

Regulatory and Policy Powers over energy in Wales

About Re-energising Wales

The Institute of Welsh Affairs' '<u>Re-energising Wales' project</u> is a 3 year project (April 2016-April 2019) that will deliver a plan to enable Wales to meet its projected energy demands entirely from renewable sources by 2035.

There are 6 core workstreams to the 'Re-energising Wales' project. This tender document relates to workstream 5.

The aim of this workstream is to analyse the current distribution of regulatory and policy powers over energy in Wales, and to present recommendations for the future distribution needed to enable Wales to meet its projected energy demands entirely from renewable sources by 2035.

External context

There is a growing interest in and awareness of the role of regional and local bodies in transitioning to low carbon energy. This includes the role of devolved governments, local authorities and regional public bodies, such as city regions.

The way in which power is shared within the UK (including as a result of devolution) and the UK's current membership of the European Union mean that the people of Wales are governed by various bodies and are subject to laws, regulations and policies from a variety of sources and political viewpoints. The question of which body governs a particular issue, and which laws or policies apply, depends on the detailed particulars of the subject matter.

This piece of work is concerned with Welsh energy policy. Whilst certain aspects of Welsh energy policy are within the control of Welsh Government, many aspects are decided elsewhere, for example by the EU in relation to derived policy, by the UK Government in relation to reserved matters, and by local authorities in relation to local issues. This complexity is challenging to navigate and presents barriers to holding decision makers to account. In order to galvanize broad action to ensure Wales reaches its renewable energy potential, we believe the policy and regulatory system for energy policy in Wales should be as clear and transparent as possible.

Wales Act 2017

The Wales Act 2017 represents a shift towards a 'reserved powers' model where the National Assembly for Wales now has competence to legislate, provided that it does not relate to a matter which is reserved to the UK Parliament. The Wales Act 2017 brings new powers to Wales in the field of energy and the environment. A non exhaustive list of these new powers includes:

- Power to give consent to energy projects with a generating capacity of up to 350MW for both onshore and inshore energy (extending the current 50MW limit for onshore projects and 1MW limit for the inshore projects). Onshore wind projects will continue to have no upper limit;
- Responsibility for licensing onshore oil and gas, including the extraction of shale gas, and for new coal mines;
- Power of consent for 'associated development' for energy projects, for example transport links and overhead power lines to the same body that is responsible for the main project;
- Power to make building regulations in respect of 'excepted energy buildings' buildings that form part of energy infrastructure.

This <u>Senedd research publication</u> from the National Assembly for Wales provides further information on the Wales Act 2017.

Aim

The aim of this workstream is to analyse the current distribution of regulatory and policy powers over energy in Wales, and to present recommendations for the future distribution of powers needed to enable Wales to meet its projected energy demands entirely from renewable sources by 2035.

Scope

This workstream will identify the appropriate distribution of powers needed to enable Wales to meet its projected energy demands entirely from renewable sources by 2035.

This workstream will draw on the findings from the first 4 workstreams of the Re-energising Wales project, and assess the necessary interventions and powers required to implement these findings.

The workstream should include producing a map of where decisions are made currently, and should include consideration of the EU, UK Government, Welsh Government and local planning authorities. This workstream will use this map as the basis for exploring and identifying current enablers and inhibitors of low carbon energy delivery in Wales.

This workstream will deliver clear, evidence-based recommendations for improvements to where decisions about energy policy in Wales be held in order to achieve the vision being developed through the IWA project Re-energising Wales. A non exhaustive list of areas to explore includes:

- An assessment of how far powers over energy in Wales follow the principle of subsidiarity
- An assessment of whether further local powers would be required to drive more local ownership of renewable energy assets
- An assessment of what Welsh Government can achieve within its current powers when aiming to implement the renewable energy model set out in Re-energising Wales
- An assessment of whether further powers for the Welsh Government would be required to drive this renewable energy model, and if so, which powers. For example, would Welsh Government require more powers over energy conservation, transmission, distribution and supply, or would better intergovernmental relations between Cardiff Bay and Westminster suffice?
- An assessment of lessons from other countries and identifying good practice in relation to governance when seeking to overcome constraints or achieve the opportunities identified in previous work programmes of Re-energising Wales.

Methodology

Desk based review

An initial desk based exercise will be necessary to identify and analyse key documents to provide evidence to inform recommendations made in this paper. This review should lead to a comprehensive map of where decisions about energy in Wales are made currently, and an assessment of international practice.

Expert interviews

Interviews with energy and governance experts, within and outside of Wales, to analyse the map produced, explore current enablers and inhibitors of low carbon energy delivery in Wales, and to inform recommendations. The appointed individual will need to develop research questions for agreement.

Steering Group

A steering group will be set up in order to bring together energy and governance experts that can help shape this workstream. The IWA will set up this group, with support from the organisation or consultant commissioned.

Resource and Structure

Amount for organisation/consultant: c£8,000 (TBC)

The IWA invites tenders from organisations or consultants to deliver this piece of work.

The organisation/consultant will initially work with the IWA in finalising the scope of the workstream. The organisation/consultant will then carry out the desk based review, the interviews and then deliver a draft report with key themes, findings and emerging areas for recommendations.

The IWA will then work with the organisation/consultant to finalise the report ready for launch. The organisation/consultant will be expected to attend one launch event.

Outline timescales

While specific dates are to be negotiated, an outline timescale is as follows:

- Scope of work programme to be agreed by mid July
- Draft paper to be submitted mid September
- Final paper to be submitted October
- The intention is for this paper to be launched in October 2018.

To apply for this role please send a CV and covering letter setting out how you would approach delivering this project to Shea Buckland-Jones <u>shea@iwa.org.uk</u> by 5pm Thursday 14th June 2018.

We would be grateful if you would also complete our Equality and Diversity Monitoring form when you apply, which can be found <u>here</u>. This is voluntary, but helps us to ensure that we are being inclusive in our recruitment.