

Lesley Griffiths AC/AM  
Ysgrifennydd y Cabinet dros Ynni, Cynllunio a Materion  
Gwledig  
Cabinet Secretary for Energy, Planning and Rural Affairs



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref IM/LG/01653/18  
Rt Hon Claire Perry MP  
Minister of State for Energy and Clean Growth  
1 Victoria Street  
London  
SW1H 0ET

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September 2018

Dear Claire

Thank you for your letter of 30 August regarding the UK Government response to the Part B consultation on the Contracts for Difference (CfD) renewable energy support scheme.

My response to the Part A consultation set out how Welsh Government believes there are better opportunities for scale and significant cost reduction than remote islands. There is still significant available wind resource on mainland UK which is not being exploited. Onshore wind is proven to be one of the cheapest forms of large new-build electricity generation in the UK. Reintroducing support for onshore wind, alongside investment in improving the electricity grid, would be a much more cost effective way of securing capacity at the lowest price.

Therefore, I would urge you to consider re-opening Pot 1 under the next CfD allocation round to include onshore wind across mainland UK. We believe this can be done at a very low cost, or indeed with no subsidy at all. I also recently wrote jointly with Scottish Ministers to the Secretary of State to request a regular commitment to pot 2 *and* pot 1 auctions. I would also request clarity in relation to funding for marine energy. The industry it is at a critical point and need clarification from the UK Government on funding support under CfD. I look forward to your response on these points.

We will shortly be publishing the Welsh Government response to our call for evidence on local ownership of renewable energy projects. The evidence collected will inform our approach to delivering our target of 1 GW of energy generation to be owned locally by 2030, and the expectation for all new renewable energy projects to have at least an element of local ownership from 2020.

We consider there is potential for the CfD mechanism to deliver significantly more benefit to UK communities. The evidence collected in relation to island wind proposals is also relevant to other developments in principle. We would also be willing to share the evidence we have collected to assist BEIS in developing an approach to ensuring communities benefit from CfD wind projects.

I am copying this response to the Secretary of State for Wales.

Yours sincerely  
Lesley Griffiths

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