

STATES OF JERSEY



ENERGY FROM WASTE FACILITY: RESCINDMENT (P.8/2009) – COMMENTS

**Presented to the States on 23rd February 2009
by the Council of Ministers**

STATES GREFFE

COMMENTS

- 1.1 A Report and Proposition (P.8/2009) has been lodged au Greffe calling for the rescindment of a decision by the States to procure an Energy from Waste Facility (P.72/2008).
- 1.2 The Council of Ministers notes the responses of the Minister for Transport and Technical Services (P.8/2009/Com.) and Minister for Planning and Environment (P.8/2009/Com.(2)) and wholly supports these responses.
- 1.3 The Council of Ministers rejects the recommendations within the rescindment Report and Proposition for the following key reasons –
- The cost of rescindment is very high – estimated to be in excess of £50 million by the Minister of Transport and Technical Services – for which the States of Jersey would gain absolutely nothing except damage to its reputation as a sound jurisdiction to do business with.
 - In the current economic climate, terminating a legitimate contract entered into with the full approval of the States of Jersey for convenience without any clearly better alternative available would be seen quite rightly by the electorate as politically irresponsible.
 - P.72/2008 was approved by the States of Jersey in July 2008 following a protracted public review of the alternatives and considerable States debate on three separate occasions. It is not good government to review the decision taken democratically by States Members so recently.
 - Contrary to comments made within the rescindment Report and Proposition (P.8/2009), the approval of Energy from Waste Facility: Establishment and Acceptance of Tender (P.72/2008) was based on previous States approval of P.95/2005 – Solid Waste Strategy prepared in accordance with best practice and subject to full public consultation.
 - The approval of P.72/2008 followed a comprehensive and robust review of alternative waste treatment solutions and an independently assessed cost benefit review which demonstrated that the approved option offered best value to the States of Jersey.
 - Again, contrary to comments made within P.8/2009, no significant changes have occurred in waste management since the approval was made 8 months ago, except for the unfortunate decline in prices for recycled commodities. The cost of waste treatment facilities has increased and no case has been made by the proponents of P.8/2009 for any better alternative.
 - The Minister for Planning and Environment has set out clearly why the planning process that led to the approval of the La Collette Energy from Waste facility was robust and took full account of the risk to public health and the environment.
 - Many of the environmental concerns raised within P.8/2009 amount to little more than scaremongering or re-visit arguments rehearsed and rejected many times in previous States debates on the subject. No new evidence has been provided in P.8/2009.
- 1.4 The risks associated with rescindment are considerable –
- The decision to terminate would almost certainly be subject to legal challenge in the UK Technology and Construction Courts damaging the international reputation of Jersey.
 - Termination of the contract would place a considerable financial burden upon the States of Jersey at a time of considerable economic uncertainty. This is due to the very high costs of termination coupled to the long and protracted negotiations between TTS and the contractor

which would require significant input from the TTS technical and legal team.

- Rescindment of the Energy from Waste contract would increase the time that the current Bellozanne plant is required to remain operational, thereby increase the risk of it becoming inoperable and the Island having to store considerable amounts of untreated waste.
- The risks of developing a meaningful alternative waste management strategy and securing a competitive procurement following termination of this contract would be high. Given the expense of terminating the current Energy from Waste contract, there is a very high risk that any new contractor coming to Jersey to construct a waste facility would do so only on the basis of full reimbursement of costs and would do so on a no risk basis.

1.5 For these reasons the Council of Ministers urge States Members to reject the Report and Proposition P.8/2009.