Cooke

Will Morgan

Yasmin Akbari

## Welcome: Llyr Gruffydd

The theme of this meeting is timely this week as the climate crisis has been updated for Wales to reach net-zero carbon emissions by 2050.

## Presentation: Hywel Lloyd, the IWA Re-energising Wales programme

Hywel Lloyd presented the findings of the IWA's four-year research and policy development project, which has led to the publication of a report on its plan for the future of Wales' renewable energy future. The full report from the IWA is here: [https://www.iwa.wales/wp-content/uploads/2019/03/IWA\\_Energy\\_WP6\\_Digital-2.pdf](https://www.iwa.wales/wp-content/uploads/2019/03/IWA_Energy_WP6_Digital-2.pdf).

## Presentation: Louise Wilson, Abundance Investment

Louise Wilson delivered a presentation on the role Abundance Investment could have in the investment of renewable energy infrastructure in Wales and how the Welsh public could fund Wales's transition to 100% renewable self-sufficiency.

## Questions and answers

**Question:** *David Fitzpatrick* - In terms of electrifying transport, and specifically the issue of creating and recycling batteries, I'm concerned we are heading to some sort of dead end. Shouldn't we be devoting more time to finding out how hydrogen can be a replacement?

**Response (HL)** There is definitely an issue in the global journey from fossil-fuelled vehicles to electrification. Both Welsh and UK government agree electrification will not solve all of the uses. The challenge for the UK and Welsh governments is how much they want to put in



other fuels instead of fossil fuels. There may not be a Welsh opportunity but there could be a part to play in a wider UK one.

**Question:** *Dimitri Batroumi, the office Jayne Bryant AM* – Expressed concern the investments Ms Wilson suggests will exacerbate inequality in Wales, when wealth and inequality in Wales is at its highest.

**Response (LW)** Not enough people save for the future but appreciate some people can't invest. We're taking investments from those who can and have saved, and mobilising that money in a way that will benefit more people.

**Response (LG)** That's an interesting question, how you utilise that investment to create a more even playing field and make homes more energy efficient.

**Response (HL)** Because enough powers in legislative competence is devolved to Wales, it could lead to some choices about distribution of benefits, which could be an incentive for local authorities. There is scope if everyone is clear about the purpose of the transaction.

**Response (LW)** What we're talking about is moving money that is already there. Instead of money sitting in a bank and the bank profiting, we move it around and put in in various local authority investment structures. There is a £5 minimum investment to encourage more people to invest, but appreciate that still out-prices some people.

**Question:** *Alex Meredith, Innogy Cymru* – Following on the theme of investment, we run an offshore wind farm, which is a big generator of energy in Wales, and 40% of it is owned by the state of Munich, Germany, because it knows it's going to get a good ROI. The problem with the structure we have is that onshore wind and solar won't be backed by subsidies so there is a higher risk, unless we invest in offshore wind. We need to think about how we can manage that better. Surely investing in grid infrastructure is a better place to look, as there is a regulated return, which could be lower risk than new energy assets, but could help deliver the same results?

**Response (LW)** In some ways that's what we're saying as well. There is plenty private capital that can be deployed when the right policies are in place. We're not very far from fuel prices coming from the market and there will be fines for those who waste capital. Good infrastructure is a lot more difficult to identify but local authorities or parliament organisations can co-ordinate to deploy the capital where it's needed.

**Response (HL)** We are highlighting a system that isn't going to be fit-for-purpose in the future, and part of the opportunity for Wales is to have some influence in what that future looks like, for example how investment benefits, rate in return benefits, whether bills get more or less expensive. All those cross subsidies that would go through the energy system, Wales will have some say in what it looks like. There's at least one political party that has a view on changing on that to, in effect, redistribute the returns so there's definitely an opportunity in the next two or three years to set out the purpose of the energy system. In the 20s and 30s, most municipalities had an energy system of some sort and got revenue from those services. If you asked someone if they would prefer to have a local energy system that paid for their parents' social care or have what you got, most people would think about it.



**Greg Parker, chair of Carmarthenshire Energy**, delivered a short speech on the need for £1.5 billion to be invested in batteries and solar, of which energy can then be sold back and repeated each year. Mr Parker also explained how the Welsh Government would eventually be set to receive an additional £12 billion a year from selling electricity. Mr Parker explained how there are many challenges, which they have addressed in their own report, and invited people to take a hard copy that was on offer.

**Response (LG)** This is an aspiration we all share and public opinion is behind us. The Welsh Government's announcement this morning is positive. I have written to the minister suggesting that all parties should be convened to give it that political impetus.

**Question:** *Owen Jones, the office Jayne Bryant AM* – You mentioned the success of Swindon, can you elaborate on this and if there are further plans considering its success.

**Response (LW)** Those two solar projects were completed in 2016/17; there are no immediate plans for now although we have been in talks with them about a follow up. There is a workshop next week for those interested in exploring this. From our perspective, local authorities are interested and they are able to deliver projects we would, otherwise, not be able to. Their interest helps us accelerate.

**Question:** *Tony Cooke, Cardiff Community Energy* – There is a lot of money in ISAs at the moment where it's readily accessible and I'm sure you would have done the research into demand for liquidity. There are community programmes that last 20 years and often bonds more than five years.

**Response (LW)** We do have a platform on there called Marketplace where people can buy and sell to each other. When it comes to bonds we'd expect that to be more of a liquid investment although that's not always the case.

**Question:** *Tony Cooke, Cardiff Community Energy* – In the 'prosperity for all' document, there's a lot on policy risks but also information on proposals. What is the mechanism for proposals to be made into policy and how can outsiders help?

**Response (LG)** That's a question I ask the government every week. Sometimes there seems a disconnect between policy aspiration and what happens on the ground. But in fairness to the government, the minister's announcement today seems to reflect a change in attitude. I will be asking the minister this afternoon how we will see action in the latest policy statement from the government. That's why I suggested we get all the parties together as it's not exclusive to the government, rather lots of people, groups and communities across Wales who want to play their part, be that financially or in pulling together resources. I think it needs a collective effort, but also a political directive so that what we have on a practical level reflects the policy.

## Close

The host thanked the presenters and guests, and asked for suggestions for future topics from attendees.

## Date of next meeting

Tuesday 24 September in Seminar Rooms 1+2, Pier Head Building