

6. Statement by the Connétable of Grouville regarding the Jersey Tidal Power Commission

6.1 Connétable D.J. Murphy of Grouville:

I would like to take the opportunity to update Members about the work that the Tidal Power Commission has been undertaking over the last year. Members will recall some preliminary work carried out by the Tidal Power steering group in December 2008. We were unanimous then in believing that tidal power could, in the medium term, make a real and increasing contribution to the energy requirements and energy security of the Island for the rest of this century. We had no hesitation in recommending to the Minister for Planning and Environment that the possibility should be actively pursued. The Minister agreed and asked for more detailed investigation to be carried out, appointing a Tidal Power Commission consisting of some of the members of the steering group with myself as Chairman. The first key step for us was to carry out a feasibility study into the area of prime resource, the Le Ruau Channel, which is positioned between the north-east coast and Les Ecréhous. Real time survey work in the Channel was supported by detailed economic analysis and scoping work in respect of the environmental and economic considerations that would need to be considered. I am delighted to report to the House that the initial optimism regarding the potential for tidal stream energy from Jersey waters was not misplaced. Indeed, the available tidal resource has commercial feasibility with the potential of providing energy equivalent of 50 per cent of Jersey's electrical demand. However, at the current time to produce this energy would be more expensive to produce than electricity imported from France. But we believe that as the costs of energy production rise there will be a break even point in the future at which the generation of renewable energy from local waters will become a reality. This time could be brought forward significantly if Jersey were to be eligible for the renewable energy subsidies available for European and U.K. generators. Our work has also identified a number of steps that need to be initiated before a detailed commercialisation strategy is developed. These include considerable investigation into the environmental issues associated with the site. As well, it would be important to define the consenting and leasing requirements of any sites of interest. Many of these initial steps are technology-blind and allow the emerging tidal stream technology sector to mature. By providing the legal and consenting framework, there is also the opportunity for other renewable technologies such as offshore wind projects, should developers wish to forward an application for this more established technology. We recognise that these are very early days in what will undoubtedly be a long journey into the generation of renewable energy for Jersey. There is much groundwork to be carried out, especially when we consider that the lead-in times for these large engineering projects are many years. For any future project to be successful there will need to be a transparent and consultative assessment involving all the stakeholders and people of Jersey. Recognising this, the Commission have opened several productive lines of discussion. Even at this early stage the Commission has maintained a dialogue with the fisheries industry and other stakeholders, such as the National Trust and Save Our Shoreline. Of course, these were preliminary discussions but they have alerted us to areas of concern that will need to be addressed. Importantly, we have approached Her Majesty's Receiver General in respect of the ownership and leasing arrangements for the seabed to the 12-mile limit. The Channel Islands Renewable Energy Forum has been formed, with representatives from all the

islands to discuss areas of commonality and cooperation across the Channel Islands. Already this is proving a very helpful forum and it will be critical for the islands to work together if we are to be in a position to export energy through the C.I. (Channel Islands) electricity grid. Through the Island's place on the British Irish Council, Jersey has approached the E.U. (European Union) to define how renewable energy subsidies may be applicable. The Commission has also opened discussions with the new Minister for Energy and Climate Change in the coalition government to clarify if Jersey could be eligible for Renewable Energy Certificates (R.O.C.s) if it were to export energy to the U.K. In summary, we believe that if Jersey is to have a truly sustainable energy future, with a low carbon energy source and increased resilience from external markets, this work stream must be continued. The Commission will be providing a detailed report to the Minister by November and I look forward to updating the House of progress in conjunction with the Minister for Planning and Environment. [Approbation]

6.1.1 Senator S.C. Ferguson:

The Chairman mentioned renewable energy subsidies. Does the Chairman not remember from where these subsidies arise? Is he not aware that these subsidies increase the direct cost to the consumer substantially and represent a stealth tax?

The Connétable of Grouville:

Well, there is indeed a cost to these Renewable Energy Certificates, they are issued I believe by the U.K. Government and the cost to the U.K. Government is £4.3 billion a year and the benefit to them is only £400 million. So obviously there is a cost to the taxpayer.

6.1.2 Senator S.C. Ferguson:

Which is added on to the bill for the consumer. Does he not agree that if a project is only commercially viable on the basis of subsidies we should not support it?

The Connétable of Grouville:

Well, if you took that to the *n*th degree then you would not support anything. I believe that the main consideration here is not cost; it should be the sustainability of our energy in a crisis. I believe, as the Senator does, that these subsidies should be avoided at all costs. However, in this situation we are talking about the future and we are talking about a situation which could arise where the price of oil leaps again to \$150 a barrel in which case we are then going to look a bit silly if we are paying that much when we could have renewable energy at a lower cost.

6.1.3 The Deputy of St. John:

Could the Chairman confirm that they have been in contact with Defra/Ramsar, given that the areas concerned are within the designated areas, and also have been in talks with our French cousins in the Normandy area, given that they themselves are, at this time, looking at or in some cases opposing energy from the sea in their area? Are these talks ongoing or have they not made approaches to these 3 areas, and the Ramsar would be obviously through Defra?

The Connétable of Grouville:

The sites that we have identified are not part of the Ramsar sites, they are not in the Ramsar area. As to the discussions with the French, they are going on through the Channel Islands Energy Forum and I think the Deputy is probably misinformed about the French being anti any building in the sea. I have spoken to the convocation of the Mayors of the coast of Normandy quite recently, whereas they are looking at tidal power as being quite friendly, they are very much against wind turbines being put up there and I think you will find that in the minutes of many of the meetings of the towns on the coast.

The Deputy of St. John:

If I could come back in, I understand where the Minister is coming from ...

The Bailiff:

I see a number of people wanting to ask and we only have 10 minutes so I think I am going to confine people to 1 question.

6.1.4 Deputy T.M. Pitman:

Perhaps unlike some Senators, but over this side of the House I think like the Constable, some of us tried to take the long-term bigger picture view. The Constable talked about grants, could he tell us what that would entail, what kind of hoops would Jersey have to jump through to be eligible for such a grant?

The Connétable of Grouville:

Well it is not so much the hoops we have to jump through, it is the information we have to gather and this is why it is taking so long. It is very frustrating, I must say, that we cannot just get on and do something. I am not saying that we should immediately jump in and build turbines, what I am saying is we should immediately set down the platform for what we intend to do in the future. In order to arrive at these conclusions in this stage, we are dealing in a very friendly way with all the people who are involved. We are dealing with the fishermen, we are dealing with everybody, and with obviously the Receiver General who is going to be an important factor in our discussions. As well as that, we have to deal with 6 or 7 departments of State in the U.K. as well when we are coming to these conclusions.

6.1.5 Deputy M.R. Higgins:

While I support the search for renewable energy, what makes the Commission convinced that the U.K. Government will purchase electricity from Channel Islands waters rather than from other waters around the British Isles?

The Connétable of Grouville:

I am not convinced at all. The fact that at the moment Alderney are talking to the U.K. about this, they are closer than we are, they have probably got a much bigger resource than we have, I would put the U.K. at the bottom of the list as far as purchasers are concerned.

6.1.6 The Deputy of St. Mary:

Can the Constable confirm that when he is talking about the break-even, the future break-even point, it is not just a financial break-even, or that the break-even point includes a

cost for carbon reduction, because the U.K. Government already has a social cost for carbon at £25 a tonne when I last knew?

The Connétable of Grouville:

When we have gathered all the information that we need or we think we need we are going to present this report to the Minister and the decision will then really be up to the States of Jersey as to which way they want to go on this. Do they want to take a long view and put a preparatory basis or a foundation down for the day when we need to do something? Do they want to go ahead with it now? Or do they want to forget all about it? That is going to be up to this House.

6.1.7 Deputy P.V.F. Le Claire:

Could the Constable please inform as to what is happening with regard to partnering with the Scottish executive? We were told most recently that we were going to piggyback on some of their schemes. Also, would he agree with me that the concern about the availability of uranium, and only 10 years life expectancy within the rest of the world, is going to cause nuclear energy some real issues in the future?

The Connétable of Grouville:

Well, I am afraid I was unaware of both of those points. I did not know anything about the Scottish Energy, I know that we went to a meeting in Guernsey where Scottish Energy were presenting us with further facts and figures, but we did not have any discussions with them at all. As for the nuclear option, I am sorry I just know nothing about that.

6.1.8 Deputy A.E. Jeune:

I was fortunate last year to go to see the Alderney work on tidal power with the Connétable of Grouville and other Members, and my understanding was that they were not going for any governmental U.K. subsidies. Is that still the case or was the Connétable suggesting that they are now looking for U.K. governmental sponsorship?

The Connétable of Grouville:

I can tell the House that Alderney are the closest to getting a production of electricity from the tide at the moment, and we have supported them in their approaches to the U.K. Department of Energy and Climate Change. Obviously we were all there together and we went to see them about how they are going, and I understand that the Minister of State, Lord McNally, was in Alderney last week talking to the Alderney Renewable Energy company. So I think, without trying to jump the gun or anything, Alderney are well ahead of everybody at the moment and we will just have to see how they go. But these Renewable Energy Certificates are vital to the costing of this project.

6.1.9 Deputy M. Tadier:

If I can first of all congratulate the Constable on the giving of this statement and also the good work that has been carried on, I know it is not easy. The question relates to the previous one in the sense that, in the Channel Islands, what scope has there been for cooperation up until now, and is that a likelihood and what have the pros or cons of that been?

[12:15]

The Connétable of Grouville:

Through the Channel Islands Energy Forum we are in constant touch with our Guernsey counterparts and Sark, Guernsey is pushing-up for the Sark side as well because the latest report they issued was that if there is good energy source then it is going to be between Sark and Herm. So obviously Guernsey and Sark will be involved together in harvesting that resource. I cannot remember, sorry, what was the other part?

Deputy M. Tadier:

It was essentially just to know whether we would be able to co-operate with the other Channel Islands, if they are amenable.

The Connétable of Grouville:

Yes. Sure, it is not just only that but we do have a situation where if we are to export electricity, if we get to the stage - a happy stage - of being able to export we have the whole of Europe wide-open where many, many countries over there are not going to meet their Kyoto requirements in the near future. They are desperate to buy renewable energy. We can supply it, we have the cabling in place and we have the contacts with the Guernsey authorities as well where our joint cable could supply into Europe. The way it happens is that we could supply into France for the benefit of Italy. So, in fact, the French would receive the energy, the Italians would clock it up as renewable and pay the French and then whatever. So this would hopefully give us a chance at upping the price of it and perhaps, you know, making some money out of it as well. But this is just another avenue we are exploring at the moment.

The Bailiff:

Well, I am afraid that the time has run out for questions to the Chairman.