STATES OF JERSEY



DRAFT CARBON NEUTRAL ROADMAP REVIEW (S.R.7/2022): RESPONSE OF THE MINISTER FOR THE ENVIRONMENT

Presented to the States on 6th May 2022 by the Minister for the Environment

STATES GREFFE

DRAFT CARBON NEUTRAL ROADMAP REVIEW (S.R.7/2022): RESPONSE OF THE MINISTER FOR THE ENVIRONMENT

2022 S.R.7 Res.

Ministerial Response to: S.R.7/2022

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by:

6th May 2022

Review title: Draft Carbon Neutral Roadmap Review

Scrutiny Panel: Environment, Housing and Infrastructure

Scrutiny Panel

INTRODUCTION

The Minister welcomes this report and would like to thank the Panel for their engagement in the programme which commenced following the declaration of the Climate Emergency in 2019 and itself culminated in the adoption of the Carbon Neutral Roadmap (P.74/2022) by the States Assembly. The work of the Panel and was undertaken within tight timescales and it is appreciated that the Panel undertook their review in parallel with the public consultation process. The Carbon Neutral Roadmap is considered by the Minister to be a true example of the added value of collaborative working and healthy constructive criticism.

FINDINGS

	Findings	Comments		
1	Jersey has previously failed to meet its targets to achieve 80 per cent reduction in carbon emissions by 2050 under the Kyoto Agreement, and as set out in the Pathway 2050: An Energy Plan for Jersey. The GoJ considers that the Carbon Neutral Roadmap is more likely to succeed where Pathway 2050 failed due to the level of funding (£23 million) provided for the Roadmap's first delivery phase of policy initiatives (2022-25). Additionally, with there now being a clear trajectory of actions outlined up to 2050, to facilitate commitment to the pathway. However, meeting the trajectory for the Paris Agreement to net zero by 2050 will remain a challenge which relies on the GoJ to continue to meet sufficient funding requirements over the long term.			

	Findings	Comments
2	Strategic policy two of the Carbon Neutral Roadmap assumes that electricity imported to Jersey will remain carbon free or low carbon, affordable and reliable going forward. The Panel raised concern regarding the assumption on which the policy was being based given that France had recently shut down three of its nuclear power plants and the impact this might have on both Jersey's low-carbon emissions status and the reliability of supply to the Island. It is unknown how (or if) this affects Jersey's greenhouse gas emissions inventory accounting, however, the GoJ anticipates no disruption to the Island's electricity supply.	Noted. SP2 covers a review of the energy market and includes provision to further address Jersey's long-term security of supply.
3	A significant consideration for the Carbon Neutral Roadmap is the longer-term security of supply and provenance of the Island's power and strategic policy two of the Roadmap indicates the requirement for an energy market review which would include consideration for Jersey's electricity supply. The likelihood of Jersey continuing to have some degree of connectivity to the European market was considered high, however, it was emphasised that recent global tensions, such as Brexit, and energy volatility, was placing urgency on Jersey to consider its security of supply.	Agree. See SP2 energy market.
4	The Citizens' Assembly recommended the exploration of Jersey-based renewable energy generation, infrastructure, and the promotion of self-sustainability forms of renewable energy sources, to reduce Jersey's dependency on the French grid. The GoJ clarified that whilst there is long-term thinking for these types of opportunities (such as an offshore wind farm) even if there was immediate agreement to build an offshore wind	Agree. SP2 post-consultation version addresses this issue.

	Findings	Comments
	farm, it would still take several years to accomplish.	
5	With a proposed target of 2030 for Jersey to achieve carbon neutrality, the Island would need to consider shorter-term initiatives that were currently feasible to achieve. It was noted that the Roadmap's first delivery phase concentrates on the immediately available options and in order to ensure the easiest way to reduce carbon emissions, electrification is being used as the first step. However, sustainable energy generation from sources like wind and tidal will be considered in the long-term.	Agree. Please see SP2 as above – the energy review and strategy will consider long term security, sustainability and affordability
6	To ensure a selection of the policy initiatives which will provide the best value for money in respect of the carbon reductions they intend to provide for Jersey over the next four years, a multianalysis tool was used to score proposed policies and prioritise them according to their carbon abatement potential and other relevant factors in order to identify the best outcome for the available funding.	Agree.
7	Currently, financing of the Roadmap has remained within the Climate Emergency Fund. However, as a substantial amount of money will be required to fund the Roadmap going forward, consideration for other financing options will be researched by the GoJ as part of strategic policy three.	Agree. This is covered in SP3 the Financing Strategy
8	Additional significant funding will be required to achieve the Island's carbon neutral and net-zero targets and the cost of future delivery plans will need to be considered in future Government Plans. As such, a financing strategy for Jersey's complete decarbonisation journey remains unclear. Considering that proposals for new economic instruments will need to be considered in the medium to long-term to continue	Agree.

	Findings	Comments
	to fund the trajectory of Jersey's pathway to net-zero, it is noted that a longer-term financing strategy is planned to conclude in 2024; with associated measures incorporated into the Government Plan 2025-28. It is further noted that the economic instruments will be subject to consultation and impact analysis.	
9	There was confusion amongst the GoJ consultation responses regarding the terminology for 'carbon neutral' and 'net-zero' and how either, or both, positions could be achieved as part of Jersey's pathway. The link between the two positions did not appear to be clearly understood and highlights a need that further information is required to inform the public that through Jersey aligning with the Paris Agreement (net-zero by 2050) that becoming carbon neutral at a target date along the way would also remain achievable. In response to this, the GoJ has revised its SMART objectives across policies, where appropriate, to address the concerns raised.	Agree.
10	Current proposals for governance and oversight of the Carbon Neutral Roadmap include: the establishment of a Ministerial portfolio with responsibility for Energy and Climate Change; a new Standing Scrutiny Panel on Energy and Climate Change; a new Programme Office created within the Strategic Policy, Planning and Performance Department; and a 'Carbon Neutral Network' to facilitate stakeholder engagement and policy development.	Agree.
11	There is no formal framework proposed within the Carbon Neutral Roadmap for independent, scientific oversight and governance, despite this being considered best practice across the UK and Europe. This raises concern with	Agree. The Panel proposed a related amendment to the Carbon Neutral Roadmap which the Minister accepted as amended, and the Assembly adopted.

	Findings	Comments
	the Panel given the long-term nature of the Roadmap and that technology will continue to advance. Policies and delivery plans will need to be continually updated in line with scientific and technological advancements, as well as Jersey's societal and economic commitments.	
12	Framework climate change legislation, along with a group of autonomous experts, is considered by experts to be beneficial in guiding mitigation and adaptation planning. Jersey does not currently have any climate framework legislation and it was considered by the Carbon Neutral Steering Group that such primary legislation was disproportionate to Jersey's size. Instead, it was felt that requesting the Paris Agreement be extended to Jersey was a high profile, international commitment and that this, coupled with the proposed governance processes, was sufficient to deliver on carbon emissions reduction targets. Despite this, the Minister for the Environment considers that there would be merit in pursuing over-arching legislation, provided that doing so would not hinder the delivery of the proposed Carbon Neutral Roadmap policies.	Agree. The Panel proposed a related amendment to the Carbon Neutral Roadmap which the Minister accepted as amended, and the Assembly adopted.
13	Concerns were raised by Ministers that establishing an independent scientific council would be too costly. However, the Panel has identified that it is plausible to establish and operate such councils on varied budgets, depending on their scope and size. For example, the size and available resources vary across different independent scientific councils in Europe, with members ranging from 4 to 15, and annual budgets varying significantly from €200,000 to €4 million. A similar approach has already proven possible in Jersey through the establishment of the Expert Advisory Panel for the Citizens'	Noted – costs as quoted are conservative as they only reflect costs of a short period of engagement for specific activity, rather than reflecting the establishment of an ongoing body that will attract additional administration and logistical costs. The Carbon Neutral Roadmap as amended will required the presentation of a fully costed proposal by the end of 2022.

	Findings	Comments
	Assembly on Climate Change which had a 6-member membership and cost £22,000 (based on payments of £500 per day to 5 members of the expert panel).	
14	Owing to concerns over the lack of a formal framework for governance and independent, scientific oversight and the known benefits this can bring, the Panel lodged an amendment to P.74/2022 which seeks to establish an independent, scientific climate council to enhance the governance and oversight of the long-term delivery of the Carbon Neutral Roadmap.	Agree. The Panel proposed a related amendment to the Carbon Neutral Roadmap which the Minister accepted as amended, and the Assembly adopted.
15	Ministers and members of the Carbon Neutral Steering Group are not completely aligned on the speed at which electrification of vehicles is proposed. Whilst in agreement with the policy direction, the Minister for Infrastructure believes that the transition away from fossil fuels to the electrification of vehicles is happening too fast and that Jersey is not prepared.	Noted.
16	There are significant challenges relating to the infrastructure and technology requirements for electric vehicles. Particularly, the number of charging points which are currently deemed far from sufficient to meet the required future capacity, as well as how and where to locate them; and necessary upgrades to cabling to accommodate increased demand on the electricity supply.	Noted. This is reflected in Strategic Policy 2 (the energy market review) and TR1 (Speeding up adoption of electric vehicles).
17	Jersey Electricity would like to see some measures to the proposed subsidies for EV chargers "fine-tuned" to avoid unintended consequences. For example, that financial support for EV chargers is reserved for 'smart' chargers "to ensure charging is restricted to off-peak, overnight periods when demand on the grid is low, power is cheaper for the consumer and	Agree.

	Findings	Comments
	capacity is plentiful." The Panel notes that it is the GoJ's intention to work on the policy details in further consultation with key stakeholders in delivery phase 1.	
18	Policy TR2 'Vehicle Scrappage Incentive' has been removed from the Carbon Neutral Roadmap owing to concerns raised in the public consultation that the value of the incentive would not be sufficient to meet the policy's aims and for potential abuse of the system. The £410,000 in funding previously allocated to Policy TR2 has been redistributed across policies HT3 'Energy Performance Certificates'; TR1 'Speeding up adoption of electric vehicles; and TR3 'Supporting transition fuels.'	Agree.
19	Concerns were raised during the GoJ public consultation, and to the Panel, regarding the absence of a policy within the draft Carbon Neutral Roadmap for the adoption of standard grade renewable content petrol and diesel. The Panel considered the possibility of an amendment to address this gap. However, it was observed in the revised lodged version of the Carbon Neutral Roadmap¹ that policy TR3b has been included. This proposed policy outlines the research and market analysis that will be undertaken in consultation with industry stakeholders to determine a policy position on the suitability of renewable content fuels for Jersey regarding financial, infrastructure and spatial implications and options by the end of 2022.	Agree – policy TR3b was included in the final version of the Carbon Neutral Roadmap.
20	Policy TR5 'End the importation and registration of petrol and diesel vehicles that are new to the Island from 2030' has been designed to ensure that Jersey does not become a 'dumping ground'	Agree.

¹ P.74/2022 – Carbon Neutral Roadmap

	Findings	Comments
	for older, polluting vehicles. The policy will be developed with further stakeholder engagement and consultation, and it is the further intention of the GoJ to create an exemption for historic, classic vehicles within the draft legislation.	
21	The Sustainable Transport workstream has been impacted by the Covid-19 pandemic and as result, progress has been slower than anticipated. It is the intention for the GoJ to publish a Sustainable Transport Roadmap by the end of 2022 and it is envisaged that these policies will form a similar Roadmap-type framework to that of the Carbon Neutral Roadmap. Public consultation responses highlighted the importance that the needs of disabled Islanders are taken into consideration when developing the Sustainable Transport Roadmap, as well as ensuring a 'Just Transition'.	Agree.
22	Since preparing the draft Carbon Neutral Roadmap, Ports of Jersey has become a signatory to the Toulouse Declaration (an agreement to help the aviation industry become more eco- conscious) and has committed to ensure a net-zero future.	Agree.
23	The GoJ acknowledges that a potential barrier to policy HT1 – 'Supporting low carbon heating systems and home insulation' is the lack of available on-Island skills and expertise to roll this policy initiative out faster. However, the funding for this in the first delivery phase is capped and will therefore limit the number of heating boilers which can realistically be changed, allowing more time for the GoJ to work on a skills strategy and to be able to train local people to deliver more heating system transitions in the future.	Agree.
24	A fundamental concern was raised in the GoJ public consultation regarding	Agree.

	Findings	Comments
	policy HT1 'Supporting low carbon heating systems and home insulation' and ensuring a 'Just Transition.' To ensure that Islanders are not adversely impacted by increased income inequality as a direct result of the proposed policies, the GoJ confirmed that a distributional impact assessment of the policies was carried out, which helped to identify where things may be made unequal for Islanders and how to mitigate this.	
25	The proposed deadline of achieving Policy HT2 'Review building byelaws' in the Carbon Neutral Roadmap is 2025 and not 2023 (as recommended by the Citizens' Assembly). The rationale provided for this by the Minister for the Environment is that 2023 is deemed too soon for the construction industry to be able to adjust to new building regulations. This time is considered necessary for the industry to train and up-skill in new building methods, as well as new materials and equipment.	Agree.
26	Alternative options for identifying rental properties are being considered by the GoJ to be able to pursue policy HT3 'Energy Performance Certificates' given that a landlord licensing scheme is noted as a dependency for this policy but has not yet been adopted by the States Assembly.	Agree.
27	The Minister for Children and Education acknowledges that there may be challenges in relation to resourcing the ambitious deadlines set against the objectives of Policy EN4 'Delivering the COP26 Pledge' due to multiple agendas currently being addressed within the Department for Children, Young People, Education and Skills, however the Minister has stated that the Department remains committed to achieving the objectives as laid out in the COP26 education pledge.	Agree.

	Findings	Comments
28	Concern was raised in a submission to the Panel that whilst work had previously been undertaken by GoJ with Cranfield University to 'identify and implement additional measures to increase carbon sequestration', soil carbon sequestration policy was notably absent in the Carbon Neutral Roadmap. When questioned as to whether this had been unduly omitted from the Roadmap, the Panel was advised by GoJ that this was reflective of Jersey's intensive agriculture industry and that the more soil is disturbed due to intense agricultural practice, the less carbon it sequesters. The Panel noted that there was funding set aside for a PhD student to carry out further work to discover where there are possibilities for increased organic matter in soil, which can in turn lead to carbon sequestration.	Agree.
29	The Panel is satisfied with how the Citizens' Assembly recommendations have been fed into the policy development process. Moreover, where recommendations have been rejected or will be considered for the medium to longer term development of the policies, the Panel is satisfied with how the GoJ has demonstrated any future alignment, or the reasons for the rejection of the recommendations. The Panel notes that six recommendations were rejected, in the main, to assist with ensuring a 'Just Transition.'	Agree.

RECOMMENDATIONS

	Recommendations	То	Accept/ Reject	Comments	Target date of action/ completion
1	In the Ministerial Response to this report, the Minister for the Environment should expand further on whether the closure of the three nuclear power plants in France affects the provenance of the electricity supply to Jersey from that of zero emissions nuclear power to a carbonised power source, and if so, how this is being accounted for in Jersey's greenhouse gas emissions inventory.	ME NV	Accept — see commen ts.	In line with IPCC reporting requirements, emissions are accounted for in country of origin, so any emissions arising from French electricity generation are accounted for within the French emissions inventory. The Carbon Neutral Strategy ² established the principle that Jersey would take responsibility for the scope 2 emissions arising from electricity generation imported from France. In line with this commitment analysis has been carried out and the findings published in a report ³ . The report shows that our scope 2 emissions are very low, in 2020, 0.81% of Jersey's scope 1 and 2 emissions were attributable to emissions from electricity generation in France. JE plc have an agreed contract with EDF for the supply of certified low carbon electricity. This means that any changes to the internal operating market or infrastructure do not directly impact the emissions factor of the electricity supplied to Jersey.	Q1 2027 — end of the current contract with EDF.
2	As part of its long-term financing strategy, which is currently under development until 2024, the Government of Jersey should consider how Covid-19 recovery packages could be utilised moving forward to provide support investment into Jersey's economy (post-pandemic recovery), whilst advancing Jersey's environmental goals and	ME NV/ Co M	Accept	It is recognised that this objective overlaps with the environment pillar within the Future Economy Strategy. Opportunities to use funding such as the Covid-19 recovery package and other incentive schemes such as the recently approved technology Accelerator Fund (P.75/2022) to invest in the economy and advance Jersey's environmental objectives whilst 'greening' businesses will continue to be explored.	Q4 2023.

² <u>Carbon Neutral Strategy (gov.je)</u>
³ <u>Development of an emission factor for imported electricity (gov.je)</u>

	Recommendations	То	Accept/ Reject	Comments	Target date of action/ completion
	supporting businesses to go green.				
3	The Government of Jersey should, on adoption of the Carbon Neutral Roadmap and throughout each policy package life cycle, roll out suitable public awareness raising campaigns in order to educate and familiarise the public with climate change terminology, as well as communicating policy aims and outcomes as simply as possible and across multiple communication channels.	MENV	Accept	The delivery of education and awareness is considered across Carbon Neutral Roadmap and within the policy package (SP4). The following policies have a particular focus on education and awareness: OE1 - Promoting low-carbon lifestyles. EN2 - Create a Carbon Neutral Alliance. EN3 - Developing supply chains and on-Island skills for a sustainable economy. EN4 - Delivering the COP26 education pledge. Much of this work will be led by the Sustainability and Climate Change Engagement Manager (previously the eco active programme manager) and the role has been made full time to reflect the imporance of this work. An assistant role will also be advertised in due course.	
4	The current Minister for the Environment should formally advocate to his successor, through acceptance of this recommendation, that a Ministerial Decision be signed at the start of the new Government term which instructs officers to draft climate framework legislation with the intention of this being lodged in the States for debate before the end of Q1 2023.	ME NV	Reject	Please see the Minister's response to the Panel's letter on the Draft Carbon Neutral Roadmap Review — Written Questions, dated 28 March. In summary, the Minister is supportive of the principle. "As a retiring Minister, I am of the mind that in future there could be a case for introducing a law, especially if it can be progressed in conjunction with the establishment of a portfolio for Energy and Climate Change. However, this work is very much a task for my successor and the new Council of Ministers to consider and should not in any way hinder the crucial first step that is the CNR when it comes to our addressing climate change."	

	Recommendations	То	Accept/ Reject	Comments	Target date of action/ completion
				Various policy options will be presented to the Minister's successor for consideration which will include legislative mechanisms. It should be noted that the timeline to deliver a new law by end of Q1 2023 is not feasible. A new law will require significant drafting time; comprehensive consultation with the public, key stakeholders, the new Scrutiny Panel, and with Council of Ministers; and funding will need to be allocated in the next Government Plan which will not be debated until December 2022.	
5	The Minister for the Environment should support the Panel's amendment to establish an independent, scientific climate council and subject to the successful adoption of the amendment by the States, should ensure that before he leaves office Officers are instructed to set this into motion and so that the necessary groundwork can progress prior to the new Government term.	ME NV	Partiall y accept	The Panel proposed a related amendment to the Carbon Neutral Roadmap which the Minister accepted as amended, and the Assembly adopted.	Q2 2022 (complet ed).
6	The Government of Jersey should ensure that the research and market analysis in consultation with industry stakeholders for policy TR3b must also include consideration for how the Government will ensure a level playing field and competitive market across the Island's	ME NV	Accept	The policy position paper on TR3b will be produced in line with all relevant legislative framework and regulatory requirements.	Q1 2023.

	Recommendations	То	Accept/ Reject	Comments	Target date of action/ completion
	fuel industry as to avoid any competitive advantage as an unintended consequence of policy TR3 and TR3b.				
7	The Government of Jersey should ensure that as part of its preparation of the Sustainable Transport Roadmap, the needs of disabled Islanders are taken into full consideration, as well as how to ensure a 'Just Transition' within all the proposed policies.	ME NV / MI NF	Accept	The Second Interim Report on the Sustainable Transport Policy published in December 2021 highlighted ten decision making principles which included: 2. to conform with the Jersey mobility hierarchy (which places children, elderly people and people with sensory or mobility impairments as the highest priority). 3. to improve transport options, including parking, for people with mobility impairments. 5. to Invest in a better bus system that more people want to use and that is accessible to all. A 'Just Transition' will be central in the development of the Sustainable Transport Roadmap.	End of Q4 2022.
8	As part of regular, ongoing governance and oversight of the Roadmap, the Government of Jersey must continue to review impact assessments of its policies on an annual basis, to ensure that a 'Just Transition' is adhered to throughout the life of the Roadmap and with a particular watching brief on global energy prices.	ME NV	Accept	Ongoing review impact assessments will be carried out as part of the ongoing governance and reporting schedule. Policies will be monitored and reported on in line with CPMO major projects reporting requirements. A data strategy is under development to benchmark and set out the KPI's, monitoring and reporting requirements for the policy interventions. A full DIA will be carried out at the 4-year review period. As the relevant data sources to enable the analysis are not updated annually, full assessments will only be carried out at each 4-year review period in order to inform the incoming Government in setting priorities and funding through the government plan process. Work is	End of first delivery phase 2026.

	Recommendations	То	Accept/ Reject	Comments	Target date of action/ completion
				ongoing with Statistics Jersey to align data collection and analysis.	
9	The Government of Jersey should seek to complete and publish the findings of the ongoing soil research which commenced in 2019 with Cranfield University by the end of Q2 2023. The aim of which would be to provide a clearer indication in relation to Jersey's soil quality and potential for carbon sequestration and with a view to this providing a suitable evidence base to inform whether soil carbon sequestration should be considered an advantageous policy direction for inclusion in the next delivery phase of the Carbon Neutral Roadmap.	ME NV	Accept	There is ongoing work with respect to soil quality including the commencement of a PhD study in 2022. This PhD will conclude in time for its recommendations to be considered in the next term of delivery. Interim findings can be published in Q2 2023.	Q2 2023.