

10th April 2015

Sirs,

Natural Resources Wales – Annual Scrutiny 2015

Vattenfall is the Swedish state owned utility and one of Europe's largest generators of electricity and heat. Growth in renewable energy, and wind power in particular, is at the core of our business.

Vattenfall is a major inward investor in the UK, investing over £2bn since 2008 operating four onshore and three offshore wind farms with a significant portfolio in development. Vattenfall has made final investment decisions worth a further £0.6bn in 2013, onshore at Pen y Cymoedd and Clashindarroch and offshore on the Kentish Flats Extension.

The 228MW Pen y Cymoedd Wind Project is on track to be operational in 2017. It is potentially worth £1bn to the Welsh economy over the lifetime of the project and Vattenfall has already awarded £45m in contracts to Welsh business supporting over 600 Welsh jobs in the first four months of construction. The community benefit fund is worth £1.8m annually over the lifetime of the project. Vattenfall has a further c. 150MW of onshore wind in development in Mid Wales and seeks to create similar economic and community benefit on these projects.

Vattenfall has a long standing and productive relationship with NRW, in particular at Pen y Cymoedd and in Mid Wales. We welcome the opportunity to comment constructively on our relationship to help ensure NRW fully achieves its stated purpose of sustainably maintaining, enhancing and using Wales' environment and natural resources.

I confirm I am pleased for our written evidence to be published but on this occasion, Vattenfall do not wish to give oral evidence to the Committee.

Yours sincerely,



Piers Guy
UK Country Manager
Vattenfall

Vattenfall recognizes the good start that has been made in bringing the founding organisations together to provide a holistic approach as NRW. It is our general experience that NRW's vision and values are supported and implemented at a senior level and within the Energy Delivery Team (EDT). Vattenfall's experience with the EDT at Pen y Cymoedd has been positive and has already delivered significant value on the project, for example in delivering the Pen y Cymoedd mountain bike trail and Habitat Management Plan. We have found the team to be flexible and proactive on the ground and willing to accommodate discussion about the best way forward for the project in line with NRW's objectives.

This success is partly a result of the team implementing NRW's vision and values on the ground and embodying the principles of early engagement and collaboration consistently delivered through transparent, clear processes and frameworks of cooperation.

Unfortunately, this positive experience is not consistent in all our interactions with NRW. There is a clear need to ensure that the vision and engagement experienced at a senior level and within some NRW teams is replicated consistently and at all levels of the organization, including local officers.

- Vattenfall has experienced matters where local teams and individuals seem reluctant to enact NRW's values and approach in practice, for example in Mid Wales. This can result in developers and stakeholders being unable to access NRW's services and not fulfilling the opportunity of sustainably managing, using and enhancing Wales' natural resources. NRW's quality management processes must continue to develop to ensure that principles are enacted throughout the organization.
- Vattenfall is lacking confidence that NRW staff engaged with NSIP scale projects appreciate the importance of their statutory responsibilities. The process is not new to stakeholders and Vattenfall has made particular effort in Mid Wales to be flexible and proactive in engaging. However, in our recent experience key officers continue to work to old planning process models that have previously led to a Public Inquiry. The NSIP process allows for agreement and disagreement on all matters to ultimately provide the Inspector with a clear schedule of outstanding contentious issues prior to the examination. From Vattenfall's perspective, it is good practice to endorse this method, which involves Position Statement or Statement of Common Ground type documents, early in the pre application process. Anecdotally, there is also concern regarding the consistency and status of previous planning decisions and a lack of willingness to potentially support these when they're likely to be applicable to other planning applications in a similar area with similar characteristics. Early engagement and collaboration is fundamental to the successful operation of the NSIP process and to NRW fulfilling its duties as a statutory consultee.
- Clarity is required regarding the role of Energy Delivery Team (EDT). Vattenfall's experience is positive where we have had extensive engagement but the EDT's remit across Wales is not clear to stakeholders or to some NRW officers. It is not clear whether the Team's remit covers all energy policy and projects only specifically for projects on NRW land. The EDT should be fully resourced to ensure appropriate and consistent access is available to all developers.

- Availability of NRW resource remains an issue (particularly in Mid Wales/areas of significant renewable development). This continues to impact our ability to progress projects within the appropriate timescales.