



Agenda Item 6

12 February 2010

WNC 04.10

FCW WIND FARM PROGRAMME PROGRESS REPORT [FCW Corporate Programme 3 : Renewable Energy]

Purpose

1. To inform the National Committee on progress with the FC Wales Wind Farm Programme.

Summary

2. The Programme's project portfolio, which currently consist of nine projects is developing in line with projected time-scales:

- Six Wind Farm Development projects based on the existing Option Agreements;
- A Felling Project;
- A Business Process and Information Project;
- A Workforce Planning Project.

Background

3. Since 2006 FCW's successful approach to the Wind Farm Programme has been a series of structured PRINCE2 Projects :-

- P1 – Procurement and the award of Option Agreements : closed successfully;
- P2 – Resource and Process Development to facilitate P3;
- P3 – Delivery of the six Projects now subsumed into the Wind Farm Programme.

4. The growing complexities of delivering six projects was recognised early by the P2 Project Board, Chaired by Director Wales, and a decision made to move from a project to a programme based approach through the established public sector guidelines of the Office of Government and Commerce's (OGC's) Managing Successful Programmes (MSP).

5. MSP started with the development of a Programme Definition Statement (PDS), that was approved by the FC Wales Management Board in December 2009.

Programme Vision & Objectives

6. Creating the PDS allowed FC_Wales to consider the Programme in terms of a vision and longer-term objectives which are detailed at Annex 1.

Windfarm Project Progress Report

7. A brief summary of how each Wind Farm Project is progressing is at Annex 2.

Risk

8. MSP techniques dictate that Programme and Project Risk Logs are maintained and managed through Project and Programme Boards. Any significant risks arising will be escalated to the Corporate Risk Register for FC Wales Management Board guidance. The most significant risk facing the programme at present relates to FC Wales capacity to meet its contractual obligations whilst Option Holders prepare their Planning Applications and during the construction phase period post planning approval. Resolving this risk is my top priority.
9. Another risk that I am anxious to resolve is the complexity brought about by the establishment of the Infrastructure Planning Commission [IPC] which is replacing the Department of Energy & Climate Change [DECC] for developments over 50MW. Progress on gaining the necessary level of understanding of how the new planning processes will work is slow, but we have just established the necessary level of contact and meetings are being arranged.

Resource Implications

10. The Planning, Construction and Commissioning Phases of the Programme will see a marked increase in resource requirement. FC Wales retains its outgoing costs from the Option Fees. A detailed paper is being drafted to inform DRA Business Unit of the impact on profiled estimated receipts over the life of the proposed windfarm projects.

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Communication

11. Communication is of particular importance to the Programme in view of the wide ranging views on Windfarm development and the diversity of stakeholders that the programme impacts upon.
12. A Communications Plan has been established and is subject to regular ongoing refinement and improvement taking account of the changing circumstances that surround the Programme.

13. Developing a robust communications network within FC Wales, across FCGB, and in particular sharing learning experiences with the Forest Renewables Business Unit, with WAG (DRA, DESH) and associated Public Bodies (CCW, EAW) is essential to the smooth running of this Programme and this is continuing to develop well.

Recommendation

14. The Committee notes the current position.

Derek J Stephen
Programme Executive
5 February 2010

Programme Vision & Objectives

- **Vision**

To enable wind farms to be constructed and operated on the Assembly Government's Woodland Estate. Our approach will be to minimise the impact of the wind farm developments on FC Wales' ability to manage the forests in accordance with the Assembly Government's Woodland Strategy.

- **Objectives**

1. Developers' planning applications are acceptable to the landlord and capable of generating an installed capacity¹ of 641 MW of electricity, subject to planning considerations.
2. FCW and Developers comply with the terms of the Legal Agreements and negotiate measures where necessary to deliver the Vision.
3. FCW meets its statutory obligations (e.g. Forestry Act and Health & Safety regulations) and any additional responsibilities as manager of public land with respect to Wind Farm Development.
4. FCW secures the contracted income from the developers and recovers the total cost of delivering the Programme before transferring the net income to WAG. The costs incurred by FCW are fully justified and transparently accounted for.
5. FCW maintains effective communications with stakeholders to enable them to understand FCW's role in relation to Wind Farm Development and how the stakeholders can legitimately influence the development process
6. FCW sustains its operational programmes at a Wales level, (subject to phasing of construction) and minimises disruption at a local level.
7. FCW considers Option Holder's requirements for physical resources and where appropriate secures agreement and best value.
8. Built infrastructure allows safe and effective management of the forest after construction and throughout the life of the wind farm.
9. Environmental and Social mitigation and gains on the Assembly Government's Woodland Estate are considered in the light of the Woodlands for Wales Strategy and other relevant public policy. The mitigation and gains that are a condition of planning consent are funded by the Option Holder.

¹ Installed capacity - the theoretical instantaneous output of electrical power if all generators were working at full capacity.

10. Governance is put in place, in accordance with TAN 8 and legal agreements to enable appropriate dispersal of Community Funds. A process is in place to deal with disputes between the community and the developer.
11. The area of woodlands removed as a result of wind farm development on the Assembly Woodland Estate is minimised. Compensatory planting is undertaken to replace the area lost in line with the Woodland Strategy and is treated as a cost of the Programme.

SSA	% of land Managed by FCW in SSA	TAN8 Indicative Capacity Targets (MW)	Target Installed Capacity (MW)	Target Commissioning Date	Current Position
SSA A Clocaenog Forest Npower	39.3	140	92	August 2014	Planning requests to FCW in April : out for IPC consultation May / Jun : environmental meeting held with all stakeholder 4.2.10 to address the black grouse and red squirrel habitat issues
SSA B Carno North Scottish Power	8.6	290	69	2014	Application to IPC expected in October : progressing steadily
SSA D Nant-y-Moch Airtricity	32.2	140	96	November 2016	Application to IPC expected in August : Nant-yr-Arian access issues – study undertaken and consideration with FD and meeting with Ceredigion County Council on 10.2.10
SSA E Pontardawe Nuon	33.0	100	24	November 2012	Not currently progressing in view of focus on SSA F : not in breach of Option Agreement and paying Option Fees
SSA F Coed Morgannwg Nuon	66.0	290	237	2013 - 2014	Planning Application lodged with DECC (pre IPC) : Formal Planning Objection lodged by CCW.
SSA G Brechfa Forest Npower	56.6	90	111	December 2014	IPC consultation expected June / July : complicated by the project being split into two sites with one going through Local Authority Planning and the other through IPC