

STATES OF JERSEY



OFFSHORE WIND (P.82/2023): COMMENTS

Presented to the States on 11th April 2024
by the Economic and International Affairs Scrutiny Panel

STATES GREFFE

COMMENTS

Background

The proposition ‘Offshore Wind’ [[P.82/2023](#)] (hereafter referred to as “P.82/2023”) was lodged *au Greffe* on 17th October 2023 and is scheduled for debate at the States’ sitting commencing on 16th April 2024. P.82/2023 is seeking the States Assembly’s decision, in principle, for a preferred approach to developing further policy and legislation to enable the potential future development of an offshore wind farm.

The previous iteration of the Economic and International Affairs Scrutiny Panel was first informed of the potential for development of an offshore wind farm during a briefing from Government of Jersey officers regarding the Future Economy Programme on 16th October 2023. Subsequently, the reconstituted Economic and International Affairs Scrutiny Panel (hereafter referred to as “the Panel”) received a joint briefing with the Environment, Housing and Infrastructure Scrutiny Panel (hereafter referred to as “the EHI Panel”) on P.82/2023 by the Minister for the Environment and Government officials on 27th March 2023.

Both Panels have been advised that the purpose of the debate on P.82/2023 is to gauge, in the first instance, whether there is political appetite to further investigate and develop options for the development of an offshore wind farm. It was acknowledged, at the most recent briefing, that P.82/2023 is asking for a States’ decision, in-principle, to work on and come back to the States Assembly with further detail of those options.

The Panels have been advised that, should P.82/2023 be successful, Ministers will then seek to bring forward further proposals for the legal and regulatory frameworks necessary to lease and access the seabed, and to consent, regulate and safely decommission the necessary infrastructure for a wind farm. It has been made clear by the Minister for the Environment and Government officials that there would be opportunity for extensive scrutiny and consideration by the States Assembly at various key stages throughout the policy development process in order that States Members could make informed decisions going forward.

The Panel understands that the EHI Panel will be presenting comments on P.82/2023, the Panel has agreed that it would be beneficial to provide further comment for topics falling under its remit to aid in consideration of the proposition (P.82/2023).

Project Objectives

P.82/2023 proposes that the development of an offshore wind farm should be encouraged to meet the needs of Islanders, to power the Island’s future economy and to create energy for export, with specific benefits within the areas of:

- Environmental
- Fiscal and Economic
- Strategic and Social

The Panel acknowledges that the construction of an offshore wind farm would seemingly have many potential benefits across these areas, however, it would highlight that not all of these necessarily are congenial with one another, and that an identification of risks is required.

One such area for consideration will be the importance placed on either the energy security and low price for islander’s electric, or economic return through revenue to the Government and wider economic productivity. P.82/2023 indeed outlines that it is clear that the actual economic value of any scheme would depend both on prevailing market conditions (in particular the price per unit secured) and future choices on approaches about a range of issues over the construction and operation phases of the wind farm.

It is noted that, whilst an *in-principle proposition*, the report and proposition does set a very specific path and potentially rules out other options that members might have preferred. For example, part (b) establishes various elements which could easily be considered separately and exclusively notably:

- development of up to around 1000MW
- to meet the needs of Islanders
- to power the Island’s future economy
- to create energy for export

Some members might be comfortable with a smaller offshore project which is designed to adequately meet the needs of Islanders into the future, but not want to use it as a basis for the island’s future economy or as an export commodity. The framing of the wording of part (b) does not allow for a choice in this matter, and the Panel finds this regrettable.

P.82/2023 identifies that Ministers are proposing that the development of offshore wind should be privately funded and designed and delivered by a consortium with substantial experience of similar development elsewhere. The Panel has previously been informed that there has been preliminary interest from the private sector and notes that consideration of any Government investment would be subject to appropriate consideration by the States Assembly. Indeed, the Minister for the Environment informed the Panels that he was open to various funding and ownership models and identified that consultation results showed that the public who responded were very much open to some kind of public funding/ownership. For reference the consultation results identify the following view of respondents:

Solely private	20%
Mainly private	22%
Private and public partnership	33%
Mainly public	16%
Solely public	8%

Table 1: Preferred Funding Model, Public Consultation

The Panel would question how creating energy security and a lower price for the island would correlate with the goals of the private sector and this may influence the economic benefits of the project.

Similarly, the Panel would highlight that creation of on-Island jobs, or reskilling of Islanders, is not a certainty of the project and would further highlight whether any consortium or overseas project team might use existing expertise from off-island.

At the briefing with the Minister for the Environment, the Panel queried scenarios in which a private investor was to withdraw from the project, either during construction or

prior to decommissioning and believes that further consideration of this risk is needed. The Panel would recommend that Ministers should ensure that likelihood of that risk, and mitigating actions, should be clearly outlined to the Assembly.

The Panel would highlight that clarity on the position and role of the Jersey Electricity Company (JEC) needs to be given. This is noting the letter of support submitted to the public consultation in which they indicate the belief that their early involvement in the project is crucial to help ensure overall project success. Although the Panel has been unable to review the topic further, consideration as to enabling JEC participation, and the implications of public shareholding in JEC, should be given by Ministers.

The Panel makes no recommendation on the best way to fund an eventual wind farm, however, notes that P.82/2023 does express a Ministerial view that it should be privately funded. Again, the Panel believes it is too early to make this decision and consideration should be given to all public, private or partnership options.

The Panel notes that the Delivery Framework for Sustainable Economic Development 2023-26 indicates that re-evaluation of other renewable energy sources, including tidal, will be carried out by 2026. Consideration of technological development and the lifespan of the project will indeed need to be given and Ministers should establish what role that they, and the Assembly, will have in this. The Panel would highlight that there may prove to be more economically viable ways to reduce the Island's Carbon footprint, especially when considering the current provision of electricity and potential economic benefits of insulation and other grants.

The Panel would also highlight the response of the Marine Economy Group to the consultation which ran from November 2023 to February 2024 [[R.47/2024](#)]. This identifies that Jersey's fishing community are overwhelmingly against the Proposition P.86/2023 due to limited territorial sea area, the importance of fishing grounds, and the project's size, as well as questions around the project's economic feasibility and impact upon energy prices. Their response also vehemently opposed the idea of leasing the seabed to a private developer, regarding that as a step towards the privatisation of the public domain. The Panel would highlight that, as well as the environmental impact of any proposed offshore wind farm, and a question must be asked as to the economic return of leasing public land, which will possibly impact upon the Assembly's consideration.

In summary, clear identification of the project's priorities need to be established at an early stage to allow consideration of proposals as they move forward, both for the States Assembly and the private sector. The Panel would expect that any future relevant proposition would present specific choices for the offshore wind farm, with clear cost and risk benefit analysis for the Assembly to decide upon, such as:

1. The specific size and location
2. Who is proposed to construct the offshore wind farm
3. Ownership of the offshore wind farm
4. Any cost to the States of Jersey and anticipated financial return

Recommendation one: *Should P.82/2023 be adopted, the Council of Ministers should clearly outline the level of prioritisation it places on each of the potential benefits of the*

offshore wind farm project. This should be completed prior to any further debate regarding, or by December 2024.

Recommendation two: *Should P.82/2023 be adopted, a clear cost and risk benefit analysis of an offshore wind farm should be produced prior to any further debate to allow for sufficient consideration by Scrutiny and the Assembly.*

International Considerations

The Panel notes that the Government of France was contacted as part of the consultation. Its response appears positive,¹ identifying their own plans for significant development of offshore wind farms, including in the vicinity of those proposed in P.82/2023, and suggesting the possibility of establishing a bilateral exchange (working group) to work collaboratively to look at plans in the area in a joined-up way. However, the consultation report identifies that political sensitivity of fishing, especially in the wake of Brexit, was highlighted in the response.

Confirmation of the specific landing of the electricity will also have an impact upon consideration of the project. P.86/2023 outlines that a solution is preferred in which some power is landed in Jersey for domestic and perhaps wider Channel Islands use, with the majority of power landed for export into larger networks in either France or the United Kingdom (UK).

Work may be needed by the Government of Jersey, for example in External Relations, in order to establish the feasibility of such plans, noting the differences in legislative relationship between the Island, the UK and European Union.

The Panel would also highlight that consideration and confirmation is needed as to whether the offshore wind farm would be included within the larger European or UK sustainability efforts.

This in turn may impact upon the type and locality of consortium that may be interested in participating in the project.

Consortium

P.86/2023 outlines that once a development consortium have secured the option for lease, they will be expected to carry out necessary work to seek a full development consent that extends to construction, operation and decommissioning. This would include undertaking extensive surveys, scheme and build design, securing supply chain options and negotiate power purchase agreements.

States Assembly decisions, and Government of Jersey actions, will no doubt impact upon these works and, as such, early informed decision making will be required to enable any consortium to carry out its work in confidence. An early decision is also needed to establish the level of work that will be carried out by the Government of Jersey should the proposition be adopted.

¹ [R.47/2024, page 182](#)

The Panel would highlight that elements including an Environmental Impact Assessment will include information that would be used by the consortium, saving them time and resource in their planning. As such, proactive actions undertaken within the identified budget of £500,000 for 2024 may increase the interest of the private sector and economic return from the project in the long run.

Ministerial Oversight

The Panel understands that political responsibility for the progression of the offshore wind farm currently rests with the Minister for the Environment. However, it is clear that a project of this size will span across Ministerial remits, as evidenced through involvement of the Minister for Sustainable Economic Development.

P.82/2023 further identifies that officers from the Department for Infrastructure and the Environment, Ministry of External Relations, and Treasury and Exchequer have provided input in the project, and the Panel is aware that key officers from within the Department for the Economy have also been involved.

Clearly defined Ministerial oversight should be established at the earliest opportunity, identifying a lead Minister, the involvement of other Ministers, as well as the wider Council of Ministers.

Recommendation three: Should P.82/2023 be adopted, confirmation of ongoing Ministerial roles and responsibilities within the offshore wind farm project should be provided to Scrutiny and States Members. This should be provided within 6 weeks of the successful adoption of P.82/2023.

Future Consultation

Government officials have advised that there will be continued public engagement and that it is the intention for this to be a collaborative process with further opportunities for the public and stakeholders to express their views throughout the various stages of policy development.

The Panel would highlight that future consultation should be unbiased, presenting neutral information with both benefits and risks of the of the project and allowing expression of views in an unprejudiced manner. This is noting that some respondents called into question the recent consultation which was perceived by some to have a bias that impacted the results.

Recommendation four: Should P.82/2023 be adopted, the relevant Ministers should ensure that future consultation on the offshore wind farm project provide information outlining both benefits and risks of the project in such a way as to allow informed views to be expressed.

Scrutiny – next steps

Subject to P.82/2023 being adopted by the States Assembly, it is the intention for further Scrutiny work to be undertaken by a newly constituted Offshore Wind Review Panel, which will be established by the Scrutiny Liaison Committee (SLC) following the States' debate on 16th April 2024. Once membership of the Review Panel is established, a Terms of Reference and Scoping Document will be prepared for SLC approval. An indicative timeline is provided below.

16th April: States debate on P.82/2023

23rd April: SLC meeting - agree membership of an Offshore Wind Review Panel (OWRP)

23rd April - 3rd May: OWRP meeting to discuss review Terms of Reference and scoping

14th May: SLC meeting - discuss/agree OWRP Terms of Reference and Scoping Document

TBC - Review launch*

*A review launch date will be dependent on the timeline of when further proposals are brought forward by Government to the States Assembly.

Conclusion

The Panel has provided these preliminary and high-level considerations in order to aid in the debate of P.86/2023. This is recognising, should the proposition be adopted, full and detailed scrutiny of the Council of Ministers and Government of Jersey's actions will be required.