

3.6 Deputy H.L. Jeune of the Chair of the Comité des Connétables regarding Parish rates on commercial solar arrays (OQ.114/2024)

Will the chair advise what consideration, if any, is being given to charging additional Parish rates on commercial properties with solar arrays; and, if such consideration is being given, will he explain the rationale for the change being considered?

Connétable M.K. Jackson of St. Brelade (Chair, Comité des Connétables):

I thank the Deputy for her question. While it is the duty of the Assessment Committee to assess the rateable value of each area of land under Article 38 of the Rates (Jersey) Law 2005, there is no consideration being given to charging additional Parish rates on private commercial properties with solar arrays. However, rates are assessed on plant and equipment owned by the J.E.C. (Jersey Electricity Company) and indeed other utilities with plant on private sites.

3.6.1 Deputy H.L. Jeune:

I have read the minutes of the of the Rates Committee and I would have read that differently because it is asking that the solar arrays itself is considered storage equipment. Those solar arrays are not storage equipment. They do not store electricity. They create electricity and then move on. I was just wondering if that was then ... am I misinterpreting that? Because that is how I read the minutes of the Rates Committee. It was very specific. I do know that the rates form is now asking for commercial businesses to say how much solar panels they have on their roofs, and also that the J.E.C. has to submit how much solar panels that they have on roofs as well, and they are given additional rates to that as well. We just seem to have a different interpretation of those minutes.

The Connétable of St. Brelade:

The Deputy is partly correct in that, yes, the J.E.C. are assessed, as I indicated earlier, on their plant and equipment, but private individuals are not at this moment. The Comité is trying to be ahead of the curve on this, and while we have asked for indications of solar arrays we put on rates forms, it is really an information-gathering ploy at the moment, and there is no intention ... in fact, the rate assessors, when they last met in 2023, 10th May, it was agreed that solar panels on domestic property would not be assessed. So it may be a question of interpretation, as the Deputy suggests.

3.6.2 Deputy D.J. Warr:

I am going to come back to my favourite topic, and that is vacant homes. When I approached the Comité about ... when I asked about collecting data on vacant homes, I was told that because it did not form part of the rates assessment they were not prepared to include that information.

The Deputy Bailiff:

This is a question on solar arrays not on vacant homes.

Deputy D.J. Warr:

Sorry, it is about the similar idea of storing and collecting information. The Constable has just referred to ...

The Deputy Bailiff:

That may have arisen from an answer, it does not arise from the question.

Deputy D.J. Warr:

I will withdraw.

3.6.3 Deputy L.K.F. Stephenson:

I am just a little bit confused. Can the chair please confirm, is he saying that solar arrays are or are not plant and equipment? Could I also just add to that as well, I think the last answer from the chair referred to domestic properties? The question was about commercial properties. I believe there are other commercial properties that could fall into this category that are not the J.E.C. Is he able to confirm that is the case, please?

The Connétable of St. Brelade:

The plant and equipment belonging to the J.E.C. at present will be assessed. Consideration has not been given by the Supervisory Committee via the Assessment Committees as to whether commercial arrays or commercial plant, should we say, owned on private properties will be assessed or not and that will be something for a future committee to consider.

3.6.4 Deputy L.K.F. Stephenson:

I am just interested to know what a definition of commercial arrays would be please.

The Connétable of St. Brelade:

It is for the Assessment Committees to establish that. My view would be that if a business were to be getting an income from the sale of electricity from their commercial arrays or from their arrays, that will be considered commercial. Clearly J.E.C. plant and equipment is commercial. There is no question about that whatsoever.

3.6.5 Deputy J. Renouf:

The minutes which I have in front of me say that the charge will be levied on the basis that the solar panels provide storage of electricity. As Deputy Jeune has said, solar panels do not in any shape or form store electricity. The premise of the charge seems to be false. Could the chairman confirm that that is indeed the case?

The Connétable of St. Brelade:

Yes, the arrays do not store electricity, if you like, but of course it is plant and equipment and it is on that basis that the assessments are made.

3.6.6 Deputy J. Renouf:

My point being that the level at which the charge was set was explicitly designed on the basis that they did store electricity. So the fee was set at a level based on a flawed assumption. If this charge is going to be ... it seems to me that is poor enough in the sense of the application to commercial properties, but if this is going to be extended to other properties as well, could the chair confirm that the Comité will look again at the basis on which they are basing this charge?

The Connétable of St. Brelade:

Thanking the Deputy once again for his interpretation. Mine is different in that the solar arrays are plant and equipment, and I do not think there is any question about that, and the fact that that plant and equipment is used to generate commercial income by the J.E.C. seems to be without question. But notwithstanding that, the Assessment Committees will be pleased to consider any interpretation, which may vary from that.

Deputy J. Renouf:

Point of order, the minutes are quite clear. I can read them.

The Deputy Bailiff:

That is not a point of order.

3.6.7 Deputy H.L. Jeune:

I think it would be useful to talk to the chair further after the States Assembly, but could the chair advise how this rationale fits with the Government's policy of encouraging diversification of energy and does he not think this introduction of red tape prohibits wider private investment in diversification and using more roof space to do so?

The Connétable of St. Brelade:

While all on the Comité are keen to encourage diversification, we also have to be fair and that other utilities are assessed for various plant and equipment.

[10:30]

You could argue that their equipment is necessary as well. Jersey Water have reservoirs, pumping stations, booster stations, treatment works, pipe networks, et cetera. The gas company has gas holders, compressor pipe work, and so on. Jersey Telecom have cabinets and repeater stations and so on. The Comité or the Supervisory Committee always tries to be fair in these situations. I do not think we can exempt one particular utility over another.