



Following the statement by Greg Clark to the House of Commons this afternoon, this a response from Keith Clarke CBE as Chairman of Tidal Lagoon Swansea Bay Plc and Mark Shorrock, Chief Executive of Tidal Lagoon Power.

Keith Clarke CBE, chair, Tidal Lagoon (Swansea Bay) Plc

“In light of today’s statement and having heard next to nothing from government for 2 years, the Board will be meeting in 2 days’ time to consider its next steps. There has been no negotiation and it is not unreasonable to expect that government will now be willing to meet and discuss its position on Swansea Bay Tidal Lagoon in some detail. We have already requested that meeting.

“The lack of engagement with us during this process has been highly disturbing. Which shouldn’t be confused with the underlying strength and validity of a new homegrown and secure energy source already found to be very competitive with other low carbon options by government’s own independent review.

“Perversely, the unique longevity, commitment to employ British industry and the multi-functional role that tidal lagoons can play in deprived regional economies have been twisted to work against Swansea Bay Tidal Lagoon. Had just half the government time wasted on distraction and hollow excuses been applied to collaborative engagement, we could today be sending out a very different message to the world about Brexit Britain.

“Given the abject failure by government to so far implement any of the Hendry Review recommendations of January 2017, the Board will consider how to preserve value for shareholders, the communities of Wales, and the UK as a whole. We will require significantly more engagement with this government to be productive.

“Any new industry needs a pathfinder and that can only be Swansea Bay Tidal Lagoon. If Government is serious about energy diversity and the potential of tidal lagoons and marine energy more generally, it needs to get serious about delivering Swansea Bay Tidal Lagoon. The entire industrial strategy of employing British manufacturing to harness British tides relies explicitly on delivery of a pathfinder at Swansea. Without it, we will again export jobs that could and should stay here.

“The treatment of the pathfinder tidal lagoon makes a mockery of a supposed new Industrial Strategy for the UK that pledges to back the disruptors and embrace new

industries for a new future. The reality is that indecision sucks the life out of innovation and timid leadership will condemn Brexit Britain to the 20th Century.”

Mark Shorrocks, founder and chief executive, Tidal Lagoon Power

“The Secretary of State is clearly misinformed as his briefing today was very misleading. He says Swansea Bay Tidal Lagoon will cost three times nuclear. This is incorrect. Swansea Bay Tidal Lagoon will add just 30 pence to consumers’ bills whereas Hinkley Point C will add £12 or more to bills.

“The offer to the UK Government for Swansea is AT THE SAME PRICE as nuclear for a small pathfinder which as he acknowledges is 0.15% of the UK’s energy requirements. The UK’s second proposed tidal lagoon at Cardiff would be 88 times less expensive for consumers than Hinkley. Furthermore, the £1.3 billion build cost of Swansea is privately funded. It is NOT a cost to consumers as suggested by Mr Clark.

“This is a vote of no interest in Wales, no confidence in British manufacturing and no care for the planet. Justified through a faux concern for consumers who would readily invest in a British tidal power industry for today and for future generations.

“Wales contributed more than 5% of the budget currently available to BEIS for renewables. Launching a new tidal lagoon industry requires less than 5% of the budget and adds a modest 30 pence yearly cost to energy bills. We note that government has chosen not to answer the question clearly put to it by Welsh Government: will Swansea Bay Tidal Lagoon be offered a contract of equal price and terms to that already offered to Hinkley Point C?

“The Hendry Review advised government that backing Swansea Bay Tidal Lagoon would be a ‘no regrets’ decision. Today’s statement is sodden with regret.

“We heard the Secretary of State refer to the advice of several independent reports today. We should now like to scrutinise these reports. They have come out of the blue and make some bold claims. It is notable that they are leading policy in a way that the Hendry Review is not, not least it’s clear conclusion that following the pathfinder, tidal lagoons are cost competitive for consumers with wind and nuclear.

“The Secretary of State today appeared to airbrush from history the full story of the UK’s success in offshore wind. It has indeed been a success and it has cost the nation some £8 billion in subsidy to make it so. Tidal power deserves the chance to make its contribution to the energy mix and the national economy and it will be able to do so for a much, much smaller price tag.

“The Government position on tidal lagoons is one of contradiction: open to tidal lagoons in the future but closed to the pathfinder project that makes them possible; keen to talk to other marine developers having repeatedly refused to talk to the only developer with a consented project ready to go; concerned that it’s a relatively small project and yet blind to the fact that means its impact on energy bills is extremely modest; concerned for a steel sector already exempt from environmental levies and for whom, according to the Hendry Review, tidal lagoons throw a ‘lifeline’; worried that it will be twice the price of nuclear when

the contract requested is exactly the same as nuclear; flagging that nuclear projects generate more power than tidal lagoons but ignoring that they last for half as long; flagging the manifesto commitment to keep energy costs down yet ignoring the prior manifesto commitment to Swansea Bay Tidal Lagoon; questioning the number of long-term jobs at the same time as assigning no value to the creation of thousands of supply chain jobs and hundreds of non-energy jobs created on site; concern over demonstrably low decommissioning costs already accounted for in the modelling and yet no engagement on the matter since a 2015 consultation.

“Having artificially deflated new nuclear strike prices by transferring a huge burden of cost and risk to consumers, it is beyond rich for UK Government to imply that investment from Welsh Government to kick-start a new Welsh tidal industry somehow hides the true cost of the pathfinder lagoon and obstructs a like-for-like comparison with nuclear.

“The like-for-like comparison is that both Swansea and Hinkley Point C need a contract of £92.5 for 35 years, combined with other forms of government support. The difference is that one is a small bet on a home grown and reliable energy future with minimal impact on consumers (30 pence a year on bills), the other is a massive gamble with energy security to the advantage of foreign companies and at huge cost to consumers (up to £15 a year on bills).

“We have worked to secure a critical change in the UK’s energy mix. There is unquestionably a role for tidal lagoons as a scale low carbon power source and as major contributors to the national economy. Any island nation blessed with a natural resource like ours must surely want to nurture a homegrown tidal power industry.

“Together with Welsh Government we will deliver a UK tidal lagoon industry centred in Wales. Swansea Bay Tidal Lagoon remains key to our vision.

“While we establish the way forward for our Welsh projects, greater emphasis will naturally be placed upon the projects we are already developing in international waters, including those in northern France.”