

STATES OF JERSEY



GREEN INITIATIVE FUND: ESTABLISHMENT

Lodged au Greffe on 31st January 2013
by Deputy G.P. Southern of St. Helier

STATES GREFFE

PROPOSITION

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

- (a) to request the Minister for Treasury and Resources to bring forward for approval no later than September 2013 proposals for the establishment of a new special fund in accordance with the provisions of Article 3(3)(a) of the Public Finances (Jersey) Law 2005 to be known as the “Green Initiative Fund”, with the Fund to be utilised, in consultation with the Ministers for Planning and Environment and Transport and Technical Services, to support a programme of initiatives to stimulate the economy through the development of environmentally sustainable projects, some of which would be in place by the first quarter of 2014, with these projects to include, but not be limited to –

Home Energy Saving;
Solar heating;
Power from the Sun (Photovoltaics);
Ground and Air Source Heating;
Wind Power;
Waste Water Recycling;
Biomass and Biofuel;
Wave and Tidal Power;
Combined Heat and Power (CHP);
Sustainable Transport;

- (b) to request the Minister for Treasury and Resources to identify the most appropriate manner to provide an initial sum of up to £30 million for the new Fund, with this funding being additional to the sums voted by the States in the Medium Term Financial Plan 2013 to 2015 and, in this regard, to request the Minister to consider, but not be limited to, the following options –

- (i) the transfer of interest from the Strategic Reserve Fund;
- (ii) a bond issue;
- (iii) borrowing by the States;

with the funds being credited initially to the consolidated fund and thereafter transferred to the new special fund to meet the requirements of the Public Finances (Jersey) Law 2005.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

This proposition has 2 main objectives –

- (a) to provide additional stimulus funding to kick-start the economy; and
- (b) to develop sustainable projects to the long-term economic and environmental benefit of the Island.

The Minister for Treasury and Resources has repeatedly highlighted the reality of the worsening economic situation –

“Since the publication of the FPP Annual Report on 1st October there has been further confirmation of the fragile economic conditions the Panel portrayed both internationally and locally. The IMF confirmed in their October 2012 World Economic Outlook what the FPP feared in that that the global recovery has suffered new setbacks in recent months and as a result global economic prospects this year and next have weakened.”

*“The IMF also states they may have been underestimating the size of fiscal multipliers – the extent to which changes in government spending or taxation feed through into overall changes in economic activity. **Of particular interest for Jersey is that this means the positive impact of fiscal stimulus could be larger than previously thought.** In particular, it means multipliers are likely to be larger in today's world of significant spare capacity in the economy, very low interest rates and fiscal action across many countries. This complements the IMF's previous work that suggested government spending multipliers tend to be larger than tax multipliers.*

Together, these latest findings by the IMF combined with the latest information on the performance of the global and local economies tell us that in Jersey there is a real opportunity to maximise the impact of fiscal stimulus on economic activity and local employment at a time when it is most needed.”

In considering the possibility of additional stimulus to the economy the fiscal policy panel (FPP) made the following recommendations –

- “1. *The Panel's assessment of the economic outlook for the Jersey economy has been downgraded for 2012 and 2013 and there are indications that significant spare capacity will remain in the economy over this period. This leads the Panel to advise that the States should act now to give discretionary fiscal support to the economy in 2012 and 2013 and if practical to a greater extent than set out in the MTFP.”*
- “3. *The extent of stimulus should not be limited by the balances on the Consolidated or Stabilisation Funds. The States should give consideration as to the best way to fund needed stimulus if it is constrained by the availability of funding from these sources, not least because any constraint would be one of cash flow and funds could be repaid from future revenue.”*

In response to these suggestions the Minister for Treasury and Resources clearly accepted that consideration could be given to borrowing to fund stimulus –

*“If there are projects that can be brought forward but which do not have a funding source that is similarly flexible, then consideration will be given as to how they can be funded and if necessary **whether external and internal borrowing may be appropriate.**”*

There are, of course, several initiatives already under way but each is somewhat limited in scope.

Energy Efficiency Service (EES)

For example, the energy efficiency scheme (EES) has limited funding and has tight eligibility criteria. The following is taken from the States website –

“The Energy Efficiency Service (EES) runs 2 grant schemes: the Home Energy Scheme and the Community Buildings Programme. To qualify for a grant, you or your organisation must meet certain criteria. Once we confirm your eligibility, your property will be assessed to identify if any of the energy saving measures provided by the schemes are suitable for you. Depending on what work is appropriate the EES will arrange for works to take place through the grant funded process.

The following is available under both grant schemes:

- cavity wall insulation
- loft insulation
- draught proofing
- pipe work insulation
- heating system reviews (owner-occupiers only)
- low energy lighting

Other works will be confirmed on a case-by-case basis.

Home Energy Scheme

This scheme is currently available to households that meet any of the following criteria:

- households registered on Income Support
- individuals registered on the 65+ Health Plan (Westfield)
- individuals that received the Food Costs (GST) Bonus in 2010 or 2011
- anyone aged over 70 that currently holds less than £50,000 in savings if married/co-habiting or £30,000 savings if living alone.”

Both private tenants and owner-occupiers are eligible for the scheme; however, States of Jersey Housing Department residents are not.

The EES was allocated an initial £1 million budget for a pilot year in 2009. In addition, Jersey Electricity provided £0.5 million in seed funding. In 2010 the States introduced VED to generate revenue for environmental initiatives, including ongoing £1 million budget for EES. In the Eco-Active/EES report of January 2009 – January 2011 showed a total spend of £1.6 million. R.126/2011, ‘Department of the Environment: Report for 2010’, highlights the benefits to the economy thus –

“As well as improving the lives of vulnerable people and making significant environmental and social improvements, the EES is contributing significantly to the local economy. It is now working with 15 approved local contractors, and their numerous subcontractors, to deliver energy efficiency improvement work, investing in the local economy through its support of the heating and plumbing, electrical, roofing, insulation, carpentry and surveying trades. As a direct result of the work that the EES has generated, we have observed the upskilling and diversification of local businesses which are now in a stronger position to provide energy efficiency services to Islanders; for example, we have seen two new entrants to the cavity wall insulation business locally.”

The Report also points to the way ahead –

“The next step for the ECO-ACTIVE Energy Efficiency Service

Whilst it is clear that a grant scheme to improve energy efficiency should be applied to low income households as a first step, there is a point at which that sector is effectively exhausted with a smaller maintenance programme required to help those entering the scheme’s eligibility criteria.

*The wider economic benefits of the scheme to the local economy and perhaps most importantly, the environmental benefits of energy efficiency improvements are still achieved **if the scheme is extended to include the able-to-pay sector**. This is an important step as it is acknowledged that non-investment in energy efficiency is a well known market failure. Entering this sector is the next challenge and will ultimately require the States of Jersey to approve the re-allocation of the majority of the original funding.”*

Unfortunately, this commitment to expanding the EES has come up against the CSR cuts. The reality is reductions in budget for EES of £54,000 in 2011 and £63,000 in 2013 (MTFP 2013 – 2015: Addendum).

Pathway 2050: An Energy Plan for Jersey

These sentiments have been crystallised in Pathway 2050, currently out to consultation. The major target, to reduce emissions of Greenhouses gases (GHG) by 80% by 2050 is ambitious, but the investment allocated to achieve the targets is minimal. In the plan there are some 27 Action Statements. Here I examine Action Statements 3 and 4, 5 and 22, all of which could benefit from access to funding from the Green Initiative Fund.

Delivery mechanisms

There are a number of existing programmes or work-streams that have been identified as an initial set of delivery mechanisms for the interventions outlined.

These programmes have been created over time to target specific sectors and have well-developed stakeholder engagement and recognition. The programmes are already mature and will be further developed to deliver the interventions outlined in this document.

There is a need to ensure adequate resourcing for the immediate actions that have been identified; the actions identified for the first 5 years are within existing budget, so whilst there is **not a requirement beyond the existing allocated funding outlined in the 2013 – 2015 Medium Term Financial Plan**, there may be a need to re-profile and renew commitment to use the allocated resources to support the interventions to achieve the targets as outlined.

In terms of reducing demand for energy, the domestic sector needs to be more widely targeted, especially pre-1997 housing (38,000 out of a total of 45,000 households).

Action Statement 3: Apply energy efficiency measures to the pre-1997 stock of properties

Properties built pre-1997 have the most potential to benefit from installing additional energy efficiency measures. Based on the findings of the EES Phase 1 report and Energy Saving Trust information, a range of measures that provide the most GHG savings for this category of housing have been identified.

To begin to deliver this action, the EES will develop a revised delivery mechanism and help to put in place the infrastructure that will assist in the take-up of these energy efficiency measures. One of the requirements is for an increased number of installers and energy auditors, in order to respond to the potential increased roll-out of these measures. Preliminary assessments have indicated that there is the potential to create up to 70 employment opportunities, sustained for the next 2 decades to undertake the energy audits and efficiency installations outlined.

Further intervention may also need to be assessed, including the requirement to investigate a number of finance options for able-to-pay householders, including low-interest options, pay-as-you-save models, etc. A watching brief is being undertaken with regard to the U.K. ‘Green Deal’ policy; lessons from the Green Deal will be used to inform the future development of policy interventions in Jersey.

Action Statement 4: Implement micro-renewables in the domestic sector

Decentralised micro-generation involves generating small amounts of heat and power, normally from renewable sources, to meet individual and community needs. Specific technologies include: solar thermal; photovoltaic systems; ground and air source heat pumps; micro-wind; combined heat and power; biomass. Good quality, well-installed micro-generation systems will have numerous benefits that include –

- Lowering carbon emissions (if it is displacing higher carbon energy sources);
- Decreasing the environmental footprint of the displaced power;
- Diversifying the supply of energy;

- Increasing the overall local security of supply to some forms of potential interruption if sufficient volumes of generation are achieved;
- Adding value to a property by considerably reducing its running costs;
- Paying themselves back (over varying periods of time) as a result of avoided energy costs.

Proven technologies are available, and high-quality well-installed systems can deliver annual cost savings through avoided energy costs once the equipment is installed.

However, upfront capital costs are required, and financial incentives are offered in other jurisdictions (such as the U.K.) to provide consumers with a return (or an increased return) on this investment. In the long term we expect to see market-ready solutions that will deliver energy-autonomous housing, and communities that will contribute to the affordability and security of supply.

Under this Plan the Energy Efficiency Service will provide advice and information for householders on micro-renewables options to assist them in making informed decisions as the costs of these technologies evolve. The EES will also work with industry stakeholders to raise awareness and to provide upskill training to ensure a skilled workforce is available to deliver integrated solutions to householders. Uptake of these technologies will provide an opportunity for this sector to diversify, and could create an estimated 26 employment opportunities, sustained over 20 years, either in existing or new start-up SMEs.

The JEC already has a buy-back scheme in place for micro-generation of renewable electricity (see attached Appendix).

Action Statement 5: Assisting the uptake of micro-generation

To inform the best approach to accelerating the installation of micro-renewables and the move towards energy-autonomous housing, a pilot project will be undertaken based on a community energy model. This could be incorporated as part of the ‘Local Village Plans’. The pilot project as outlined in Action Statement 6 below will lead to the best model for ensuring that Action Statement 5 is effective. The pilot project will be coordinated by the Energy Efficiency Service, working with the Energy Partnership.

Action framework for offshore utility-scale renewables

The final action statement, involving the delivery of offshore utility-scale renewable sources of energy, derives from the States Tidal Power Commission report of December 2008, Tidal Power for Jersey: Options and Opportunities. The Tidal Power Commission was reconstituted as the “Renewable Energy Commission” in 2011. The report of the Environmental Policy Director at that time focused on funding for such initiatives as follows –

1. Financing options

*“Financing any renewable energy project in the absence of governmental subsidy remains a key challenge to extract the Islands renewable energy resources. The ongoing dialogue should be continued to ascertain whether Jersey might be eligible for financial incentives such as Feed-in-Tariffs from, most obviously, the European Continent, but also the UK. If Jersey is not eligible for such assistance **it will constrain the speed at which renewable energy might be developed unless alternative funding can be found.**”*

Pathway 2050 addresses this component of the energy plan thus –

“It is recognised that the deployment of offshore renewable energy is a long term aim and is subject to a number of enabling steps such as clarification in respect of subsidies, technological advances and commercial viability and more detailed environmental and stakeholder assessment. Thus the recommended actions centre on the ‘technology non-specific’ enabling steps already begun by the Renewable Energy Commission that will prepare the way for a future project so that Jersey is prepared at the appropriate time to offer itself as a de-risked jurisdiction that is open for business.”

This statement indicates a fairly timid approach to the development of renewable energy sources. Yet again we appear to be sitting back and waiting for others to take the lead, when we could be showing the way forward. The Green Initiative Fund could be the starting point for the expansion and development of this sector of the economy.

Financial and manpower implications

This proposition asks the Minister for Treasury and Resources to investigate funding mechanisms and to come forward with proposals, and thus has no direct financial costs. There will be some officer time required from the Treasury to assess the cost/benefit of alternative sources of funding, along with some work to be done between 3 or 4 departments involved in assessing the extent of projects, including the balance of grant/loan basis and the level of returns produced by any supported schemes and any partnerships with the private sector that might be covered by the fund. The costs will depend on the proposals brought forward and a consequent decision by the States.

The Ministers for Treasury and Resources and Planning and Environment have agreed to meet to explore the concept further prior to debate.

Notwithstanding the above, I have been asked to clarify the following costs –

1. The loss of interest to the strategic reserve from the removal of £30 million.
2. The cost of £30 million borrowing/issue of bond.
3. What income might the fund generate?
4. Manpower costs.

In the absence of any figures from the Ministers involved after 6 weeks, here are my estimates.

1. 2010 figures reveal gains of £35 million on £550 million in the Strategic Reserve, a return of some 6.7%. Figures for 2011 are much reduced however. At worst then, this source of funding would cost around £2 million.
2. Analysts suggest that U.K. Councils with a good financial track record should be able to borrow at very attractive rates of 0.6 to 0.8 of a percentage point over government bonds in most cases. Five-year U.K. government bonds currently yield 1%, and 10-year bonds 2%. Wandsworth Council, for example, has recently sounded out Moody's to clear its rating, which it believes to be investment grade, if not AAA.
3. This depends greatly on what projects are supported and under what terms. Significant progress in photo-voltaics, or wind generation, may produce a return from feed-in tariffs for the JEC. Expansion of energy-saving schemes to better-off households might be interest-free or low-interest loans.
4. Operational costs.

The Economic Development Department estimates that the operational and management costs of setting up the £10 million Innovation Fund, which is not dissimilar, are £100,000. EDD intends to allocate an individual to be the Fund Executive to support the Innovation Board and assist the management and ongoing operation of the Fund. The Department states that this post will be from within its existing establishment and budget. This must represent a minimum for the larger Green Fund.

The Energy Efficiency Service, which could be subsumed in the new Fund, operates with a board and 2 full-time employees based at Howard Davis Farm, who are responsible to the Director of Environmental Policy. They report overheads of £350,000 on delivering just over £1 million in Grants. They point out, however, that much of this was start-up costs and that delivery of the Home Energy scheme to the "able-to-pay" sector would be far less staff-intensive, thereby improving efficiency. Expansion of the service as suggested in this proposal would initially require an additional member of staff. The upper limit on operational costs might therefore be estimated as £400,000.

Buy Back Tariff



This tariff is designed specifically for customers with approved embedded generators which are connected in parallel to the Jersey Electricity network and have sufficient capacity to export units.

How is the tariff structured?

The tariff is operated as an 'add-on' to the customer's existing supply tariff. The Buy Back Tariff enables such customers with embedded generators to sell excess units by exporting to the Jersey Electricity network. Jersey Electricity will purchase these units at two separate rates as set out below.

The Buy Back Day Rate

The day rate is for all units exported to the Jersey Electricity network during the 12 hour day period (7.00am to 7.00pm).

The Buy Back Night Rate

The night rate is for all units exported to the Jersey Electricity network during the 12 hour night period (7.00pm to 7.00am).

Renewable Generators

Typical examples of embedded generators which may qualify for the buy back tariff:

- Wind Turbine
- Photovoltaic
- Combined Heat and Power

Please Note: Embedded generators connected in parallel to the Jersey Electricity network must comply with either Engineering Recommendations G83/1 or G59/1 (dependent on the rating of the generator).

1st January 2010

Units Purchased by Jersey Electricity at the Day Rate	per unit 6.25p*
Units Purchased by Jersey Electricity at the Night Rate	per unit 3.75p*

* An additional Daily Service Charge will apply to the tariff for domestic and single phase commercial customers, and for three phase commercial customers, except for customers who already subscribe to a multi-rate tariff such as E7 or Comfort Heat.



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T H E P O W E R H O U S E

ACTION STATEMENT 3															
Apply energy efficiency measures to the pre-1997 stock of properties															
Assumption & dependencies															
<p><i>Assumption</i> - The contribution that Action Statement 3 makes to the target GHG emissions reduction has been modelled in Supporting Document B. The size of the stock and its age and build profile are based on a previous study of Jersey's housing stock and Jersey Annual Social Survey information²⁴. EES phase 1 reports insulation measures result in 0.639t CO₂ saved per household per year (not including boiler replacements). 49% households heated by hydrocarbons; assumptions for savings from different energy efficiency measures provided by UK Energy Saving Trust and KEMA.²⁵ Uptake assumes that energy efficiency measures are NPV (Net Present Value) positive, that able-to-pay sector have access to finance, and that decision making is rational even with long payback periods.</p> <p><i>Dependency</i> - Continued delivery of EES programme and expansion into able-to-pay sector accompanied by review of audit programme and identification of barriers to conversion from audits to implementation of energy efficiency measures in domestic properties.</p>															
Summary															
<p>The Minister for Planning and Environment will, through the Eco-Active Energy Efficiency Service, identify a programme that will deliver a package of energy efficiency improvements to the property stock built before 1997 which may include some of the following interventions according to the property type and condition:</p> <table border="0"> <tr> <td>i) Hot water insulation;</td> <td>ii) Cavity wall insulation;</td> <td>iii) Loft insulation;</td> </tr> <tr> <td>iv) Improved heating controls;</td> <td>v) Draught proofing;</td> <td>vi) Solid wall insulation;</td> </tr> <tr> <td>vii) Boiler upgrade;</td> <td>viii) Glazing upgrade;</td> <td>ix) Low energy lighting.</td> </tr> </table> <p>The delivery programme will be tailored and modified according to the market sector to which it applies i.e. the able-to-pay sector which will not be 100% grant funded as against the socio-vulnerable sector which does receive grants.</p>							i) Hot water insulation;	ii) Cavity wall insulation;	iii) Loft insulation;	iv) Improved heating controls;	v) Draught proofing;	vi) Solid wall insulation;	vii) Boiler upgrade;	viii) Glazing upgrade;	ix) Low energy lighting.
i) Hot water insulation;	ii) Cavity wall insulation;	iii) Loft insulation;													
iv) Improved heating controls;	v) Draught proofing;	vi) Solid wall insulation;													
vii) Boiler upgrade;	viii) Glazing upgrade;	ix) Low energy lighting.													
Delivery mechanism															
Continued delivery through Energy Efficiency Service, Department of Environment. Development of programmes and examination of possible triggers/ incentives. Revised business plan to expand scheme to able to pay sector. 12 month review of UK green deal to assess success of implementation and applicability to Jersey.															
Monitoring															
Conversion rate from subsidised audit into actual interventions. If there is a failure to recognise economic benefits by able-to-pay sector in implementing energy efficiency interventions and conversion rate are lower than projected, further interventions may need to be developed e.g. improved customer awareness and access to finance.															
Impact assessment					Impact on total CO₂ savings										
Security ✓		Affordability ✓		Sustainability ✓		29%									
KPI	2012	2020	2030	2040	2050										
3.1 Energy efficiency measures applied to pre-1997 stock of properties - Total number of properties treated. NB Targets are based on emissions savings from properties using hydrocarbon fuels built before 1997. Data to be collected through JASS.		6,351	12,702	19,054											
Costs	Year 1	Year 2	Year 3	Year 4	Year 5										
Grant support to the socio-economically vulnerable, Community not-for profit organisations and subsidised home energy audit scheme for all householders	605,000	927,000	637,000	598,000	620,000										

ACTION STATEMENT 4						
Implement micro-renewables in the domestic sector						
Assumption & dependencies						
<p><i>Assumptions</i> - The contribution that Action Statement 4 makes to the target GHG emissions reduction has been modelled in Supporting Document B. It assumes replacement boilers in houses, currently using hydro carbon fuel sources, will utilise micro-renewable systems from 2030 e.g. solar thermal, ground source heat pumps etc. which are installed after energy efficiency measures have been installed. The Energy Saving Trust estimates 0.5 t CO₂ per year average emissions savings per household, applied to 75% of households currently using hydro carbon fuel source. N.B. these assumptions include assessment for Action Statement 5.</p> <p><i>Dependencies</i> – Availability of micro-renewable systems at price parity with traditional hydrocarbon systems by 2030</p>						
Summary						
<p>The Minister for Planning and Environment will, through the Eco-Active Energy Efficiency Service, implement a programme that will identify the level of intervention required to deliver:</p> <ol style="list-style-type: none"> From 2030 a programme of replacement of hydrocarbon fuelled space and water heating with micro-renewable systems (e.g. solar thermal or ground-source heat pumps) supported by electricity back-up; Micro-renewable solutions to the heating of swimming pools. <p>The delivery programme will be incorporated into and follow on from that outlined in Action Statement 3 above</p>						
Delivery mechanism						
Programme to be developed by Energy Efficiency Service, Department of Environment based on good practice and proven life-time emissions savings.						
Monitoring						
Local availability of micro-renewable systems and if there is insufficient take-up from domestic sector and intervention underperforms further interventions may need to be developed e.g. financial incentives						
Impact assessment					Impact on total CO₂ savings	
Security ✓		Affordability X		Sustainability ✓		2%
KPI		2012	2020	2030	2040	2050
4.1 Number of properties with micro-renewables installed (Based on standard turnover of property improvements).					9,527	19,054
4.2 Number of private swimming pools using micro-renewables (Based on estimated total no of pools using integrated micro-renewables)				300		
Costs		Year 1	Year 2	Year 3	Year 4	Year 5
Initial work to determine future interventions in respect of domestic scale micro-renewables and skills gap assessment on market.					20,000	20,000

ACTION STATEMENT 5						
Assisting the uptake of micro-generation						
Assumption & dependencies						
<p><i>Assumptions</i> - The pilot project as outlined in Action Statement 6 below will lead to the best model for ensuring that Action Statement 5 is effective. The pilot project will be coordinated by the Energy Efficiency Service, working with the Energy Partnership. Nb. CO₂ savings included in Action Statement 4 assessment.</p> <p><i>Dependencies</i> – Sufficient community interest and local support in developing a business case.</p>						
Summary						
<p>The Minister for Planning and Environment, through the Eco-Active Energy Efficiency Service will:</p> <p>i. In 2015 design a pilot study that will demonstrate the potential for community scale micro-renewable schemes and energy autonomous housing e.g. Solar PV and solar thermal, ground/air-source heat pumps, anaerobic digestion and potentially Combined Heat and Power (CHP) schemes</p> <p>This will take the form of a competitive tender process where communities will be invited to submit a proposal for their project. The pilot will be independently verified in order to assess the suitability of the model for further roll-out Island wide.</p> <p>The outcome of the pilot will be to ascertain for Jersey the following:</p> <ul style="list-style-type: none"> • Economic, social and environmental benefit of community action in respect of micro-renewables; • Options around alternative financial models for project implementation; • Challenges and barriers to implementation; • The appropriate incentives required to accelerate further take up; • Any impacts on local security of supply; • Any requirements for promoting / facilitating training opportunities for operatives within the industry. <p>Provide a report to the Energy Partnership in 2020 addressing the effectiveness of the pilot and market's response. Recommend next steps possibly including incentives to uptake micro-generation or grant aid to address market failures in the uptake of micro-generation technologies.</p>						
Delivery mechanism						
Project to be developed by Energy Efficiency Service, Department of Environment in partnership with community organisations, based on good practise research e.g. Severn Wye Energy Agency.						
Monitoring						
Ensuring timely community engagement, and efficient project planning and cost management. If a suitable organisation does not come forward additional support will be required to develop the pilot study.						
Impact assessment					Impact on total CO₂ savings	
Security ✓	Affordability X		Sustainability ✓		Included in Action Statement 4	
KPI	Year 1	Year 2	Year 3	Year 4	Year 5	
5.1 Assisting the uptake of micro-generation			Pilot project launched	✓	✓	
Costs	Year 1	Year 2	Year 3	Year 4	Year 5	
Project development and 2 years funding for successful scheme			10,000 ²⁷	50,000	50,000	

ACTION STATEMENT 22

Preparing the way for utility scale renewable energy

Summary

The Minister for Planning and Environment will work with the Minister for Economic Development, other appropriate Ministers and key stakeholders to continue the existing work stream on renewable energy that will:

- i. Put in place the technology blind legal and policy framework to encourage utility scale offshore renewable energy projects in the future that will either generate energy for export or on-island use;
- ii. Carry out an economic assessment and examine funding options for such projects accepting that final decision will be made in conjunction with the States Assembly;

Examine the effect of the proposals on local security and affordability of supply and diversifying and stimulating the local economy.

Delivery mechanism

Department of Environment to continue ongoing workstreams in respect of environmental regulation of potential offshore projects. Economic Development Department to begin work on commercialisation opportunities. Advice and recommendations to be considered by the Energy Partnership and bring forward to the States as appropriate.

Impact assessment

	Security ✓	Affordability X	Sustainability ✓			
KPI	2012	2020	2030	2040	2050	
22.1 – By 2025, consideration by the States of an offshore renewable energy project accompanied by an economic analysis and appraisal of funding options and the impacts on security and affordability of supply.			✓			
Costs	Year 1	Year 2	Year 3	Year 4	Year 5	
Continuation of Renewable Energy Work stream already covered within Departmental cash limits	✓	✓	✓	✓	✓	