

Written evidence submitted by British Hydropower Association (REW0017)

The British Hydropower Association (BHA) is the leading trade membership association solely representing the interests of the UK hydropower industry (from micro to large scale) and its associated stakeholders in the wider community, both in the UK and overseas.

The BHA Mission Statement is translated into clear objectives, enabling specific outcomes in line with our vision. They are to be a vehicle for:

- Effective lobbying and liaison with the national and devolved governments and other agencies
- Providing a technical, regulatory, and political information source
- Supporting and providing guidance and expertise to members
- Promoting hydropower and increasing awareness of its quality and scope in the UK and overseas
- Facilitating access to overseas markets
- Organising events and networking opportunities
- Promoting innovation and sustainability

How can the UK Government best support the deployment of renewable generators in Wales?

1. Support the local planning authorities and government agencies (Natural Resources Wales) to sufficiently staff and resource themselves to encourage and promote appropriate renewable energy developments in Wales.
2. Review the mismatch between incentivising development of schemes and then taxing those schemes through disproportionately increased business rates.
3. Urgently change the mechanism of the calculation of business rates to the Prescribed Assessment Method, as the Welsh Government's own report into business rates calculations recommends and as requested by the BHA.
4. Increase the manpower on the ground for both community and private sector energy generation. Many schemes do not have the capital resource to move through feasibility stage through development stage. Small to Medium size schemes need much more support.
5. Funding from the public sector appears to be concerned about the profit of the end user - this should not be the focus, which must be fulfilling generation targets and CO2 reductions.
6. A farmer in Snowdonia is as much a part of an important community as a community group of renewable energy enthusiasts and their drivers for

developing renewable energy generation may be different but the outcome of renewable energy production is the same.

7. There needs to be more support for knowledge hubs, research facilities and skills. Give local firms opportunities for skills development - ignite the knowledge base to allow skills to grow. This is applicable to all renewable energy generation.

How should the UK and Welsh Governments work together to support the development of renewable energy projects in Wales?

1. Create a more level playing field level in relation to the Business Rates Tax system. Reform this taxation system and eliminate subsidies supporting non-renewable energy sources/products.
2. Reform the energy distribution networks so they work harder at a local scale.
3. Urgently change the mechanism of the calculation of business rates to the Prescribed Assessment Method, as the Welsh Government's own report into business rates calculations recommends and as requested by the BHA.
4. Reform the lottery of grid connection capacity which currently allows for certain locations being without connection opportunities because a certain business has purchased all the capacity. Ensure that the allocation of capacity is time limited. Discard the Energy Atlas but place greater consideration on where the investment is most needed in Wales.
5. Invest more into research on tidal range energy and its environmental impacts - fund and find the solutions which would allow for schemes like the North Wales Tidal Energy project to take place.
6. Make the connections between plans to increase woodland cover in Wales with the future opportunities for increased biomass energy generation.
7. Keep funding agricultural innovations of on-farm solutions for carbon reduction and energy generation.
8. Fund other Research and Development, such as energy generation from sewerage treatment plants 'powered by waste'.

9. Invest in more energy generation plants which use waste but use technology to limit the emissions from them - not renewable, but this contributes towards a circular economy and waste reduction/management targets.
10. Procurement policies – encourage a 'Buy local energy' policy for both public sector and private sector/individuals, such as is the case with buying Welsh food products.
11. Help and support the momentum created around the principles of the Local Electricity Bill to drive change in Wales.

What mechanisms can ensure that subsidies for renewable generators are good value for money?

1. Accept that value for money may decrease as a particular sectors production costs fall. But with the knowledge that with review points the subsidy can be changed. Be aware that some sectors costs may not fall but that they are still generating renewable energy.
2. If a certain location limits certain types of renewable energy due to other factors - i.e., wind and solar in a National Park landscape, then encourage and support other renewable energy sectors to invest in those areas rather than excluding them altogether.
3. When considering value for money, consider Full Lifecycle Analysis and the marginal abatement costs i.e., the much larger costs of having to make corrections unless deployment of renewable energy is not full incentivised.
4. Have regard for a different perspective of value and value for money. Please consider the findings in the Dasgupta Review.
5. Ensure that District Network Operators work harder in terms of increased efficiency and carbon footprint reduction.
6. Create a more level playing field level in relation to the Business Rates Tax system. Reform this taxation system and eliminate subsidies supporting non-renewable energy sources/products.
7. Do not simply consider output. Consider in the round the social and economic impact of renewable energy generation and recognise the different types of generation in the local economies of which they form part, over and above

others i.e., those with greatest energy output do not necessarily deliver greatest local economic benefits.

What opportunities are there for renewable generators in Wales of greater interconnection with other electricity markets?

1. There needs to be greater levels of manpower on the ground to link energy users with energy generators, such as being proposed by the Local Electricity Bill. Making local power work harder locally. Connecting the businesses in a region with the generators and helping to redesign the infrastructure to enable that to happen.
2. Reform the energy distribution networks so renewable energy generators are the focus of the design and solution.
3. Hydrogen production as a store and the tie in for hydropower with the Hydrogen Route map in Wales.

How can the UK Government facilitate Welsh contributions to COP26?

It is critically important that Wales' role in the support and development of hydropower be highlighted at COP26.

However, it must be noted that there are still many hydropower opportunities available in the country and Welsh and UK Government must work together to agree support mechanism that will facilitate continued growth in the sector and demonstrate their green credentials

What implications is COP26 expected to have for Wales?

Through COP26, significant commitment and action is required from both UK and Welsh Government to lower carbon emissions and transform our energy systems.

What will make a difference with COP26 is the specific actions that emerge that will have a positive impact on renewable energy in Wales. Specifically:

1. Related to hydropower, tidal range, and Pumped Storage Hydro in general, initiatives related to the exploration of future hydropower opportunities so that Wales can be a world-leading centre of excellence for the development of all scale tidal and hydropower infrastructure projects.
2. It is vital that countries can acknowledge beyond words, the incontrovertible danger presented by climate change; and that the response is collaborative.

3. Low carbon solutions can be accelerated significantly through the application of shared political agendas and state sponsored technology development and collaboration.
4. Hosting COP26 in the wake of COVID19 and the global green rhetoric of the past 12 months represents both a significant and unique opportunity for the UK to take a position as a leader in the global climate change emergency response.
5. Which if approached correctly could culminate in Memorandum of Understandings between specific nations to develop, deploy and disseminate low carbon technologies. The world cannot wait for competitive markets to create investment opportunities to deliver 2050 targets.
6. These opportunities must be driven, and it is conceivable that COP26 could yield such cross-border technology collaborations, including one covering tidal range, hydropower, and Pumped Storage Hydro.

Has the COP26 Year of Climate Action had any significant implications for Wales?

1. Coronavirus continues to have a significant impact on COP26. Many announcements have been hampered and progress on delivery has slowed. However, a renewed focus on a green recovery and increased awareness of climate change issues should hopefully accelerate the need to deliver and provide sustainable economic opportunities post-Covid.
2. However, it can be difficult to judge in advance of any event the value on a particular geography. COP26 represents an opportunity for Wales to highlight its green credentials, both existing related to recycling and potential related to tidal range.

What opportunities are there for renewable energy to aid Wales post-COVID-19 economic recovery?

1. Welsh Government must respond energetically to the climate emergency, post Covid-19 by pursuing a strong decarbonisation agenda, managing land for the benefit of rural communities and future generations, and protecting and enhancing natural resources.
2. This could be through funding new green energy projects including, small-scale hydropower, tidal range energy and pumped storage hydro.
3. This would address some of the key areas of focus highlighted in the Welsh Government Policy and Strategy document 'Covid 19 reconstruction: challenges and priorities', including job creation, construction, infrastructure and supporting the growth of the Welsh economy.

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