

# **NFLA Welsh Forum report to the Welsh Assembly energy inquiry**

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# What I'm going to look at:

- The scope of the inquiry
- The need for enhanced powers
- Fuel poverty in Wales – a growing problem
- Demand management – why does it get overlooked?
- Welsh Government's ambitious targets
- Building a renewable energy base
- A jobs bonanza
- Councils leading the energy revolution
- Conclusions and next steps



# The scope of the inquiry

- How do devolved powers affect promotion of Welsh energy mix?
- What are implications for Wales if powers remain reserved?
- How does this affect the delivery of 3% carbon cut target per year?
- What will be impact in decision on major projects if they are not taken in accordance with Welsh planning policy?
- Consider petition on Welsh onshore wind energy and its impact on local communities / infrastructure



# The need for enhanced powers



- The Scottish example – leading the way
- The high ambition of Welsh energy targets
- Strong cross-party support for it
- The great potential for renewable energy in Wales
- A different energy profile than England
- The increased problem of fuel poverty in Wales
- The jobs bonanza for Wales



# Fuel poverty in Wales

- UK – 6.4 million families in fuel poverty (2009) 23% of households
- Wales – 550,000 in fuel poverty Over 30% of households
- 15% increase since 2004
- Statutory duty to eradicate by 2016 - UNLIKELY
- UK target of 80% cut in carbon emissions by 2050 (on 1990 levels)
- 20 coal, oil and nuclear plants to close by 2020
- £200 bn of energy investment required
- Household bills could increase by £2,000 a year by 2021
- NFLA view – energy efficiency, microgeneration and a renewable energy mix is essential
- Climate change focus that reinforces the solutions to fuel poverty – ENERGY EFFICIENCY ESSENTIAL
- 625,000 dwellings a year in the UK
- Wales needs energy powers to achieve this target



# Energy demand management

- UK Green Deal designed to tackle fuel poverty / energy efficiency
- E3G / FMB – financial costs to consumers to do this too high
- Energy Company Obligation – more resources required
- More Welsh houses need more costly demand management measures
- UK Government still sees need for huge increase in electricity use by 2050 – 200 / 300% increase
- Germany planning 25% cut largely due to demand management
- Incentives to renovate buildings – 3.4bn euros
- Decentralising energy efficiency could have hugely positive effect



# Welsh Government targets

- Produce more electricity from renewables than Wales consumes by 2030
- Increase recycling rate from 36% - 70% by 2025
- Send just 5% of waste to landfill by 2025
- Develop new marine and biomass plants
- Make 3% cuts in carbon emissions each year
- Spend £623m on energy efficiency
- South Wales to be low carbon region with 40,000 social houses fitted with solar / wind / heat saving equipment
- 20,000 micro-heating projects by 2012, 100,000 by 2020
- 10,000 micro-electricity by 2012, 200,000 2020
- 50 CHP / district heating schemes by 2020



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government



# Building a renewable base

- Technically feasible for Wales to rapidly increase renewables
- Wales energy exporter by 2050
- Offshore wind (Gwynt y Mor) – v encouraging
- Onshore wind (Powys) mired in politics – sensitivity required but the logjam on the policy needs to be cleared quickly
- Tidal – post Severn barrage Welsh policy needs clarifying
- CHP / district heating has great potential and can fill gaps left by not building nuclear
- Project Green – 5 South Wales Councils building CHP plant from waste is a v encouraging development
- If all such projects are developed innovatively and imaginatively Wales will not need recourse for nuclear



# A jobs bonanza

- There could be thousands of new jobs in this area for Wales
- NFLA welcomes Welsh Strategic Energy Investment Programme - £350 million
- NFLA also welcomes smart metre roll-out
- 15% electricity could come from microgeneration (Nat Grid)
- Solar could also generate as much as 12% of electricity – filling the nuclear gap
- FITS greatly reduced from March 2012
- Germany aims to have 50% of daytime electricity from solar by 2020
- Installed more solar PV in June 2010 than the entire UK target
- NOT TOO LATE – Councils can still combine these policies and seek to generate their own electricity



# A local energy revolution

- Gwynedd Carbon Reduction Plan
- Cardiff Carbon Lite Action Plan
- Caerphilly Local Energy Financing Plan
- Head of the Valleys Low Carbon Zone
- Bridgend Green Dragon award
- Pembrokeshire Community Energy Network

AND MANY, MANY MORE – NFLA  
ENERGY REPORTS GIVE WHOLE  
RAFT OF EXAMPLES



# Conclusions & next steps

- UK policy too focused on generation rather than demand management – Wales should focus more on this
- Wales desperately needs devolved energy powers
- Wylfa B could happen without Welsh Government decision and it should actively oppose it
- Why are we doubling generation while Germany reducing it?
- Some Welsh energy successes but some drift in policy
- Welsh energy industrial strategy could bring many jobs
- Wave, tidal, hydro and solar have great potential in Wales
- CHP / district heating also potential large energy resource
- Microgeneration could also produce 15% of electricity needs
- Welsh Councils are playing their part
- NFLA energy reports show many examples across UK



**Thank you for listening.**

**Any questions?**

