

STATES OF JERSEY



OFFSHORE WIND (P.82/2023): AMENDMENT

Lodged au Greffe on 2nd April 2024.
by Deputy D.J. Warr of St. Helier South

STATES GREFFE

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After paragraph (b) insert a new paragraph (c) as follows and re-designate the subsequent paragraph accordingly –

“to request the Council of Ministers to work in partnership with Jersey Electricity PLC during all stages of the development of an offshore wind farm, including (but not limited to) the establishment of processes for engaging third-party developers and the utilisation of the Company’s sector knowledge, expertise and French contractual relationships to ensure that risks are managed appropriately in the provision of any offshore wind energy solution and that benefits realised; and”

DEPUTY D.J. WARR OF ST. HELIER SOUTH

Note: After this amendment, the proposition would read as follows –

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

- (a) to agree that Jersey should pursue the opportunities arising from the development of an offshore wind farm in the south west of its territorial waters;
- (b) to agree that development of up to around 1000MW in provision should be encouraged in order to meet the needs of Islanders, to power the Island’s future economy and to create energy for export;
- (c) to request the Council of Ministers to work in partnership with the Jersey Electricity PLC during all stages of the development of an offshore wind farm, including (but not limited to) the establishment of processes for engaging third-party developers and the utilisation of the Company’s sector knowledge, expertise and French contractual relationships to ensure that risks are managed appropriately in the provision of any offshore wind energy solution and that benefits realised; and
- (d) to request the Council of Ministers to bring forward appropriate policy and legislation before the end of 2024 to set in place a process to lease, provide consent for, regulate and safely decommission a wind farm.

REPORT

I've brought my amendment to the proposition because whilst I read the report accompanying this proposition with interest, it doesn't feel as impartial as I hoped it would. I counted the word "exciting" 4 times and "benefits" 11 times, however the word "risk" appears just once, and the word de-risk doesn't even get a mention.

I know a huge amount of work went into this report however it does have its limitations and I'd be remiss if I didn't draw the Assembly's attention to them. Whilst I appreciate that the purpose of this proposition is for this Assembly to give a thumbs up to continue investigating the opportunity, I think it's appropriate to delve into what I see as essentially a sales brochure.

I will continue my word count theme because I found it helpful to better understand this report. The next word I'm going to pick on is "Sovereignty", which appears twice. If ever a word sends a chill down my spine that one does. The number one argument for Brexit was that the "EU threatens British sovereignty". I'm not sure that's a smart word to use given the size of our neighbours. If we can't sell our excess supply to the French, then how viable is this project in reality? Can't we use the term "greater energy independence", and reduce the volume of this very emotive language?

That leads me onto the words French or France. The French don't get a mention and France only twice. Surely as the country most likely to have the biggest impact on whether this project succeeds or fails is France, that country's name should be up in lights.

Currently Jersey is one of EDF's biggest export customers. What's being suggested here is that we take away tens of millions of pounds in revenue and in turn ask them to buy our excess power, and by the way if we have a shortfall or require backup, we'll be knocking on EDF's door to help us out. Where is that conversation?

Finally on the word count theme I see that Jersey Electricity get just two mentions. I find that extraordinary and is the reason why I brought this amendment to the Assembly.

A critical majority State-owned utility company with significant expertise in European energy markets appears to have become a footnote. This surely would be a lost opportunity.

Let's take a look at why this is so wrong and what an incredibly short-term memory the authors of this report have. Just two short years ago European energy prices went through the roof. The UK government were forced to provide £15 billion in an energy rebate package, that was an average of £550 for 28 million households.

I urge members to read Jersey Electricity's 2022 annual report. The CEO points out that the reason Jersey did not end up in the same mess as the UK was because of "forward hedging and risk management policies". Jersey's prices were estimated to be around one third of UK pre-subsidised prices. Even after the UK government subsidy, Jersey's prices have been running at around half UK prices for much of the last two years. The company acted in the interest of Islanders because they are owned by Islanders and is committed to a long-term future supporting Islanders. That was a remarkable achievement saving islanders more than two hundred million pounds collectively off their electricity bills for which we should all be grateful, and which left the coffers of

this Island – particularly for the less well off – in a far better place than it might otherwise have been. I’m not sure I ever heard anyone thank Jersey Electricity for that fantastic contribution.

I also point out that since the beginning of 2021, 31 UK energy companies have ceased trading due to soaring wholesale prices and poor risk management and only Govt. intervention of billions of pounds has averted a proposed 80% year on year increase in retail energy prices in the UK. In the JE this Island has a long-term partner.

If we are to move this project forward, I want a guarantee that Jersey Electricity sit alongside Government officers and develop policy together. Not as an arm’s length supplier, but a true partner that is invited onto the Government’s side of the table and has the collective interest of the Island at heart. No doubt some will say this is a conflict of interest, I say it is absolutely in our Island’s interest. Some will say it is far too early, I say it is not. If this project is to succeed, we need the best expertise in the room from day one. If this project fails, one of the reasons will be because we chose not to have the best people in the room.

Who else has the technical knowledge when it comes to connecting grids and integrating quite complex variable power into our tailor-made electricity network. Who has been negotiating with the French at the top table when it comes to energy security for years? Who has been around for the last 100 years supplying electricity to this Island. Who isn’t going to run away at the first sign of trouble?

I could go on with a list of reasons as to why it’s vital that JE are allowed to work with Government, shoulder to shoulder and not at arms-length. I’m sure if they had written this report the words “risk” and “de-risking” would have featured much more prominently and why I for one would sleep far better at night should this Assembly decide to back my amendment.

Financial and staffing implications

There are limited financial and staffing implications as this amendment, hopefully, makes explicit that which was already being considered. If anything, this amendment should streamline the process, clarifying the route for collaboration and review.

Children’s Rights Impact Assessment

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.