

# STATES OF JERSEY



## SUSPENSION OF DRIVE TO ‘NET ZERO’

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Lodged au Greffe on 10th March 2022  
by Senator S.C. Ferguson  
Earliest date for debate: 25th April 2022

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to refer to their Act dated 26th February 2020, in which they adopted the defining principles for the Carbon Neutral Strategy, and, in view of the uncertainty surrounding fuel costs following the United Kingdom's decision to stop buying Russian oil and gas and the impact of any subsequent rise in costs of these supplies and the effects on lower-income families, middle earners and local businesses, to request the Government of Jersey to suspend the drive to 'Net Zero' until the war in Ukraine and the uncertainty are resolved.

SENATOR S.C. FERGUSON

## **REPORT**

At the moment the United Kingdom obtains 3% of its gas supplies and under 5% of its oil supplies from Russia. However, Europe is much more heavily dependent on Russia for both oil and gas supplies. As a result, the changes in the supply chain through the embargo on Russian Oil and Gas, even if made gradually, will affect the world prices and will mean increases in oil and gas prices.

We already have lower income families and pensioners who are starting to feel the pinch and some who are already in fuel poverty.

The increase in costs will also detrimentally affect local businesses, especially the 70% of companies which are small businesses.

Both these families and businesses will find it difficult to afford electric vehicles whilst the provision of additional charging outlets will be expensive. It will also be a factor in increasing electricity prices.

Given that increasing taxes will also be extremely difficult in the general economic climate, the 'Net Zero' Policies should be restrained until the international situation is resolved.

However, this does not mean that such environmental projects as marine exclusion zones and the planting of sea grass and eel grass in those zones should be neglected since these should not be an enormous expense for a maximal reward.

Scrutiny has spoken of £250 million being required to achieve carbon neutrality. The estimates from the U.K. talk of costs of £100,000 per household for insulation and electrical systems, but this varies depending on the effectiveness of the insulation. What is becoming obvious is that there has been insufficient accurate costing of the effects of 'Net Zero' on the general public. According to Swiss Re the effect on the U.K. will represent around 10% of GDP – or around £450 million. If this is extrapolated to Jersey, this is a significant burden for an Island already facing the prospect of a debt burden of £1.5 billion and a very narrow tax base.

Pausing the effects of the 'Net Zero' programme, whilst the situation in Ukraine is dealt with, would not only provide support for lower income households but would also give an opportunity to make more accurate calculations of the costs of the policy.

### **Financial and manpower implications**

There are no manpower or cost implications of this proposition.