

STATES OF JERSEY



OFFSHORE WIND (P.82/2023): COMMENTS

Presented to the States on 12th April 2024
by the Minister for the Environment

STATES GREFFE

COMMENTS

Introduction

P.82/2023 was lodged by the previous Council of Ministers in October 2023. It recognised that, due to advancements in offshore wind technology, Jersey's very good wind resources may be harnessed without significant subsidies unlike the position previously.

The Proposition sets out a number of reasons to support the development of offshore wind (OSW) including: security and resilience of energy supply; revenue generation to meet our long term economic challenges and the potential to stabilise the long term price of energy for islanders than would otherwise be the case. The proposition suggested that there is ample evidence to consider this opportunity in full detail. It asks for the Assembly to give its permission for Ministers to carry out policy, regulatory and technical development work to gather evidence and answer the many questions associated with embarking on such a project in order that Jersey can determine if and how and it wants to proceed.

Debate on the proposition was deferred to provide time for islanders and States Members to engage with issues at hand. This level of engagement is an unusual step at such an early stage of a major infrastructure project, and public engagement would normally be undertaken when a specific development proposal is brought forward. However, it was considered appropriate given the significance of the project to the island.

The opportunity for early engagement, as outlined in the Proposition, has been well utilised, with extensive and continued comment through both the formal consultation and in the form of articles, letters and comment pieces in our island media and on social media, good attendance at engagement events, and in more detailed contributions from the Jersey Policy Forum and others. It has also provided a period of time to hear initial views from our neighbouring jurisdictions and the UK.

A new government was elected by this Assembly during the consultation period. While a number of ministers associated with the project remain in government, others have changed. Having discussed the matter in Council, ministers are content to provide collective support to the proposition, recognising the *in principle* nature of today's discussions and the importance of making more detailed progress before considering any specific options.

It is hoped that such support will be found on a broad basis across the Assembly. This will provide an important and firm foundation for discussions in the next stage of work with potentially interested developers and investors, together with partners in potential import markets.

The Jersey Opportunity

The proposition sets out a series of potential economic, fiscal, environmental, strategic and social benefits. These opportunities are not reprised here, but ministers wish to reiterate the significant economic and fiscal potential of this scheme and therefore the importance of fully exploring such opportunities in light of our strategic economic and demographic challenges.

It will not be possible to quantify these benefits until a specific development scheme is brought forward. However, it is possible to look at the potential economic opportunity for an Offshore Wind Farm of 1000MW could deliver against a number of principles for sustainable economic growth and our future economy, whilst utilising the comparative advantage of our natural resources:

- Initial economic analysis on a 1,000MW offshore wind farm identified potential electricity value per year of around £300m (based on 8p per unit) from 125 8MW turbines (current technology recognising that future turbines are likely to be c.15MW and therefore fewer to reach 1,000MW).
- How that value is realised as economic benefit to Jersey will depend on how the delivery and energy market is structured but estimates indicate it could generate annual tax liability of approx. £42m.
- The energy created could be an additional export generated through high levels of productivity and if we so decide, can be designed to require low numbers of jobs and therefore avoid significant impacts on population growth.
- The analysis identified potential for creating around 900 jobs locally and many more off-island during the construction phase amounting to an estimated GVA boost to the economy of £60m.
- Once operational, the GVA boost to the economy is estimated at £250m per annum.
- Equally, there is a possibility that this could become a new sector in our economy, offering new opportunities, skills and research areas for younger generations, as well as an enabler for our existing sectors, whether that be agriculture or finance.

It is notable from the public consultation that islanders recognised the value of all prospective benefits, with between 70-80% of respondents rating each as important or very important. While it is good to see each opportunity positively appraised it is likely that later stages of the project will require trade-offs to be made between the different benefits. If members approve the proposition these policy choices will be modelled and discussed in more detail before being sent out for further market testing with prospective developers.

Consultation

A public consultation was launched on 10 November 2023. On taking office, the Minister for the Environment directed that the public consultation deadline should be extended from the 16 to the 29 February to ensure sufficient time to complete all planned engagement events.

The consultation included a formal process to gather respondents' opinions through a survey (available online, in print and in English and Portuguese) and public engagement activities aimed to raise awareness and facilitate Islanders' understanding of the issues (including public meetings, communications and visual presentations). Specific engagement sessions were held with children and young people; businesses; maritime and environmental interest groups; and others.

The consultation findings, together with a full methodology statement and responses, are set out in the consultation report that was published on 18 March 2024¹ and circulated to all States Members.

Over 1000 Islanders took part in the consultation, including 959 individual survey respondents, plus children and young people and a small number of written comments from stakeholders. It is clear from the results that islanders who engaged in the consultation were broadly representative of age and Parish, and having had the opportunity to engage with and understand the information provided.

There is, overall, a great deal of positivity and excitement in the responses. As the table below shows, when asked to summarise their current opinion about the project, 71.8% of responses were positive.

Table of responses to Question 7, At this initial stage, in one sentence, how would you summarise your current opinion about developing a wind farm in the south west of Jersey's waters?

Sentiment of response	Number of responses	Percentage of responses
Positive	657	71%
Negative	224	24%
Neutral	44	5%

At the same time, it is acknowledged that some islanders are opposed to the idea, and that both groups have concerns that will need to be addressed before any future project is given the green light. The consultation report gives a rich understanding of these views that can continue to be drawn from to inform the project as it progresses.

Next steps and policy questions

Proposition P.82/2023 seeks support only for two policy intentions:

- the **location of development** in Jersey’s south-west waters (the principle of which has already been established in the Bridging Island Plan in response to the published feasibility study²), and
- the **likely scale of development**, of up to around 1,000MW (which reflects the rough maximum viable scale in the identified location and recognises that development may in practice be less, or slightly more, than this, perhaps progressing in phases for example).

All other policy issues, including the physical design of the scheme and its connection to domestic or export markets; the method for capturing and apportioning the benefits; and issues of ownership and the financing of development, remain to be fully explored and debated in subsequent phases.

¹ statesassembly.gov.je/assemblyreports/2024/r.47-2024.pdf

² [Offshore Wind Feasibility Study \(gov.je\)](https://statesassembly.gov.je/offshore-wind-feasibility-study)

Accordingly, Part C of the proposition seeks support for ministers to bring forward appropriate policy and legislation to set in place a process to lease, consent, regulate and safely decommission a wind farm. In line with this, and if the proposition is supported, work will be taken forward in the following areas.

Engagement

Initial work to engage with neighbouring jurisdictions will be further developed, and proactive discussion with potential investors and developers would begin.

There has been good engagement with French partners to date, including an exchange of comments as part of recent public consultations in both France and Jersey. The next stage is expected to include the establishment of a working party to further explore a range of issues linked to export into the French and European energy markets.

Discussions will also continue with the UK government and UK energy system actors, focused on understanding the potential to export to the UK; and with the governments and agencies of Scotland and the Isle of Man to learn from their approaches.

Regular political and official engagement with our colleagues in Guernsey will also continue in order to explore both issues of shared interest in relation to the evolution of the Channel Island Electricity Grid, and to identify any opportunities to align our interests in offshore wind development in ways that are mutually beneficial.

A new environmental impact, consenting and regulation law

Work will progress at pace to draft and bring forward a new law to provide a streamlined, efficient and robust regulatory framework for developing a commercial offshore wind farm, while ensuring environmental outcomes are in accordance with both Jersey and International policy, legislation and standards. A series of consents would be introduced for different stages of development. It is envisaged that separate authorisations would be required for each key stage of exploration, construction, operation and decommissioning. A prerequisite for an application would be the required lease of the seabed.

The process will provide for full and transparent public consideration and scrutiny of the standards, evidence and potential mitigations that could be required to address actual and potential environmental harms and impacts. Law drafting would be expected to progress over the summer in order that a draft law could be lodged in Autumn 2024.

Developing a commercial leasing process

In order for the OWF to be developed, it is necessary for the seabed to be leased. Work will continue to establish how Jersey can best benefit from opportunity presented by offshore wind, to establish any negotiating requirements and to understand how these might be given effect in a commercial leasing process.

To ensure Jersey's interests are well established and supported to prevail in negotiations, it is expected that a commercial leasing advisor will be appointed to support this work and to help design and support delivery of the associated processes. In line with the proposition, timescales for commercial leasing are expected to be set out before the end of 2024.

Conclusion

Public engagement with this issue has been good and wide ranging. As evidence of sentiment in the island, a large majority of consultation respondents currently hold an overall positive opinion on the development. This is supplemented with a rich and detailed breakdown of the issues that are of concern and wider interest to islanders.

The debate on P.82/2023 provides an early opportunity to reflect on these views and to air States Members' opinion. Because this is an early opportunity it is right that there are several open questions, and these comments give an indication as to where work will focus in the coming months to make progress on identifying answers.

In supporting the proposition, States Members will be sending a strong signal to our partners in neighbouring jurisdictions and to potential investors and developers that they can have confidence that Jersey recognises the potential for development and is taking the significance of the project seriously and with long-term interests and objectives at heart.

I recognise that many questions remain to be answered and some States Members will have concerns that we do not yet have the answers. I wish to reassure those Members that this is still very much the start of the process and the next step is, with your permission, to seek out those answers.