



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
28 JUNE, 2019

TITLE: *Establishment of Energy Sub-Group and update on Regional Energy Planning*

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1. PURPOSE OF THE REPORT

- 1.1. To inform Partners of the Regional Energy Planning work underway and recommend the establishment and appointment of an Energy Sub-Group.

2. DECISION SOUGHT

- 2.1. To establish an Energy Sub-Group with the Role and Terms of Reference set out in **Appendix 1**.
- 2.2. Appoint a Member of the Economic Ambition Board to act as a link member for the Energy Sub-Group.

3. REASONS FOR THE DECISION

- 3.1. To improve the co-ordination of energy-related projects within the region and to deliver the Low Carbon Energy Programme as identified in the Growth Vision.
- 3.2. That the status of the Sub-Group be developed as part of the review of the governance arrangements to be established in Governance Agreement 2.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. One key Programme within the Growth Vision is the Low Carbon Energy Programme. Delivery of the Low Carbon Energy Programme will position North Wales as one of the leading UK locations for energy generation and energy related supply chain investment, with expertise in low carbon technologies, renewable energy and energy storage.
- 4.2. The Programme will ensure that North Wales has a quality and modern infrastructure to accommodate and facilitate sustainable growth in the low carbon energy sector and to promote innovation and new technology. Pilot projects developed through this Programme will be exemplars for coastal and rural areas.
- 4.3. Projects to be funded through the Growth Deal under this Programme include the following:
- Trawsfynydd Power Station Project
 - Morlais Project
 - Smart Local Energy Networks Project
 - Nuclear Energy Centre of Excellence

- 4.4. Low carbon energy is a key priority within the Growth Deal. Decarbonisation of the economy is also a priority across both UK and Welsh Governments. These priority drivers provide both challenges and opportunities for the region.
- 4.5. The UK Government's Clean Growth Strategy has identified over £2.5bn of funding available for clean growth related activity. The Welsh Government's Prosperity for All – A Low Carbon Wales has pulled together 76 existing pieces of Welsh, UK and EU policies which contribute to decarbonisation. It is vital that the region takes full advantage of the opportunities presented by the transition to a clean, low carbon economy.
- 4.6. The development of the Low Carbon Energy Programme projects is now entering a critical phase with detailed and robust outline business cases required to meet the requirements of both UK and Welsh Governments.
- 4.7. To support development of the Low Carbon Energy projects, support through the Welsh Government's Smart Living programme has been secured to undertake feasibility studies around four key energy themes:
- Smart energy innovation vision
 - Off gas grid solutions
 - Multi vector innovation hub
 - Strategic hydrogen solutions
- 4.8. The evidence and findings from these studies should inform the development of the Low Carbon Energy projects.
- 4.9. The Welsh Government have commissioned work to develop regional energy plans across Wales. These plans are being proposed for North Wales, South East Wales and Mid Wales. Some work has already taken place in South West Wales (Swansea Bay City Region) and resulted in the Institute of Welsh Affairs publication 'Swansea Bay City Region: A Renewable Energy Future: Energy system vision for 2035'.
- 4.10. This regional energy planning work has commenced, and this report provides some of the initial output for EAB consideration. The debriefing note prepared following the introductory workshop is available on request. It is considered essential that the EAB fully endorses and owns such a vision.
- 4.11. The initial workshop generated some suggestion for a possible energy vision e.g. to be a leader in low carbon energy generation; to be on a route to a zero carbon economy etc. There was recognition of the need for a future vision to seek wider societal benefits including combatting fuel poverty and gaining wider public engagement in energy and climate change issues.
- 4.12. The workshop identified the following aims for any energy plan developed:
- Enable increased governmental financial and technical support
 - Set a direction of travel
 - Develop and harness the potential for a marine supply chain
 - Deliver long lasting growth with a lasting legacy

- 4.13. The proposed next stages in the development of the regional energy plan include production of a vision statement paper to be followed by more detailed energy system modelling and economic analysis. A draft strategy will then follow.
- 4.14. A study exploring transport decarbonisation is also underway. This study will explore options to decarbonise transport around Holyhead Port, Snowdonia National Park and Deeside Industrial Park. It is important that the decarbonisation elements of these studies are fed into the Regional Energy Planning work described above.
- 4.15. Whilst establishment of an Energy Sub-Group was not included within the original Proposition Document, the continued and growing interest and importance of the energy sector to the region, raises the case for the establishment of a dedicated Sub-Group to plan and oversee the development of the regional energy plan.
- 4.16. The Energy Sub-Group will have the following roles and responsibilities
- To plan and co-ordinate a joined up strategic approach to energy across North Wales, including development of the Regional Energy Plan.
 - To plan and co-ordinate the delivery of strategic interventions, including the Growth Deal projects under the Smart Access to Energy programme.
 - To report to the EAB on progress, performance, outcomes and funding issues.
- 4.17. It will be important that key regional stakeholders including Welsh Government, both Universities, SP Energy Networks (SPEN) etc. are included in the work of the Sub-Group to ensure energy as a cross cutting policy area is properly supported.
- 4.18. The proposed Energy Sub-Group Role and Terms of Reference are set out in **Appendix 1**. It is envisaged that the Sub-Group would meet quarterly.
- 4.19. The Sub-Group will bring together a rich source of knowledge, experience and innovation, access a number of organisations, allowing for greater scope and diversity of learning and development within the energy sector.
- 4.20. The Sub-Group will have a strong cross-border element, and will seek to co-ordinate activity in the energy sector to exploit new opportunities and improve innovation.

5. FINANCIAL IMPLICATIONS

- 5.1. None.

6. LEGAL IMPLICATIONS

- 6.1. The proposal is to establish a Sub Group of Officers and relevant Stakeholders to advise the Economic Ambition Board. It is not a Members Sub-Board (Sub-Committee) and does not have the formal status, membership or delegated decision making ability.

7. STAFFING IMPLICATIONS

- 7.1. None identified.

8. IMPACT ON EQUALITIES

8.1. None identified.

9. CONSULTATIONS UNDERTAKEN

9.1. n/a

APPENDICES:

Appendix 1 Energy Sub-Group Terms of Reference

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

“I have worked with the author to develop this report.”

ii. Head of Finance – Accountable Body:

“Nothing to add from a financial propriety perspective.”