

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

6th September, 2023

Proposition No. P.2023/55

Committee for the Environment & Infrastructure

Electricity Strategy for Guernsey

AMENDMENT

Proposed by: Deputy H L de Sausmarez

Seconded by: Deputy R C Murray

To insert in Proposition 1 immediately after “progress”:

“, acknowledging that:

- in agreeing the strategic direction, the States is not agreeing to any specific proposals, nor any significant expenditure, but to examine the options and bring detailed information and recommendations to the States to enable the Assembly to make an informed decision – including on affordability – on each component of the Electricity Strategy; and
- should that detailed work find that a particular component is not viable or could be better delivered through an alternative technology or approach, or should the States for any other reason (such as on the grounds of affordability) decline support for specific proposals when they come forward, the strategic direction will be adjusted accordingly”.

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans by providing greater assurance around how the Electricity Strategy will be progressed.
- b) In preparing the proposition, no additional consultation was necessary.
- c) The proposition has been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications .

- d) The investigations required by this proposition are already set out in the Electricity Strategy and, as such, there are no additional financial implications to the States of carrying the proposal into effect.

Explanatory note

This amendment seeks to clarify and provide reassurance about the nature and role of the strategic direction and the process that it informs and that follows, as set out more fully in the following excerpts of the Policy Letter:

Paragraph 1.6:

“The Strategy provides strategic direction: it does not set in stone the specific components of the preferred pathway; nor does it commit the States to specific projects or significant expenditure on them. In agreeing the Strategy, the States is giving direction and focus to the further work that needs to be done. For each major aspect of the Strategy there is a range of options, including options on how each can be financed. Once a strategic direction has been agreed that further work will examine the options and bring detailed information and recommendations to the States to enable the Assembly to make an informed decision on each component. This iterative approach is effectively a series of gateways: only once the more detailed work has been completed and proposals agreed will each major component progress. Should that detailed work find that a particular component is not viable, could be better delivered through an alternative technology or approach, or should the States for any other reason decline support for specific proposals when they come forward, the Strategy’s preferred pathway is flexible enough to accommodate that and the strategic direction will be adjusted accordingly.”

Paragraph 1.7:

“The Committee is recommending a strategic direction that includes certain technologies to provide Guernsey’s electricity based on current understanding of commercial viability and costs. Other technologies may become commercially viable and more appropriate for Guernsey over the lifetime of the Strategy, which is flexible and adaptable enough to facilitate alternative technologies as desirable. For the avoidance of doubt, the preferred pathway can accommodate, and will not preclude, electricity generation using alternative technologies in the future.”

From paragraph 1.12:

“The proposed pathway looks to keep costs contained whilst offering flexibility to the approach to allow for changes in circumstance.”

From paragraph 1.13:

“Whilst the proposed pathway references specific technologies, the pathway does not commit Guernsey to using those specific technologies (or indeed to a specific cable destination); rather, the pathway recommends solutions that provide the most cost-

optimal solutions as understood today.”

Paragraph 1.20:

“The costs cited in the modelling are indicative only and further work will be required to develop the costs as part of the delivery of the strategy. The indicative costs are useful in evaluating the different options, as the modelling uses common assumptions that allows like-for-like comparisons, which can inform the decision needed at this stage on a strategic direction. It is also important to note that these indicative costs do not differentiate between States expenditure, GEL expenditure or expenditure by other businesses or parties: again, the specifics around how each major component of the Strategy is funded will be decided when recommendations, supported by detailed information and analysis, are brought to the States at future stages. Further, it is also important to explain that these indicative costs cover the period up until 2050. It is therefore worth bearing in mind that the predicted profile of expenditure (which should not be assumed to be direct States expenditure) at a more granular level of five-year periods is more realistically manageable than the daunting total expenditure figure. Not only do the total indicative expenditure figures vary depending on the pathway, but so too does each timeline of when that expenditure is likely to be required.”

Paragraph 6.4:

“The aim of the assessment that has taken place was to establish the best longterm strategic approach for the Island’s electricity supply. The pathway is not a fixed delivery plan or a direct roadmap for exactly when technologies should be implemented. Therefore, it is important to understand that supporting an approach does not commit any specific spend or technological solution or scale at this time. Whilst the proposed pathway references specific technologies, the pathway does not commit Guernsey to using those specific technologies (or to a specific cable destination); rather the pathway recommends solutions that provide the most cost-optimal options as understood today. There is flexibility to use alternative technologies should they become viable in alignment with existing States’ policies. Investment decisions would be undertaken on their own merit in line with the strategic approach.”

From paragraph 6.9:

“The Committee understands that technology is evolving and what is in development now may become commercially viable in the future. Therefore, when analysing the potential supply pathways, a consideration was that they provided flexibility and adaptability to enable technologies to be implemented should the viability change.”

From paragraph 6.10.1

“The pathway is not a fixed delivery plan or a direct roadmap for exactly when technologies should be implemented, but instead is a direction for the Island to follow. Whilst the proposed pathway references specific technologies, the pathway does not commit Guernsey to using those specific technologies (or indeed to a specific cable destination); rather, the pathway recommends solutions that provide the most cost-

optimal solutions as understood today. There is flexibility to use alternative technologies should they become viable in alignment with existing States' policies. There is also flexibility in the other direction: Pathway D would allow for a transition to either Pathway C or Pathway E should either the second interconnector or the offshore wind component no longer prove viable for whatever reason, and as proposed it provides access to the largest variety of supply sources."

Paragraph 9.1:

"The work carried out by the Committee has focussed on the strategic approach and the comparative costs of the options available to the island. However, it is acknowledged that through the work required to deliver on the Strategy, further detail on the specific costs will become clearer. The Strategy is not a specific commitment to the expenditure outlined within the pathway; however, some levels of investment will be required, and this needs to be considered as part of the States' overall expenditure requirements. It is important that whilst the investments should not be considered in isolation, all options for financing are appropriately explored."