

# DRAFT CARBON NEUTRAL ROADMAP

## Jersey Electricity comments 1–

### In summary

Jersey Electricity (JE) welcomes the Draft Carbon Neutral Roadmap that aims to make Jersey net-zero by 2050 and we greatly support the appetite of the Government of Jersey (GoJ) to crystallise policy and shift into action.

We agree with all five principles of the proposed approach but we would, however, urge and support an even earlier target than 2050 which we feel is the minimum commitment that the Island should make: Net-zero by 2050 is simply in line with most other countries and these countries are, in any case, unlikely to want to do business with Jersey, in any meaningful way, without seeing that minimum level of commitment.

We believe, if we work together, Jersey could achieve an even greater ambition for net-zero and this could be a great source of positive differentiation for the Island on the international stage.

#### Near-term progress means benefits over longer-term

We feel the next 10 years will be critically important because progress in the near term will greatly determine our trajectory for delivering net-zero over the long term. Although challenging, rapid progress over the next decade will also enable the Island to reap recurring environmental benefits and financial savings from measures implemented earlier.

We understand GoJ's decision not to commit to carbon neutrality by 2030 in the Roadmap and avoid 'locking into' potentially expensive carbon offsets which could deflect funds from urgent and more cost effective on-Island abatement measures. Such local abatement measures, we believe, would have the most impact on Island carbon reduction and their funding would also support the local economy.

#### Rapid, on-Island decarbonisation interventions

This approach, however, means it is of paramount importance that Jersey adopts measures to facilitate rapid decarbonisation through on-Island interventions as fast as possible or net-zero will take even longer to achieve. For example, consumers are installing new heating systems and buying new cars with long asset lives *today* that will cost even more money to switch later. This may lead to early scrapping of assets with remaining useful lives or delays to carbon reduction.

#### Fastest and most cost-effective route

Given that electricity in Jersey is already virtually completely decarbonised, we have long maintained that the fastest and most cost-effective route to further reducing Jersey's emissions is therefore by displacing fossil fuels for heating and road transport with low-carbon electricity. Low carbon power is already available to Jersey in almost limitless supplies (in the context of the Island) due to JE's strategy of investing in secure infrastructure and importing a blend of nuclear (4g CO<sub>2</sub>e/kWh) and hydro (6g CO<sub>2</sub>e/kWh) power from the European grid.

Furthermore, this strategy is entirely compatible with the development of large-scale local renewables (such as offshore wind, tidal power and ground based solar PV) as and when they become economically viable – technologies which JE is exploring and investing in.

#### Providing a critical early impact on the Roadmap

We believe we are well positioned to facilitate low-carbon electric solutions for heating, cooking and road transport (which together comprise around 70% of Jersey's total carbon

emissions) to provide an early, critical impact on the Roadmap. Many of these technologies when coupled with energy efficiency are readily available today – with Jersey’s challenge largely being one of incentivisation (and dis-incentivisation) and delivery.

We are therefore supportive of the policy proposals that encourage this, for example, EV subsidies, grant support for EV charging infrastructure, vehicle scrappage support, an end to petrol and diesel vehicle imports and installation of new fossil fuel boilers, home energy certificates, grants to aid energy conservation and fuel switches.

However, we make the following observations on policy:

1. It is acknowledged in the Roadmap that even delivery of the stated interventions are insufficient in aggregate to meet net-zero by 2050. Although we welcome the funding incentives, we question whether they are sufficient to meet the defined targets. We would therefore support more generous incentives delivered with more pace. Early delivery of the ‘low hanging fruit’ is very important.
2. We would like to see some measures fine-tuned to avoid unintended consequences. For example, it is very important that financial support for EV chargers is reserved for ‘smart’ chargers that ensure charging is restricted to off-peak, overnight periods when demand on the grid is low, power is cheaper for the consumer and capacity is plentiful. JE is working on a home charging solution to be launched shortly.
3. While we accept biofuels have a role in ‘hard-to-abate’ sectors, such as aviation and marine applications (for which there are presently no alternatives), we have serious concerns around their widespread use in applications such as home heating and transportation where, in the vast majority of cases, low-carbon electric solutions are readily available.
4. We believe it is a far better for Islanders to benefit now from investment into energy efficiency coupled with the right long-term, low-carbon solutions rather than deflect funding to subsidising short-term, imported ‘transition’ fuels the price of which is likely to rise significantly as demand increases. This will syphon funding and economic support away from Jersey and this funding will in any case only have a single-year impact. There is considerable risk that this policy will slow the transition and create a reliance on biofuels with potential supply chain issues that could become costly.
5. We agree with the ‘people powered’ approach and a ‘just transition’, both of which will require strong leadership. We agree on the need to involve all stakeholders in joint commitments. No single stakeholder or party has all the solutions or controls the delivery, so there is a need to collaborate for the common good. We believe the GoJ should readily be able to take a long-term view in assessing its own carbon reduction opportunities. The GoJ could lead our community and be a ‘force for good’ by being an early-adopter of low-carbon technologies for the buildings and transport under its control.
6. We support the appointment of an Energy Minister, the establishment of a Decarbonisation Unit and Carbon Neutral Alliance. But we also believe the Island needs to invest significantly in supply chain development, trade capacity and capability development across the public and private sector to implement measures. This could involve reskilling and redeployment of skills from older into newer technologies and forms part of a ‘just transition’. This requires significant policy support and funding.

7. JE believes it can greatly assist in the rapid electrification of Jersey and crucially, do so in a manner that ensures continued delivery of affordable, secure and sustainable energy for our Island. We believe that the grid will provide a critical role in the energy system for many years. Fully leveraging these grid assets, which are entirely compatible with future technologies, will result in more competitive electricity prices for consumers because the greater the volumes of electricity distributed through the network, the more efficient and economical it is to operate.
8. While not wishing to delay implementation of the Roadmap's policies, we would welcome the opportunity to work even more closely with the GoJ, the public and private sector, and the whole community to further develop policy solutions to deliver the minimum of net-zero by 2050.

#### **Policy by policy:**

**Strategic Policy 1: Net Zero Emissions Pathway** – we believe that the target could be and should be even faster than net-zero by 2050 given Jersey's low-carbon electricity system and lack of heavy industry. We believe Jersey could do more and faster. The next 10 years will be critically important.

**Strategic Policy 2: Island Energy Market** – we believe rapid electrification using low-carbon grid power is the fastest and most economic route to net-zero. We believe the use of non-fossil second generation biofuels may have a small role to play in selective 'difficult-to-electrify' transport but in most cases electric solutions are already available and are less costly, less risky and better support the local economy.

**Strategic Policy 3: Financing Strategy** – we agree with hypothecated revenue and that a carbon tax or fuel duty should be considered to discourage emitters of carbon since it is presently 'free to pollute' with carbon and other emissions. Any funds raised from these mechanisms could be invested in low-carbon solutions or into support for the vulnerable.

**Strategic Policy 4: Policy Programme and Development** – we believe that the focus of Jersey's limited resources should be weighted towards measures that deliver the fastest on-Island carbon reduction per unit investment, with measures in place to protect the vulnerable on a means-tested basis.

**Strategy Policy 5: Becoming carbon neutral** – we believe Jersey should develop local sequestration projects that keep funding within the Island. We suggest Jersey analyses i) those activities that can reasonably be abated through local measures that can support the local economy and ii) those that will ultimately require procurement of high-quality carbon offsets or biofuels. Offsets or biofuels should only be procured from high quality, authentic and traceable sources and as a last resort, not first choice.

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