

FUTURE ENERGY MINISTERIAL GROUP

Terms of Reference

1. Purpose

The Future Energy Ministerial Group (“FEMG”) will provide a forum to improve the governance, coordination, and strategic insights into Jersey’s energy landscape, with specific regard for matters of energy affordability, sovereignty and security. It is recognised that these are complementary to delivering the Island’s carbon neutral pathway (as agreed in P.148/2021 the [Carbon Neutral Roadmap](#)).

The Group will advise the Assistant Minister for the Environment (Minister for Energy and Climate Change) by responding to known and arising matters for the island’s energy market in the context of Strategic Policy 2 of the Carbon Neutral Roadmap and the wider delivery plan outlined in the Carbon Neutral Roadmap.

The Group will convene relevant Ministers and stakeholders to capture the synergies arising from their joint consideration of the complex, multi-dimensional and cumulative issues particularly in relation to energy security and affordability.

2. Background

Under the Code of Conduct and Practice for Ministers and Assistant Ministers, ministerial groups of the Council of Ministers may be established to provide in-depth consideration of issues and topic areas. These groups should include the Ministers whose portfolios relate to the issues under consideration.

Strategic Policy 2 of the Carbon Neutral Roadmap (extract in Appendix 1) outlines the complexity of Jersey’s energy market and its supply chain and logistics. The policy recognises, among other things, the costs and longevity of decisions around energy infrastructure and the inter-jurisdictional nature of the energy market with Guernsey and France. It refers to the transitioning of the energy market over time and the need to balance energy affordability, security and sovereignty with decarbonisation.

Noting the above, it was agreed by the Council of Ministers at their meeting of 6 December 2022 to establish the “Future Energy Ministerial Group”.

These enhanced arrangements respond to the complex and cross-portfolio nature of energy issues in relation to security and affordability of energy with a scope outlined below.

This Group will assist and advise the Assistant Minister for the Environment (Minister for Energy and Climate) who has delegated responsibilities in respect of energy and climate change (chair of the group) consider these matters and reach consensus to unblock difficult decisions, expedite delivery, improve strategic-thinking, and enhance governance.

Scope

The scope of the Group is to:

- a) Ensure political oversight and direction for strategic energy issues so we consider Jersey's future needs holistically and strategically focusing on better long-term outcomes for Islanders.
- b) The energy trilemma consists of the challenges of energy security, affordability and sustainability (appendix 2). It is recognised that many of the interventions in relation to energy sustainability are addressed in the agreed Carbon Neutral Roadmap. It is therefore not the intention that this group will duplicate or oversee policy development and interventions that are already outlined in the Delivery plan in Part C of the Roadmap. However, it may be appropriate on occasion to seek the views of this Group on aspects of the delivery plan that overlap with its scope.
- c) The Group will provide a more comprehensive perspective on matters aligned with the other two parts of the energy trilemma - energy security and affordability in the context of:
 - **Arising and immediate matters** e.g. current geopolitical instability leading to volatile energy markets and security of supply pressures, short and medium term supply, resilience and safeguarding issues
 - **known future challenges and opportunities** e.g. the transition of the Island's energy market and that of related jurisdictions in response to the net-zero / decarbonisation agenda . This might include matters relating to sovereign generation like utility scale wind generation
- d) In their considerations there is likely to be overlap in the scope of this group and that of the Future Places Group which aims to improve outcomes by 'better long-term planning of future infrastructure improvements'. As and when these arise, the coordinating officers from both groups (both based in the cabinet office) will ensure a streamlined approach to ensure the most efficient consideration of the matters at hand.
- f) Jointly work with key stakeholders including actors in the energy market be they fully privately owned or other bodies partly owned or controlled by the public.

4. Membership

- i. **Chair** - Assistant Minister for the Environment (Minister for Energy and Climate Change)
- ii. Minister for the Environment (Chair for the Assistant Minister for the Environment)
- iii. Deputy Chief Minister / Minister for Economic Development, Tourism, Sport and Culture
- iv. Minister for Infrastructure
- v. Assistant Chief Minister
- vi. Minister for Treasury and Resources
- vii. Minister for External Relations
- viii. Minister for Social Security

In addition, the Chief Executive, and relevant senior officers to the above Ministers will be invited to the meeting, alongside stakeholder representatives from Arms-Length Bodies or other actors in the energy market as appropriate (e.g. Jersey Electricity Ltd)

5. Meeting Frequency

The Group shall meet quarterly, or otherwise as required.

6. Record Keeping and Reporting

The meetings of the Group will be supported by staff of the Ministerial Office (agenda production, paper compilation and circulation, meeting arrangements, forward agenda plans, etc) and recorded as a formal minute.

The acting Group Director for Strategy and Innovation will be the lead policy officer for the Group, working closely with the Ministerial Office, and other officers, on the commissioning of papers and the work programme for the Group.

The Group will publicly report their activity from time to time in line with the requirements of the Code of Conduct and Practice for Ministers and Assistant Ministers

7. Roles and responsibilities

- Ministers will remain fully responsible for the legislation and services under their direct political responsibility and the group will have no powers in Law.
- Ministers will respect a “no surprises” policy - ensuring that the Group is consulted and advised in advance of significant policy or operational decisions within the remit of the group.
 - Similarly, stakeholders in dialogue with the Group will be invited to provide regular updates to the Group relating to the implementation of key strategic priorities.
- The Group will be supported by officials to the same standards and applying similar practices as they would apply in supporting individual Ministers.
- In doing this, officials will produce reports and provide free and open access to information to members of the Group, save for any data protection limitations, as requested.
- Group members will respect the impartiality of officials and maintain the confidentiality of any information or advice provided, in so far as this is not already in the public domain or intended to be placed in the public domain.

8. Working groups and governance

The Future Energy Ministerial Group may agree to establish working groups, and will do so in respect of:

- Gas market contingency planning

MEMBERSHIP: Assistant Minister for Environment (Chair), Ministers for Environment, Economic Development, Tourism, Sport, and Culture, External Relations, Infrastructure and Treasury and Resources.

- Future Cost of Energy (to be taken forward by the Cost-of-Living Strategy Group)

MEMBERSHIP: Minister for Economic Development, Tourism, Sport, and Culture (Chair), Chief Minister, Assistant Minister for Environment, Ministers for Housing and Communities, Social Security and Treasury and Resources.

- Offshore Wind

MEMBERSHIP: Minister for Environment (Chair), Minister for Environment, Minister for Education, Tourism, Sport, and Culture, Ministers for Environment, External Relations, Infrastructure, and Treasury and Resources.

The diagram at Appendix 3 shows the proposed Future Energy governance structure.

Appendix One – Extract from the Carbon Neutral Roadmap pg 37 Strategic Policy 2

Island Energy Market

Carbon Neutral Roadmap – strategic policy 2

Jersey's energy market currently supplies a variety of energy products to consumers with a reasonable level of resilience and security considering the Island's small size and logistical challenges.

Globally, energy markets are rapidly decarbonising and, to some degree, decentralising.

The future for Jersey requires significant electrification, particularly in transport; the replacement of some fossil-hydrocarbon fuels with non-fossil hydrocarbons, and potentially hydrogen, will also be required.

The Carbon Neutral Roadmap will include policies in the first stage of delivery that:

- seek to support faster adoption of low-carbon electric solutions in key emissions sectors, and non-fossil hydrocarbons, such as second-generation renewable diesel, and
- invest in the skills needed in the future decarbonised economy.

At the same time (and as proposed in the draft Bridging Island Plan) we will undertake a strategic review of Jersey's long-term energy requirements to inform a future government-led energy strategy. This work will consider, amongst other things, economic, regulatory infrastructure and land use requirements linked to future energy use; and will provide a process – and appropriate political governance – to develop energy market policy in a joined-up and evidence-based way.

To support this work, government will establish new research and advisory partnerships with energy systems experts; explore opportunities to trial, appropriately, new and emerging energy solutions in Jersey; and work with the Energy Forum to solicit decarbonisation transition plans and market insights from all current Island energy providers. A new ministerial portfolio for energy and climate change is also recommended.

As part of the strategic energy market policy, we will work with our sister Islands. We will work across the Islands and examine the options for utility scale renewable energy generation, to ensure a diverse, safe and resilient supply of energy to meet the Island's future needs.

Appendix Two – The Energy trilemma, extract from the Carbon Neutral Roadmap pg 42

The energy 'trilemma'

4.10. This framework is informed by the need to balance energy affordability and security with decarbonisation, as recognised in the 'energy trilemma' diagram at Figure 7 and expanded on in Figure 8.



Figure 7: The energy trilemma.

Energy Market consideration	Summary of the Jersey context
<p>Sustainability</p>	<p>Jersey currently enjoys access to low-carbon electricity from France, which has proved a mature and economically viable source that makes a significant contribution to meeting decarbonisation and sustainability targets. The Carbon Neutral Strategy confirms that <i>'any...viable route to carbon neutrality by 2030...will require the rapid electrification of a large proportion of road transport and space heating in Jersey.'</i>⁵¹</p> <p>The pathway for delivering cost-effective decarbonisation with alternative technologies is more uncertain, as it requires the technologies to mature to the point of having large-scale commercial deployment potential, and for greater levels of enabling infrastructure investment to be undertaken.</p>
<p>Security and resilience</p>	<p>Relying entirely on electricity imports from France (or other parts of the European energy market) does not, however, provide Jersey with energy sovereignty, and may be exposed to new risks if energy markets become more volatile in the future. To diversify its energy mix, Jersey could consider other sources of large-scale generation, and support this with increased use of smaller scale energy generation as technologies mature.</p> <p>Security of supply concerns also arise for alternative technologies. Jersey is unlikely to produce sufficient biogases, biofuels, or hydrogen on-Island to fully decarbonise transport and heating systems, even if the technologies become commercially competitive. This is because of the limited availability of feedstock and crops necessary for biogases and biofuels respectively; and insufficient sources of green power generation necessary to meet the production needs of green hydrogen.</p>
<p>Affordable and available</p>	<p>It is important to recognise that our current electricity model has served the Island well, and provides an affordable, low-carbon, reliable and secure product with strong investment and a good return to shareholders (the Government of Jersey is a 62% shareholder). It is recognised though that the price-premium of the decarbonised electricity supply that Jersey currently enjoys, may increase in future.</p> <p>Diversifying the Island's energy mix is likely to create additional costs in the short-to medium-term, although it could lead to lower overall costs over the longer-term. Diversification could also pose network management challenges that might manifest as increased intermittency, depending on the nature and pace of transition.</p>

Figure 8: Energy Market considerations in the Jersey context.

Appendix 3 – Future Energy Ministerial Group governance diagram

