



**OFFICIAL REPORT**

**OF THE**

**STATES OF THE**

**ISLAND OF ALDERNEY**

**HANSARD**

**The Court House, Alderney, Wednesday, 14th September 2016**

*All published Official Reports can be found on the  
official States of Alderney website [www.alderney.gov.gg](http://www.alderney.gov.gg)*

**Volume 3, No. 5**

**Present:**

**Mr Stuart Trought, President**

**Members**

Mr Matthew Birmingham

Mr Neil Harvey

Mr Louis Jean

Mr Robert McDowall

Mr Graham McKinley

Mrs Norma Paris

Mr Steve Roberts

Mr Francis Simonet

Mr Ian Tugby

**The Greffier of the Court**

Mr Jonathan Anderson

**Business transacted**

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## States of Alderney

*The States met at 5.25 p.m. in the presence of  
Colonel Colin Mason, a representative of His Excellency  
The Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE PRESIDENT *in the Chair*]

### PRAYERS

*The Greffier*

### ROLL CALL

*The Greffier*

### One minute's silence – Former President and Jurat, George William Baron OBE

**The President:** Before we proceed any further, I would ask you all to rise and join me in a  
5 minute's silence in remembrance of our past President, George Baron.

*Members stood in silence.*

**The President:** Thank you.

### Convenor's Report of the People's Meeting held on 7th September 2016

**The President:** If we can move to Item I please, Monsieur Greffier.

**The Greffier:** Thank you sir. Would you like to start with the Convenor's Report before we  
10 commence with Item I?

**The President:** I would.

**The Greffier:** Thank you, sir.  
15

**The President:** Mr Harvey, would you care to give the Convenor's Report on the People's  
Meeting.

**Mr Harvey:** Thank you, Mr President, ladies and gentlemen.  
20 I convened a meeting on 7th September at 1900 hours, assisted by the Chief Executive; Capt.  
R. Barton, Commissioner of ACRE; Mr C. Jenner of FAB Link; Mr Declan Gaudion of ARE and FAB  
Link. Present there were yourself, Mr President; ten States' Members including myself; the minute  
secretary; 300-plus members of the public and four members of the press.

**The President:** Thank you very much.  
25

## Billet d'État for Wednesday, 14th September 2016

### I. Chief Pleas – Pleas from Mr William Tate, Mr Nigel Dupont, Mr Mike Dean, and Mrs Geraldine Whittaker

*Item I.*

*Persons whose names are included on the Register of Voters and who have given due notice will address the States on matters of public interest.*

**The President:** Before we move on, were there any comments at the People's Meeting on Item I?

**Mr Harvey:** There were no comments on this Item sir, but as requested by the Committee I reminded people of their right to make Chief Pleas and the timescales for doing so.

**The President:** Thank you very much, Mr Harvey.  
Monsieur Greffier, if you proceed with Item I please.

**The Greffier:** I am grateful, sir.

Item I this evening is Chief Pleas. I confirm four people have complied with the statutory requirements and seek to address the States on matters of public interest. Sir, before I invite those individuals to address the States, I consider that it may be prudent to provide a final note of guidance and caution.

To those making representations, please limit your address to the matters as set out in the correspondence addressed to me. It would also assist my running of this meeting if you could limit your address to approximately five minutes. Finally and as a word of caution, the Government of Alderney Law expressly states that the provisions regarding Chief Pleas do not confer:

... any other right, privilege or immunity.

In simple terms, should a person be aggrieved by what you are about to say, then they may have recourse to legal action.

If you are ready to proceed, sir, I will invite the first person to address the States.

**The President:** Please do.

**The Greffier:** Mr William Tate.

**Mr William Tate:** And where would I stand sir?

**The Greffier:** Kindly step forward – just so the microphone can hear you, I would be grateful.

**Mr William Tate:** Mr President, madam, gentlemen, I am very conscious of the eyes that are looking down on me from my right: two gentlemen for whom I had huge respect and who have been great servants to this Island.

The topic I propose to address this evening I have headed, 'Democracy – is the States fulfilling the brief?' Democracy is defined as:

Government by the people; that form of government in which the sovereign power resides in the people and is exercised either directly by them or by their offices elected by them.

We do not have a two-party system of government and, therefore, we have no opposition party to hold the feet of our Government to the fire. We have 10 independent, part-time politicians who, when in agreement, are left unchallenged. Our opposition party is the general public who are entitled and expected to hold our States' Members to account. In the absence of full disclosure and a platform to debate, the principles of good governance cannot, I submit, be adhered to. So my request to the States is to ask this: to consider whether the principles of democracy and open government are being upheld given the nature of the relationships between themselves, ARE Ltd, ACRE and FAB Link Ltd.

Forgive me if I depart slightly from the text of what I was going to say then, but this afternoon I read the Governance Report which was published online earlier this week and, in reading that, I found perhaps some assistance in answering my questions. For the avoidance of doubt, the question that I put there was in advance of that document being published and was in advance of the very helpful presentation that the President gave to us on Monday evening.

I know that time is limited, so forgive me if I simply read to you one or two small extracts from that Report which I suggest will assist my case and also assist you in considering whether or not you feel my question is well met.

At point 3.2, page 15 of that Governance Report prepared by Mr Andrew McDonald of the University College London, an experienced professional in these matters, and he says this:

And so we have an electoral system which discourages debate on the big questions facing Alderney and incentivizes division amongst candidates. And we have a political executive which is an aggregate of a shifting sequence of alliances, and does not have a universally recognised leader. Add to that a cycle of elections every two years and it would be hard to claim that the political system generates stable government. [At this] ... time when the challenges facing the island are as great as they have been at any time since the war.

And he goes on to say:

Alderney needs strong political leadership, grounded in a popular mandate and supported by an effective Civil Service.

He concludes by saying this:

Alderney has already deferred change too long, increasing the risk that the weaknesses in its political and administrative systems will manifest themselves as failures in public services or in policy initiatives.

He then goes on to cite cases where a failure of good governance has led to catastrophic results.

On Monday evening we were addressed by Sir Ian Magee at the invitation of the President, and he is an expert in good governance having had a very distinguished career in the Civil Service. It was prescient because he told us what happens when good governance breaks down; what are the consequences. I am simply going to quote from him two things. And he said this:

Ignore proper governance matters at your peril.

And also this:

The consequence of poor governance is disaster.

He gave us a number of examples ranging from the British Home Stores' debacle, to Kids and Co, the failed charity, and a whole catalogue of instances where people have looked back on what happened and said, 'No, this was not good governance; the people have not been served well; the people have been let down.'

95 May I turn then to why I have asked this question. You are being asked presently to have an active involvement in a commercial scheme, the costs of which according to Mr Dixon, the Project Director of FAB Link Ltd, are in the region of €750 million to €1,000 million. How many of us can even begin to understand figures of that scale? And that, Mr President, is my concern, because if you put together the Report of Mr McDonald and its conclusions and add to that the dire warnings of Sir Ian Magee, and a project in excess of €1,000 million, the question really I put is this: how can we possibly deal with that? How can a Government which has been found to be failing be given responsibility for involvement in a project of this scale. I simply ask you to consider this as  
100 being a very clear example of the failure of good governance.

Look what this has done to this Island. People have been complaining that we do not have any information about FAB Link. People have been saying, 'Nobody has asked us what we think.' People have been saying, 'the States have already made their minds up.' These are all the sorts of issues which were identified by Mr McDonald as symptoms of the failure.

105 If we are going to deal with the FAB Link project now, we are dealing with it with broken tools, and the decisions that are made in the course of the next two years are decisions which are going to affect this community forever. Do any of us want to live in a community where friends are falling out with friends, where people cannot go into shops, where States' Members are being abused – and their families? No; that is not why we live here. We live here because we are a tightly-knit community and we live here because we support each other, we support the  
110 vulnerable and we deal with the economic challenges of the future together. If we are not together then we lose the very fabric that holds this society together.

It was said by Mr Harvey – and I conclude, Mr President, with this – that, 'if we do not embrace the FAB Link and the future tidal energy projects, future generations will ask the question, "Why on earth did you miss that opportunity?"' It is a very fair point, but future generations may also say, 'What have you done? What have you spoiled?' By then it is too late.

115 So the question I put in conclusion, lady and gentlemen, is please reflect; please take this opportunity to call a halt. Let's put into effect the very sensible suggestions by Mr McDonald. Let's mend what is wrong; let's have a firm, strong Government, inclusive of the people, and then let's deal with projects confidently, in the right way, so that we can all – whatever our views are – in the end feel that justice has been done and we have seen it to be done.

Thank you, Mr President.

**The President:** Thank you, Mr Tate.  
125 Monsieur Greffier, could we move to the next Plea please.

**The Greffier:** Thank you, sir.  
The next person to address the States is Mr Dupont.

130 **Mr Nigel Dupont:** Mr President and all the States' Members, I would request that the States fully consider the following matters and provide written answers as appropriate regarding FAB and ARE.

The FAB project is, without doubt, the most significant development to be proposed on the Island in the post-war period. Its impact on the lives of the people of Alderney cannot be  
135 overstated. Profound ramifications of the scheme, I would argue, demand a far greater degree of consideration. Consultation has been inadequate and I urge the Members to seriously consider the following response I received from Mark Wordsworth of ACRE who I think puts it very clearly.

I totally agree that these projects are so strategically important with wide ranging issues and potential outcomes that they must be looked at in their entirety and not on individual project-by-project basis. One cannot evaluate the tidal project without understanding the FAB Link project and conversely one cannot evaluate FAB Link without considering whether tidal would ever happen or not, and if it does then what will that mean for the island?

Likewise, cabling runs and converter stations and any other onshore works need to be in sync with the Land Use Plans existing in the future and all of that should sit within an overall economic development plan which ties it all

together, evaluates the outcomes, has a rationale and justification for doing it within the bounds of reason, has broad support from all the stakeholders.

Mr Wordsworth also observes:

There is no guarantee that a tidal project will follow the FAB Link project. If tidal power did follow, there would be very few, if any, benefits to the Island. I feel the people of Alderney should be asking for a judge-led inquiry to investigate all the facts surrounding the way in which this matter has been dealt with by the States. There is undoubtedly potential for conflicts of interest between the companies and people involved due to the very close friendships and relationships that exist. Full disclosure and transparency regarding ownership and private and public liability must be made available in a timely fashion.

140 I understand from the ACRE 2015 accounts – which have only just been published – that ARE have not paid their full licence fee for 2015. I have very real concerns as to why ACRE was prepared to convert the outstanding fees into a loan note – concerns which were shared by their auditors. Conflicting explanations were given at the People’s Meeting. The accounts state that the decision to convert the unpaid licence fees into loan notes was subject to approval of the arrangement being received from the States of Alderney. The Chief Executive, however, clearly stated that ACRE  
145 was able to make this decision autonomously. It appears that neither ACRE nor the States of Alderney want to be seen to be responsible for this decision.

It is a further concern that in July 2016, ACRE had reservations about continuing to accept loan notes and sought guidance of the States, which resulted in further loan notes being accepted for the period 1st January to 30th June 2016. I think it wholly inappropriate that the legally binding  
150 Option Agreement between FAB and States of Alderney was signed prior to *any* consultation by the States of Alderney and FAB Link with the public. Please explain why this was.

I am concerned that from the outset all information made available to the States of Alderney has been provided by ARE representatives who clearly have a commercial interest in this project, to the extent that I understand newly elected Members are given a crash course by Mr Declan  
155 Gaudion.

It is a widely held view that without FAB there can be no ARE tidal power in the future. I believe this to be totally untrue. As I see it, if and when tidal power comes on-stream and is commercially viable, cables can run from our seabed to France without the need for a converter station on the Island. The Island would still earn royalties from our seabed. FAB Link will not bring electricity to  
160 Alderney at all and it will be impossible to tap into the power supply from FAB Link without a converter station being built on the Island. I have been told that it would be far too costly to do this given the small number of people here.

I keep hearing that it is possible to bring fibre optic to Alderney via FAB Link and maybe this does present a benefit. However, I understand the States of Alderney is looking into microwave  
165 technology for broadband with a relatively small investment, so perhaps fibre optic is not as important as some people believe. Further information of this is required.

We are told that the FAB Link will bring huge savings to millions of homes and offer a £1.8 billion reduction in electricity bills to homes in the UK. Also, the FAB deal will save ARE £40 million and yet the Island stands to receive only a derisory £70,000 per year ground rent for  
170 the cable. Do you Members feel that this amount represents adequate compensation for access to the energy resource of the Island and ensuing upheaval? I cannot think of any benefit for the Island which might be large enough to offset the impact of such a project. Huge benefits will accrue to everyone else involved but few to the Island. I suspect that the main beneficiaries of this scheme will be ARE, the UK and France, with huge EU renewable subsidiaries being awarded. Any  
175 significant benefits from FAB should be published without delay.

The people of Alderney need to see the overall masterplan *before* any decisions are made to accept FAB Link on the Island. This must include everything that will follow FAB Link in connection with ARE tidal power and must include every single building that needs to be erected; every single  
180 trench that needs to be dug; exactly how long our beaches will be out of action; how long structures such as connection pits will be in situ; what contingency plans, if any, may be in place

to return any affected land back to its original state. What steps have the States taken to ensure financial security for the completion of the project?

185 I would ask the States to arrange a full and independent public meeting with all representatives from the States of Alderney, FAB Link, ARE and ACRE present. The People's Meeting held last week was chaired by a States' Member who was quite simply justifying decisions already made by the States and was definitely not unbiased. This is not what the people need.

190 We know that wherever FAB Link goes the ARE converter station will also go, albeit at some stage in the future, so the impact of the converter station *must* therefore be considered at the same time as FAB. Changes to the Land Use Plan must be achieved *before* any planning applications can be considered and must be deferred before the Land Use Plan Phase Two has been completed.

195 The Alderney Wildlife response to the public consultation published on 2nd September is also clear in this respect, as was Mark Wordsworth's of ACRE. I was told by Mark Wordsworth of ACRE that, in his opinion, the Renewable Energy Law should be amended to give ACRE powers to regulate interconnectors. He communicated this view to the States of Alderney by letter in March 2016. The minutes of the March P&F meeting show that the States' Members voted unanimously to do this. As far as he and I are aware nothing has been done about this and yet the States still appear to want FAB to go ahead without any regulator in place. This is unacceptable. FAB should not be rushed through until a law has been changed allowing ACRE to regulate FAB and any other interconnectors.

200 I was told by an ACRE Commissioner that ACRE's main concern is the scale of the future ARE project and its impact on the Island. Therefore, if that scale will be so damaging to the Island, then what on earth is the point in having a FAB Link enabling cable?

205 Alderney Wildlife Trust has just published its response to the FAB public consultation and has concluded that there are six areas of major concern: '1. Meeting UK Standards' – FAB has not done this. '2. Lack of clarity in project separation' – both tidal and FAB must be considered together. '3. The Alderney Planning Mechanism and FAB Link' – adequate mechanisms not in place. '4. Documentation discrepancies' and omissions – to be rectified *before* any planning submission. '5. Direct environmental impacts of the installation' – response is required. '6. Timing and handling of the public consultation' – the timescale and timing of the consultations were unreasonable. Surely these deficiencies need to be addressed *before* the project is taken any further.

210 For the forthcoming General and Presidential Elections, I believe that all candidates should clearly state whether they are in favour of FAB Link and why. I would request that formal hustings are arranged when all candidates will be expected to attend and subject themselves to questions about what their opinions are in respect of relevant issues.

215 This is far too big a decision for 10 States' Members to be making. Democratic process demands that the people be given the opportunity to vote on such a momentous issue. Call it a referendum or call it something else, I would like to know if our States' Members would be prepared to offer this to the people.

220 Could the States advise me now what would be a reasonable timeframe for response to my questions? Scotland had their chance; Britain had their chance, and now surely it is Alderney's turn – just give us the chance.

On a personal note, this whole affair smells worse than my bait box!

225 Thank you Mr President.

**The President:** Thank you Mr Dupont.

Could we move to the next Plea, please.

**The Greffier:** Thank you sir. Mr Mike Dean.

230 **Mr Mike Dean:** Mr President, States' Members, you will not be surprised to learn I am going to talk about the FAB Link project.

235 You are no doubt aware of the growing concerns in the Island regarding FAB Link, ACRE, Race  
Tidal and the officials of the States of Alderney. There is a clear lack of information and a  
substantial link between the FAB Link interconnector and ARE tidal developments. From what is  
240 considered to be an inadequate consultation process given by FAB Link to date – most of the  
illustrations were of Budleigh Salterton in Exeter – it is clear that an application for only FAB Link  
interconnector is planned. However, ARE has already informed us, based on the availability of the  
interconnector, they plan to submit an application for a tidal array of  
240 300 MW together with a multi-directional converter station, which is reported to be Phase One of  
an extensive three-phase infrastructure development required for the power to the link into the  
interconnectors which may have significant impact and change our Island forever.

I quote from Ofgem – this is specific to the licence of FAB Link and there is a piece there specific  
about Alderney. It says:

Multi-terminal HVDC interconnectors are rare and designing multi-terminal links capable of power reversal is  
complex. Once the tidal generation is connected, the system will be the largest multi-terminal link in the world.

245 And this is one of three!

With that in mind, is it not time we all saw the masterplan for Alderney including all the details  
of converters, tidal turbines, security implications, its infrastructure and the connections for tidal  
power, together with a full, independent, Island-wide risk assessment?

250 The potential FAB Link planning application is not something that can be considered in isolation  
as this is an enabler for ARE's future route to market to deliver tidal energy to France and the UK  
through ARE and Race Tidal. It should also include planning for the turbines and converters at the  
same time. This project is significantly larger than anything contemplated by the provisions of the  
Alderney BDCC laws and guidelines.

255 It was quite evident in the People's Meeting last week that this is a huge project with enormous  
implications for all the residents of the Island and also people paying occupiers' rates here. The  
dictionary definition of a project is as follows:

Something that is contemplated, devised, planned; a plan or a scheme.

260 My plea is this: when an application is made it should cover both the interconnectors, the  
inverter station, the converter station, the tidal power cables and all the related infrastructure  
and that the BDCC prepare revised processes to evaluate large infrastructure projects following a  
public consultation.

I believe this project is way too big for the BDCC planning committee and it should go to the  
full States with public consultation. I think there should be an independent judicial review into this  
controversial project due to the ambiguous nature of some of the answers at the People's Meeting  
and the lack of agreement amongst the officials and residents in attendance of that Meeting.

265 It is clearly now evident we require an Ordinance to allow a public referendum. I believe  
Guernsey is having a referendum next year on Island-wide voting. I have 400 signatures with me  
from people on this Island requiring that.

Thank you for allowing me to express my view.

Thank you.

270

**The President:** Thank you, Mr Dean.

Monsieur Greffier, could we move to the last Plea please.

**The Greffier:** Yes sir. Mrs Whittaker.

275

**Mrs Geraldine Whittaker:** Mr President, States' Members, my questions really deal with two  
very narrow aspects: the aspect of the relationship between ACRE and ARE and matters arising  
from analysing the accounts of ACRE.

280 My first question addresses the matter of the actual value of the loan note accepted by ACRE from ARE, seemingly on the authority of the States of Alderney.

285 My second question is, is it right for ACRE to extend a loan to any company it regulates given that this pulls far short of any acceptable code of practice, placing ACRE as it does in a conflict of interest situation? One must question seriously the propriety of a regulator having any financial interest at all in any company it regulates, let alone an interest which cannot be properly quantified.

290 First I will deal with the actual value of the loan note. The loan note arose from ARE's inability to pay block fees due to ACRE of £340,000 in the year ended 31st December 2015. In addition, the Report and Accounts signed off by the auditors, KPMG, lists as a post-balance sheet debt item the fact that block fees due and payable had not been paid and that the Commissioners agreed to roll up block fees due for the six months ended 30th June 2016 on a loan note – and here I quote:

... subject to formal approval being received by the SOA.

This means in all probability that block fees due in December 2016 will similarly be unpaid and they too will be rolled up into a loan so that by December 2016 the nominal value – and I have to say the *nominal* value – of the loan note would be £690,000.

295 Quite apart from the propriety of a regulator accepting *any* stake at all in an entity it regulates, there must be serious doubts as to the value which ACRE has placed on the loan note in the 2015 accounts. KPMG, ACRE's auditors, were quite unable to value the loan note. They were, in other words, unable to obtain sufficient evidence to be able to evaluate the Commissioner's assessment of the recoverability of the balance, nor were they able to perform alternative procedures to obtain sufficient, appropriate evidence to support the carrying value of the trade debtor balance.  
300 Though KPMG found themselves completely unable to assess the recoverability of the note, in Note 7 to the ACRE accounts we have – and here I quote:

After due consideration, the Commission has decided that no impairment is required on the debt due from ARE.

305 This is a statement made by ACRE itself. In other words, the Commission seems to be in no doubt at all as to the recoverability of the loan. Whose assessment of the value of the loan do we accept: the auditor's – a completely disinterested party – or the Commission? Does the Commission know something that we do not know? Does the Commission know something they felt unable to pass on to the auditors? What was the process by which ACRE reached its decision on the value of the loan? Was the States of Alderney involved in any way? Why did the States of Alderney authorise acceptance by ACRE of the loan note? Could you please explain to us the process by which the States of Alderney decided to grant such an authorisation, given that a loan note from a private  
310 company with liquidity problems is *prima facie* hardly worth the paper it is written on. It is clearly not an investment grade security. In other words, it is a junk bond if ever there was one.

315 Why does the Commission think it right to include it in ACRE's accounts at full face value? Does the Commission or the States of Alderney expect ARE to receive funding from the third party? Was any proper valuation made before ACRE agreed to accept the loan note instead of a cash payment? In other words, please describe precisely the process by which the loan note was formally valued.

320 I now move to my second question. To recapitulate, ACRE as the body responsible for regulating ARE should scrupulously avoid at all times any conflict of interest. This means it should have no debt claim or any equity claim on ARE whatsoever. Whether the value of any such security are ascertainable or not should not affect the generally accepted basic proposition that the holding of a financial claim on a company it regulates is wholly unacceptable. The acceptance of a loan note of highly debatable value is even more inclined to underline the regulators impartiality.

325 There is one other matter which I would like to seek clarification on and it is this: ARE are most unlikely to repay its debt to ACRE now or in the foreseeable future unless and until it receives substantial funding from a third party. This being so, for ACRE to carry the loan at its full face value

is entirely unrealistic, even misleading. Would the States of Alderney, who authorised the acceptance by ACRE of ARE's loan rate, consider authorising a petition for the winding up of ARE for non-repayment of the loan and, if not, why not?

Alternatively, the Renewable Energy (Alderney) Ordinance states – and here I quote:

The Commission may, subject to the following provisions of this section, revoke or suspend a licence granted by it if the Commission is not satisfied that the holder of a licence is able to generate or supply energy or will not continue to do so for the term of the licence in the way, manner or the amount proposed at the time the licence was granted, having regard to such matters as the Commission considers appropriate, including: liquidity and the funding of the whole of the licence.

330 The States of Alderney/ACRE would be fully entitled to exercise either of these options to petition for the winding up or to cancel or revoke the licence. Has any consideration been given by the States of Alderney to authorising ACRE to take one or other of these courses of action, if indeed authorisation is required?

335 Prima facie, the case for taking one or other of these courses of action is overwhelming. However, remember, ACRE's own position is severely compromised because ACRE actually holds the loan note. This might prevent it acting in an impartial, even-handed way. It is imperative the States of Alderney considers what it should do to ensure that ACRE becomes a more effective regulator, if necessary by passing amending legislation. ACRE must be required to operate strictly at arm's length from ARE or any other company it regulates with *no* conflict of interest.

340 ACRE should be operating at all times strictly in the best interests of the Island and its inhabitants. It should act without fear or favour. How does the States intend to enforce and to monitor this?

345 Finally, I attended the meeting on Monday when the University College London Report on Good Governance was launched. The President and the panel spoke about the need for change, the need for transparency, the need for consultation of the people, the need for people to debate important matters. FAB Link is of enormous significance to the people of Alderney. Should we not already be exercising best practice, promoting greater transparency, encouraging consultation of the people of this Island and arranging for disinterested and informed opinions to be obtained on this major issue?

350 I hope, Mr President, that you and the States of Alderney will heed the advice in the Report with immediate effect. Or, will you take your lead from St Augustine of Hippo who prayed to God, 'Make me chaste, but not yet'?

Thank you.

355 **The President:** Mrs Whittaker, thank you very much.

360 Before we move on, I would just like to say thank you everybody for engaging and putting their Pleas forward so clearly. In order to assist the States to answer your questions, particularly those who made a lot and if your presentations this evening differed somewhat, in small manner or large manner, from that which you gave to the Greffier, could you please provide the Greffier with a copy of the questions that you have asked tonight in order that the States can more fully answer them?

Thank you very much.

365 **Mr McKinley:** Mr President, could I just ask a question?

**The President:** Of course you can, Mr McKinley.

370 **Mr McKinley:** I was going to ask a question actually about how the answers to those questions were going to be delivered and you have actually given that, but I think it needs a wider delivery rather than just to the person who asked the question; the questions need to be perhaps publicised, published and answered publicly.

375 **The President:** Mr McKinley, the answer to that: the individual making the Plea makes the Plea to the States. The States responds to that individual and if that individual wishes to disseminate that information they are fully free to do so, but the responsibility of the States is to answer the person making the Plea.

380 **Mr McKinley:** I think it would just alter the position and the view of the States if we were to make that public, but perhaps not.

**The President:** Thank you, Mr McKinley.

## II. The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016 – Item referred to the Policy and Finance Committee

*Item II.*

*The States of Alderney is asked:*

*to approve the draft Project de Loi entitled, 'The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016' and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.*

**The President:** Mr Greffier, could we move on to Item II, please.

**The Greffier:** Thank you, sir.

385 Item II this evening is The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016. A letter has been received by yourself from the Bailiff and asking that the States of Alderney approve the draft Project de Loi entitled, 'The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016' and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

390 **The President:** Thank you very much.  
Mr Harvey, as Convenor, were there any comments on this?

**Mr Harvey:** There were no comments on this Item, Mr President.

395 **The President:** Thank you very much indeed.  
Mr McDowall, I believe you wish to propose this Item.

**Mr McDowall:** Yes, I wish to propose it, Mr President, and the subsequent amendment.

400 **The President:** Thank you.  
Mr Simonet, I believe you wish to second this.

**Mr Simonet:** I wish to second this Item, sir.

405 **The President:** Thank you very much indeed.  
Mr McDowall, I believe you wish to move an amendment to this.

**Mr McDowall:** Yes, I do indeed. Thank you, Mr President.

On the surface this may look like a tidying up measure. Various legislation in Alderney has its own interpretation sections. Currently, if there are no interpretation sections, we tend to refer to

410 Guernsey Interpretation Law. We need to determine what the impact of this may be on existing  
legislation and we also need to look at what constraints this may pose on any future legislation.  
So I propose that this is referred to the Policy and Finance Committee for further examination.

**The President:** Do we have seconder for this amendment, please?

415

**Mr Simonet:** Yes, I do, Mr President.

I think this legislation, as Mr McDowall rightly says, needs to be looked at very closely. The  
legislation could adversely impact on Alderney simply by unintended consequences – or if you do  
not really trust Guernsey, by intended consequences. Therefore, I would like to see it referred to  
420 the P&F Committee.

**The President:** Thank you very much.

Mr Greffier, do you have a copy of the amendment?

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**The Greffier:** I do, sir.

**The President:** Would you be kind enough to read it to the States so that they can then debate  
the amendment.

430

**The Greffier:** It is entitled, 'The Interpretation and Standard Provisions (Bailiwick of Guernsey)  
Law, 2016. It is from Mr Robert McDowall, States' Member and Chairman of the States of Alderney  
Policy & Finance Committee.

I have read the recent letter from the Bailiff of Guernsey about The Interpretation and Standard Provisions Law. I  
am very disappointed in the presentation of Interpretation and Standard Provisions (Bailiwick of Guernsey) Law,  
2016 as a mere routine, tidying up and standardisation exercise. It has important and constraining impacts on the  
interpretation on existing legislation and future legislation which may be enacted by the States of Alderney.  
I propose the following amendment:

*Amendment:*

*That The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016 is referred  
to the States of Alderney Policy and Finance Committee to assess the impact on current  
legislation and the constraints it may impose on future legislation.*

435

**The President:** Thank you very much, Mr Greffier.

Does any Member wish to comment on the amendment? No comments on the amendment?

In that case, Mr Greffier, you can take the amendment as approved, which means that Item II  
will be debated no further.

440

**The Greffier:** Thank you, sir.

**III. Report on the Tidal Energy and FAB Link Projects –  
Information Report debated**

*Item III.*

*Information report for debate without resolution.*

**The President:** We move to Item III please, Mr Greffier.

**The Greffier:** Yes, sir.

445 Item III this evening is the Report on Tidal Energy and FAB Link Projects. Mr McDowall, in his capacity as Chairman of the Policy and Finance Committee, has submitted the attached Report for debate without any resolution by the States of Alderney.

**The President:** Thank you very much indeed.

450 Mr Harvey, as Convenor.

**Mr Harvey:** Thank you, sir.

As may be expected, there were a considerable number of questions and comments. I think it is fair to say this put considerable stress on the minute taker, as a result of which I have tonight, in the past hour or two, received the Report which includes the questions and the comments raised, but not the answers. I do not intend to attempt to do these from memory and I have suggested to the Chief Executive that we publish the questions and the answers given on the night. Probably the good news is that I believe all States' Members were in attendance on the night and therefore heard both the questions and the answers. So, with your approval, I will go through the questions and comments raised:

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460

- Why FAB? Can we not have a cable to France for electricity rather than concreting over our beach at Corblets and having large transformers on our Island?
- How will this development affect my quality of life? States' Members have been voted in to protect the Island. How are you, the Members, qualified to make a decision with no consultation with the people who will be affected by this development? If the cable comes, the converter will follow.
- When this project comes to the planning stage, would the States allow a referendum on this subject?
- Noted that there are two separate projects: FAB Link and tidal energy, plus converter. Why does FAB need to come here? Has the minute from the meeting of 7th November 2008 been superseded?
- What is the reason for the French agreeing/wanting to come through Alderney to UK – commercial viability queried.
- Security risk of the FAB Link from France to UK.
- Environmental concerns raised by the Alderney Wildlife Trust that were raised with ARE have not been addressed fully. Not enough transparency as to who gains and where the money goes.
- Planning process and the States' support of the project queried as to how the planning process could be independent.
- 50% ownership of FAB Link is with ARE: who would we be dealing with when ARE pulls out of the FAB Link?
- What do France and the UK gain from this link? Will we be producing the green energy that will financially benefit France and the UK but not Alderney?
- We have to realise that this is not a small parochial exercise but part of the bigger picture of the Pan European grid and that globally there is an enormous effort to get rid of fossil fuels. Alderney alone generates a huge amount of pollution into the atmosphere.
- Power produced in France is AC so a converter is needed to convert this to DC. Would a short cable from France not be able to do this rather than a converter station?
- Noted that the converter station is being proposed to be situated in Mannez Quarry; however, it is also noted that if all the tidal power is to come on-line then more of these converters will be required. Where will they go?
- Is ARE being pressured by big business to develop the FAB Link?
- Queries as to the financial gain by ARE compared to that being given to Alderney for the development of this project: £70,000 compared to £40 million – questionable figure.

- Could the cable run under the Island rather than over it as this would negate the need for converter station and the jointing pits?
- What effect will the cable have on fishing and crabbing?
- Planning process with regard to the Environmental Impact Assessment where several routes for the cable should be surveyed to identify alternative routes.
- ARE presentation stated that tidal energy will not be produced. Therefore, what is the future role of ARE?
- Tidal energy in 2004 was considered as good and beneficial to the Island. There was no mention at that time of cables and converters. How many more cables are required?
- We are being drip-fed on this project. Why can't we be given the bigger picture?
- France/UK will provide 300MW, but how many MWs of power needs to be generated to make the Island self-sufficient and what is the time frame?
- Why hasn't the States made a public announcement regarding the signing of the 50-year contract?
- Has the States and ACRE let Alderney down in its decision-making process regarding finances?
- The routing of the cable to Budleigh Salterton crosses the Hurd Deep. Has a survey been carried out and what affect the contaminants may have on the cable?
- Has everyone concerned in the area that the cable runs over – specifically Longis Common – been consulted?
- Why was the consultation period extension refused? Due process has not been followed and the whole picture with regard to the project not been provided.
- If we had an Environmental Impact Assessment provided, fears and worries of the Islanders regarding the proposals would disappear.
- Why hasn't anything been done with regard to the Policy and Finance minute of 29th March regarding the regulation of the FAB Link interconnector?

**The President:** Thank you, Mr Harvey.

Mr McDowall, would you like to propose your Item?

465 **Mr McDowall:** Yes, indeed, Mr President.

My proposal is that this is actually posed for a more detailed response but that this is certainly open for debate now but without resolution.

**The President:** Thank you very much.

470 Before we move any further, Mr Greffier, would you please read out Item III as it is on the Billet, for everybody's edification.

**The Greffier:** The full Report, sir?

475 **The President:** Not the full Report, no; what is written on the Billet.

**The Greffier:** Sir, it merely says:

Mr McDowall in his capacity as Chairman of the Policy and Finance Committee has submitted the attached information Report for debate without any resolution by the States of Alderney.

**The President:** Thank you very much.

480 Mr Harvey, do you wish to present the Report?

**Mr Harvey:** Thank you, sir.

I will read the Report. Many will have heard it before but there may be some at home who have not and it is, hopefully, reasonably brief.

485

Report on the Tidal Energy and FAB Link Projects.

The States of Alderney believe the tidal energy and FAB Link projects are vital to the future prosperity of Alderney, but the linkage between the two distinct projects is not always well understood, nor the impacts each will have on the Island's unique and very special environment. This report seeks to clarify these matters and demonstrate that the future viability of the Island can be ensured without destroying its character.

### Background

The tidal energy project dates back to 2004 and has as its objective 'harnessing the enormous energy potential of the waters around and owned by Alderney: conservatively estimated at up to 3GW, enough electricity to power for example 1.8 million homes.' The technology is difficult, but as with the problems of extracting North Sea Oil and Gas, the price of energy rising remorselessly over the years and over-dependence on fossil fuel will ensure development of this 'green' resource. Although still a developing industry, tidal energy is now moving from small 'pilot schemes' into 'pre-commercial arrays' with projects planned in French waters off Cap de La Hague in 2017. Alderney took an early lead in recognising the benefits of marine renewable energy with the creation of the Alderney Commission for Renewable Energy (ACRE) and by establishing a legal and regulatory regime to permit licensing of the seabed and payment of royalties to the States of Alderney. The first licences were issued to Alderney Renewable Energy (ARE) in 2008 for which ARE pays ACRE £545,000 per annum until such time in the future as royalties are generated. Of this payment £200,000 is passed to Alderney Electricity Limited (AEL) to make a reduction in islanders' electricity bills. It is worth noting that in most countries the companies developing renewable energy sources receive Government subsidies whereas in Alderney the reverse is true.

Viability of the project, which requires very large investment years ahead of any return, depends upon the ability to 'export' the power generated to UK or France.

The FAB Link (France-Alderney-Britain) project, in which ARE is a 50% shareholder, is a European project, part of a series of grid 'interconnectors' between mainland Europe and the UK. It is designed to provide greater security and efficiency of supply and lower electricity cost. The investment is again very large and the return will come from supply of electricity at prices agreed with Ofgem in the UK. The FAB cable project works to a very different timescale from Tidal Energy, with first power expected at the end of 2020, and could very easily run up the Race by-passing Alderney itself. Indeed initial returns to investors would be higher if it was a purely submarine cable without touching Alderney.

FAB Link does not therefore depend upon tidal energy and can be seen as a stand-alone project. However without access to the FAB Link the tidal energy project will at best be delayed by many years, or at worst its viability will be questioned.

### Benefits to Alderney

FAB Link itself is nothing more than a set of cables, each five inches in diameter, buried one to two metres deep, crossing Alderney at Longis Common. It does not require 'converter stations' or any above-ground buildings or constructions. If planning permission is given, then the States as landowner will be paid £70,000 per annum: approximately double the rental value of the States' land in which it will be buried. The report at Appendix A explains this calculation and provides further background on the FAB Link project. The arrangement covering the path of the cables is essentially a 'way-leave' agreement, similar to those for underground cables laid by AEL. However, there are two significant differences with those current arrangements with Alderney Electricity Ltd: planning permission is a prerequisite for FAB Link and an annual 'rental' fee will be collected until such time as the royalties from tidal power exceed that sum.

Fibre Optic Cables: submarine power cables need to incorporate fibre optic cables to monitor performance. Specifications being sent to manufacturers include additional capacity which will provide a massive broadband capability for our Island. Although final agreements with telecoms operators and regulators have to be reached, access to these cables will be relatively simple requiring no large-scale surface constructions. There is a significant advantage to the Island's economy from this, with huge potential for growing the number of digital or internet-based businesses and thus opportunities to increase employment levels on the Island. A further benefit will be improvements in the quality of broadband services available to existing residents and businesses.

Access to tidal energy and royalties to the States of Alderney will be far and away the biggest benefit to the Island. Although at least five to 10 years away, the reasonable expectation, based upon existing licenses and the available seabed, as yet unlicensed, is that millions of pounds a year could be generated for Alderney. How this income should be used is for future States and Islanders to decide, but they open up the possibility of much greater financial independence at a time when Guernsey is already struggling with the burden of paying for health care, pensions etc. At that point, cheaper electricity for islanders too is a real prospect.

### Impact on the Island Environment

FAB Link will be entirely underground and after restoration of the trenching work, invisible apart from small markers. The States are in discussion with FAB Link regarding the planning processes necessary to achieve this, which will be independently reviewed by ARUP, and the only commitment given at this stage by the States is an option agreement, subject to planning processes, to the cables alone.

Tidal energy has long been supported in principle by successive States, but in terms of construction activities no agreement has ever been given or implied. Agreement to the FAB Link does not in any way compel the States to agree to any other works. The turbines themselves will be deep underwater with no visual impact. However, in order to export power from the tidal project and extract power for Alderney's own use it would be necessary to construct a converter station. Current estimate is that the various buildings to achieve this would take up about one third of Mannez Quarry. Floodlighting would not be necessary; noise levels would be less than our existing power station and the site would be landscaped to soften the visual impact.

It must be emphasised that the States has given no commitment to such a construction, which would need to go through a rigorous process of environmental impact studies, public consultation, full planning procedures and States' debates before any such agreement could be considered.

Conclusion

The States of Alderney is governed by strict legal, procedural and planning frameworks and at all times abides by those. A number of Policy and Finance Committee meetings have debated the FAB Link, taking advice not only from the Law Officers in Guernsey but also States-appointed lawyers with extensive knowledge of power transmission agreements. It was the unanimous conclusion of all States' Members that we should proceed with the option on the FAB Link, subject to continuing safeguards on planning and the very tight regulatory and safety standards required by both UK and EU authorities. Appendix B provides a summary of the decision-making timeline to date for both projects.

Preservation of our environment and community remain the top priorities for all States' Members, whilst planning for developments which will benefit future generations of islanders.

**The President:** Thank you, Mr Harvey.

Does any Member wish to comment on the Report? Mrs Paris.

**Mrs Paris:** Thank you, sir.

490 As Mr Harvey has clearly said, we have unanimously backed this project to date and I do not  
want to get into very much detail, but in the 1970s Alderney was offered an electricity cable from  
the newly built nuclear power station at Flamanville. It was rejected. I am not sure why, but I  
expect some of the arguments included, 'Nuclear power is the fuel of the devil.' 'We do not want  
any change here.' 'We do not want involvement with large corporations or other Government  
495 entities.' and, 'We are fine as we are.'

The result: more than 40 years of very high, totally uncompetitive electricity prices instead of  
perhaps parity with French prices. Take a moment, perhaps, to reflect on the difference to our  
economic viability that might have made over the years had we said yes.

500 Most unusually in life we have a second chance. On our doorstep we have discovered a vast  
natural resource that will never run out, unlike gas, oil and coal. It is currently pretty much  
untamed but no doubt the technology will move apace because the entire world is looking for  
sources of green, reliable energy and we have it here.

505 There are many and very legitimate worries about what happens when this tidal energy will be  
commercially exploited – believe me, we are very aware of that. As the technology develops, the  
plans are bound to change. We must all keep our eye on what is happening and any development  
must be balanced against the protection of our Island, but I think it is worth remembering how –  
well, I am sure most of us remember here – big the first mobiles were, for example, and how small  
they are now –

510 **The President:** Mrs Paris, could you please address the States' Members and not the public.

**Mrs Paris:** Sorry.

– and when you think of what the computing power now is in your tiny phone.

515 Without the FAB Link in place there is a very real possibility of the loss of future financial  
security for Alderney. We may well then be in a situation of managed decline as funds from  
Guernsey become harder and harder to obtain, but with the payment of royalties I think we could  
avoid this.

520 I and most of my States' Members – and I apologise to Mr Birmingham for this – are part of a  
particularly fortunate generation. I am saying, obviously, that Mr Birmingham is considerably  
younger than the rest of us. We had free school milk, good healthcare, no tuition fees at university,  
secure jobs, an easy step onto the property ladder, good pensions – I could go on. Such things are  
the keys that open doors to a healthy and prosperous life and, let's face it, we are not handing on  
nearly such a good package to our children and grandchildren, wherever they live in the world but  
especially here.

525 With the FAB Link in place, we have a very real possibility of financial security for our Island's  
future generations and I, for one, do not want to be involved as part of the group of people who  
handed over the key to the Alderney Mausoleum.

**The President:** Thank you, Mrs Paris.  
530 Does any other ...? Mr McKinley.

**Mr McKinley:** Mr President, fellow States' Members, the turnout tonight in the public gallery,  
with many more outside and listening to Quay FM, 350-plus attendees at the People's Meeting  
last week, the protest demonstration on Sunday, the Facebook comments, the length of time that  
535 it takes me and a number of my fellow States' Members to collect our newspapers in the morning  
and the very impassioned Chief Pleas this evening all are a clear indication of the concerns and  
fears of what I guess to be the majority of Alderney residents from all sectors of the community,  
not just the privileged few and those who live in the north east of the Island – and I have not  
mentioned the second-home owners whose contribution is enormous to this Island and without  
540 whom many of the builders would have difficulty finding work.

I think that I speak for the majority of islanders when I say that I strongly support the efforts of  
ACRE and ARE to harness tidal power from our unique and fast-running waters. I would also  
support efforts to harness wind power, wave power and solar power. We will run out of fossil  
545 fuels in time and we must find alternatives. I also congratulate ACRE and ARE for all they have  
done over the past 12 years or so and I understand it is one of the principal responsibilities of  
ACRE and ARE to look after the interests of the Island and its people – something which sadly  
many are beginning to question.

I should also say that I did support the proposal at a meeting in April last year that the Chief  
Executive should be instructed to conclude negotiations and sign the Option Agreement, and I  
550 stressed 'Option' Agreement. We were also told at the meeting that all necessary consents  
including detailed planning permission and agreements as to cable routes must be obtained to  
the satisfaction of the States prior to the granting of any licence. I think I am correct when I say  
that no licence has been signed – and please, Mr McDowall or others, correct me if I am wrong. I  
hope I am not – certainly if it has, we have not been consulted.

555 Regarding the Option Agreement, good practice dictates that it would have been better if it  
had been initialled on every page. I understand that this is not a legal requirement, but there  
appears to be pages missing: page 2 of the Definitions and Interpretations is not there, so there is  
no definition of who the lenders might be and the role of the States. The annexes of the detailed  
plans and the specifications are missing completely. These need clarification.

560 I share, actually, Mr Dupont's concern – and many others' concerns – about what I consider to  
be a paltry £70,000 per annum, but I am glad at least that it is index-linked because if it was not it  
would be worth about £6,000 in 50 years' time.

565 Why is it that I and many others get the feeling that we are going round and round in circles?  
We are still discussing many of the issues that were debated in 2004 and 2008 with no clear way  
ahead and very little public consultation. We are being given all the positive benefits with little  
regard to the negative impacts. Have we been told the full story regarding the FAB Link and the  
possible converter station? How big will the converter station be? It seems to have grown from  
18,000 m<sup>2</sup> when we were briefed on 10th August to apparently 54,000 m<sup>2</sup> now – and some have  
heard the figure of 21 acres.

570 I am told that we may get a fibre optic link – and Mr Harvey mentioned that earlier – but with  
whom? A French company or Sure? What about the associated infrastructure on-Island – both  
ends actually, in France and here? Yes, we need a faster broadband connection, but can we really  
wait until 2020 or later? No, we cannot. And as a matter of interest – and again it was mentioned  
575 the States were in discussions with a company regarding a possible microwave link through  
France.

Recent reports from the Alderney Society and the Alderney Wildlife Trust – both of whom are very strongly supported – raise serious concerns. The Chamber of Commerce is also worried about the possible negative impacts, as are our very few commercial fishermen.

580 I would like to propose a way forward: first, let's have a period for detailed consideration of all the principal concerns. The States, ACRE, ARE and many others have been considering how best to harness tidal power for over 12 years. A few extra months surely will make little difference when we consider that we are unlikely to see tidal power until the early 2030s.

585 So I suggest a moratorium – perhaps for six months – during which FAB Link, ACRE and ARE commission a series of reports and possible impact assessments – and I stress that these reports must be impartial. I suggest some or all of the Universities of Cranfield, Loughborough and Southampton – one would be enough probably – be commissioned to undertake a review of where we are now, the possible options for moving ahead and the possible timescale.

590 We should also instruct ACRE to commission a totally independent and neutral environmental impact assessment. We have had the views of Alderney Wildlife Trust. We have recently had the views of Alderney Society. We need a totally independent one. I know that ACRE produced one in 2013, but I think we need to see a slightly better result or one that is not quite so imbalanced.

Let us have an independent security risk assessment by a fully qualified, external consultant. We should consider how best and how quickly we might be able to benefit from an electrical cable link from France. Mrs Paris mentioned lists of things considered before; it could be put in again.

595 We currently use about 1.3 MW a day during peak hours here. We probably need an additional 10 MW on top of that and this together with an improved broadband will enable us to establish a datacentre here – which Mr Harvey referred to – which could attract serious investors and bring in much needed money. Maybe we could also relocate part of all the e-gambling back to the Island.

600 Perhaps we should consider the negative effects on property prices – the market is already suffering.

A planning application should only be considered after the reports have been submitted and communicated to and debated with the people of Alderney, and I include the ARUP Report in that. In my view both planning applications should be considered together; after all, what use to ARE is the FAB Link without the converter station?

605 I believe the Ofgem agreement regarding the FAB Link is due to expire at the end of March next year, but surely there will be no problem in extending the agreement by a few months to allow the sort of investigation and reporting that I am requesting.

610 Perhaps we of the States should hold more regular meetings with ACRE and ARE. I would even go so far as to suggest that we form a special working group or committee for this period of consideration and consultation. Let us communicate and hold regular meetings with all interested parties on the Island including second-home owners. Let us consider an Island-wide referendum. After all, Guernsey is about to do that: they have changed their law to enable it – for Island-wide voting. There is no reason why we should not be able to do that here.

615 The President told us on Monday how the Good Governance Review is to be conducted; it is the manner in which a review into tidal energy should have been conducted. Well, it is not too late yet.

620 Finally – and you will be glad to hear the word 'finally' – I am 100% behind ACRE and ARE's efforts. I want to see tidal power and I want to Alderney to be recognised as one of the leaders of the industry, but I want it for the benefit of our unique Island and our even more unique islanders. The French appear to be the major partners. They will be constructing the turbines. They will probably lay them and maintain them. Should we be considering, perhaps, once again connecting our turbines to the French grid through a converter station in France? We should obviously have to negotiate the rental costs of our seabed and the financial return, but when you look at the sort of financial return that is being estimated on the FAB Link alone, we are not getting enough out of this.

I firmly believe that if this is handled with due consideration for all, we, Alderney, could one day be standing as an island on our own two feet.

630 Fellow States' Members, please could we consider my recommendations with some urgency at the next Policy and Finance meeting?

**The President:** Thank you very much, Mr McKinley.

Does any other ...? Mr McDowall.

635 **Mr McDowall:** Yes, thank you very much, Mr President, ladies and gentlemen.

One point of clarification: no licence has been granted at all, Mr McKinley – so that is for clarification.

640 I think 10th August you could say was 'reality day'. I think up until then a lot of us thought this was an interesting and imaginative idea. The 10th August marked 'reality day'. I certainly take on board the comments made at Chief Pleas, both in terms of governance, processes, what needs doing.

645 I think the major dilemma is that France and the UK want power and they want it reasonably quick. The danger therefore may be that we can go through our processes and it may be that FAB Link will go elsewhere or take the cable elsewhere – not as a threat, but that may well be possible and that is the only point I will make.

Thank you.

**The President:** Thank you very much, Mr McDowall.

Does any other Member wish to speak? Mr Jean.

650

**Mr Jean:** Sir, Members of the States, I have found this evening very interesting and I found the addresses to Chief Pleas very enlightening, and later on I will try very hard to encompass some of that.

655 I have said in recent letters published in *The Journal* and *The Alderney Press* expressing my concerns over FAB Link and the deal struck by the States of Alderney back as far as April 2014. The advocate representing Alderney from St James' Chambers asked the States to consent to go back to FAB to press for a better deal. He obviously felt that more was needed for the Island. I supported this and spoke accordingly. The view expressed at that meeting from the Chairman and Members was not to give the necessary consent on the grounds that the rest of the States were concerned that FAB may abandon the project and Alderney would lose the tidal power. Now, I do understand that; that is part of democracy. I could not sway it; I could not change it. I was on my own in support of having a shot at getting a better deal and I think I should say that Graham McKinley was not a Member of the States at the time and possibly neither was Norma Paris, Mrs Paris – I am sorry, I should not refer to you by your name.

665 As I said, I understood the view of the rest of the States though I did not agree with it. At the time there was no access to black fibre and no access to tidal energy. I wrote two emails at the time, one of which I will quote to you. It is to our previous permanent CEO, Mr Burke. The date of the email is sent 6th May 2014 at 12.20. 'Fab Link Agreement' is the subject.

Dear Roy

I am so concerned about the advice contained in the bundle from Martin Thornton at St James' Chambers, although I am out of the Island on Thursday night attending a late dinner at the OGH at the request of the Chief Minister, I intend to return early so as to attend this meeting. It looks to me as if we are being side-lined and may end up with little or nothing.

I would be delighted if Martin Thornton could attend in his active capacity on our behalf. It is more than clear from his advice that we have no access to black fibre or electricity. There seems to be no link between ARE and FAB Link. Through being at the Guernsey States three days last week and a bank holiday, I have only just been to collect these papers this morning – Tuesday.

I ask, after you have read this, that you circulate to all States' Members. We really need to get this right. It would be remiss of us not to. It may be our one and only opportunity to negotiate if indeed we still can. Let me know what you think.

Yours Louis

670 These emails, written at the time, give some understanding to the extent of my feelings and concerns. As part of the recent letters, I have published suggestions supporting more clarity and understanding for the problem: the plans for the converter station, the connection pits and any other plans should be published together at the same time as the application to BDCC to be submitted to lay cables.

675 (2) I made a suggestion to bring in a small cable along with the large one to supply power directly for Alderney at the time the other cables are brought onshore. I realise that as the option has been signed, anything more would have to be negotiated for on a voluntary basis.

680 Things have improved since I wrote those emails in 2014. We are told that we will have access to both the tidal energy and the black fibre, but we need to clarify that and at what cost for black fibre.

These are things that I would like to see happen here, not so much for us because we probably as time goes on –

**The President:** Mr Jean, as Mrs Paris, would you please address the –

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**Mr Jean:** I am, sir. I am sorry.

**The President:** Not the public.

690 **Mr Jean:** I am addressing the States but I am also making sure that the public can hear me – (**The President:** Thank you.) – because I know that they are concerned. Thank you, sir. I stand corrected.

695 Not so much for us, I feel the younger generation will benefit more than us. I have always been supportive of the tidal project and I still am. My reasoning – and you have heard me talk about it often – is my concern about the way, in recent years, the costs of fuel oil and all fuels and electricity ... These costs have risen, to my mind, in some cases, at some times, to an unacceptable level – back to my domestic agenda and concern for the young and elderly members of our Island and working families.

700 For the last 20 years we have all heard about the ozone layer and the burden of fossil fuel. Oil and coal is the cause of global warming, melting the polar icecaps. Because of my concern, I do my best. I cut and burn wood and do all I can to use as little fossil fuel as I can, because although burning wood is not good, it is at least better than that – and I have done that for most of my life. I committed to that and believe that I want to leave behind a world still fit for our children – and now my own concern in my own particularly circumstances: grandchildren as well – to live in and enjoy as I have so far enjoyed, and many others have too. It is why I want the chance for the next generation to be part of changing technology which may play an enormous part in healing a world of global warming.

710 As we are not being called upon to vote this evening but to take note of this Report, what can we do now? As the Option is signed, I fully support an environmental impact assessment to come along with the planning permissions when they are submitted. I fully support a full and proper planning application with drawings of connections pits and the converter station size, so the public can see everything with clarity. Even though we were told that it would be permission to lay the cable only, everything must be submitted at once.

715 I fully support taking advice regarding security. I have had meetings and conversations with many people and exchanged many emails. I had a meeting – and I asked his permission to mention his name – with Mr Dick Haines who was concerned the tidal power might never come – which is an opinion I have heard from the public as well. He has been involved in power and its delivery for

720 most of his life. He believes that we, the States, need to ask FAB if a mini-converter can be purchased and installed to guarantee access to cheap electricity in the event that tidal power does not proceed. I stress although the Option is signed, we must try to negotiate.

Finally, in conclusion, I did support efforts to get a better deal, and what is quite clear in the minutes I asked for more qualified legal advice. That is in the P&F minutes contained in this bundle. I would ask for the guarantees on tidal power and fibre optics and ask about the mini-converter which apparently can be purchased to allow access to the nuclear cable.

725 I did what I could as the time was right and I do not do them for myself. I have no interest to declare and I want it known that I have no shares in ARE or any subsidiary company. I have always been fairly open when people have approached me and asked for any information and I have said it will be furnished to them unless I was told it was confidential.

730 I have also ... Is it okay if I talk about the amendment that I mistakenly proposed for this evening but might –

**The President:** Did you want to take the one you want to take to P&F? (**Mr Jean:** Yes.)  
Yes, please do.

735 **Mr Jean:** Today, because of my concerns and wishing to have more – like my colleague, Mr McKinley – involvement with the public in this so that they can feel that we are attempting to address the balance of securing –

740 **The President:** Mr Jean, can you please address the States.

**Mr Jean:** I am very sorry. I apologise.

I today drafted a rough draft of an amendment which obviously will have to be polished up considerably, and I wrote the following:

I seek permission to lay an amendment and propose the following:

As the planning application to lay the cable is not due to be placed before BDCC until December 2016, that until December 2016 –

And I think that date will have to be changed. I think we need more time on that.

– a moratorium or breathing space –

745 And this idea I lifted from Mr McKinley's interview and I thank him for it, and what I am trying to do is take that idea one step further.

– to be established to enable the States of Alderney together with representatives of FAB and ARE to further discuss concerns raised by the public together with suggestions from the States of Alderney and solutions including the possible purchase of a mini-converter to allow Alderney Electricity to tap into the black cable.

750 I do not know whether that is appropriate, this will obviously have to be polished up and sorted, but I am hoping, with President's consent first and the Chairman of P&F, to put this on the next P&F agenda to try to do something concrete about the concerns expressed by the public – and I think that is very important.

For now, sir, I think that is really all that I can do with this and all that I can say, and I hope that happens.

Thank you very much.

755 **The President:** Thank you, Mr Jean.  
Does any other Member wish to speak on the Report? Mr Roberts.

**Mr Roberts:** First of all, can I say I really support what Louis has just said. We can go through that action. I would fully support you and Mr McKinley on that. I think we do need to do that and we need to be seen to do that.

760 I will just read out what are my thoughts separate to that, but I wanted to comment on that, Louis.

When the people see the huge developments that are required to convert the DC current from mainland France, they are concerned and quite rightly, sir. Some are horrified at the possibility of a power station in Mannez Quarry, an area of now national beauty and near their homes. But, you  
765 know, it is not really about us here tonight; it is future generations that we have to be looking forward to. I too am concerned about the huge buildings that are talked about. The States and all concerned must heed this protest for they have every right to lobby the States on an issue that could be life changing in so many ways for every one of us. They have every right to do so and I believe this concern helps the States enormously, but the community is split and I have heard  
770 voices from both sides and have been lobbied both sides. I have been attacked and I have been praised.

We are told that we will do badly at the polls. Well, I am not sure. Anyway, this is a thankless job at times and I welcome you to try it and see. Someone will always think you are wrong; they can do better, but they will end up in the same place I can tell you.

775 No real plans have been submitted for the converter and I personally believe this was all very badly handled by ARE and FAB in the way that people have been kept in the dark and given no solid facts. If it was handled correctly, the most important project could benefit Alderney greatly in the long-term. A question by the Chief Pleas came up – I will not mention which one – but I myself have asked for an inquiry by London experts for the FAB Link deal – which I am very  
780 unhappy with – and I did receive a positive response from the States.

I use the word, 'long-term' not because it is my belief that a converter would not be built until technology for the turbines is perfected – and that may be many, many years away from now – so to talk about this time, in my view, is wrong. It is not everybody's view, but the second phase may never be agreed. That could be 10 or 15 years away: a long time down the line anyway. Let me  
785 talk of the underground cable – something that will show no visible change; no noise; no eyesore, just a couple of manhole covers housing two cables linking us at last with France. What we are getting in monetary terms is nowhere near enough for the separate FAB Link. I have asked for a written agreement to guarantee a fibre optic cable to enable business to settle here bringing technical furtherance, not just for companies, but for us all. The Gambling Commission left  
790 because of this and so have others. That has cost us many millions. Some companies need to download huge files in an instance to operate and maintain their commerce and it is impossible at the moment to attract such business that could transform our economy. We need this and it has to be available to us as soon as FAB Link arrives, if it does indeed, even if we allow it. It needs to be cast iron guaranteed as part of the deal – guaranteed.

795 Last week, I requested a further cable to come across at the same time bringing AC current to power Alderney in unison. I asked that question. This would revolutionise us all. Imagine the change cheap European energy would bring, cleaning the Island of its dependence on kerosene: a step you cannot deny would benefit the next generation. The response was disappointingly negative, but I do believe there is more mileage to be had and we need the whole States to meet  
800 with the French and all parties involved to examine the possibility of this life-changing extra, and argue the need for it.

I am also pressing for more money to give Alderney a fair deal. It is a £1 billion project that could make this Island and right now it is the only chance we have got, so let us all consider that one essential fact: a billion pound project will owe Alderney and the States have to fight to pay  
805 for it – make them pay.

If you asked me to support the current converter plans at this time, I would say no, but technology changes as we speak. Look back 20 years – it has already been mentioned by Mrs Paris – mobile phones were the size of a house brick. No proper plans of what we are to accept at

810 Mannez or indeed anything else have been shown to the community and this arouses suspicion  
and cultivates rumour: the very reason there is so much rumour and misinformation in this Island.  
So I now reject the converter as it stands.

You know, somebody rang me up and he called me 'Donald Trump' – *(Laughter)*

815 **A Member:** It is the hair!

**Mr Roberts:** – and accused me of making thousands and then they bang down the phone! I  
could not believe it.

820 In 10 years we may only need a small, inoffensive building. This is such an important decision  
for us all. I personally fear making the wrong decision and letting Alderney down in the far future.  
My head says one thing and my heart says another –

**The President:** Mr Roberts, please address the States.

825 **Mr Roberts:** I do take your point. It is a habit we all seem to have tonight.

**The President:** We do. I wonder why? *(Laughter)*

830 **Mr Roberts:** – and it is not an enviable place to be. But we need this underground cable for it  
is possibly vital for our future, so let us not turn it down like last time, 50 years ago. In a few years  
our own power station will stop and we will need huge investment to replace it. The generators  
are prehistoric and so we have to make plans now, for the Island will simply shut down with no  
power and little population needing it. Where do we get the millions from for a new power  
station? Are we off to Guernsey with a begging bowl, to borrow – yes, borrow – millions of pounds  
to keep our lights on? Tens of millions are needed.

835 I know some of you are worried but we have to consider the FAB cable – I know, debatable –  
as a separate project and then consider the future. Can we really afford to let it bypass Alderney?  
It shall be hidden, barely seen. Can we really afford to turn a link to France away – a cable alone?  
Let us get the cable here and let the next generation decide, in many years to come, what to do,  
for nothing is cast in stone. Nothing ventured is nothing gained.

840 I would like to say well done to all the Chief Pleas and well spoken. I hope we heed your views  
and answer your questions in time, each and every one of them. I get your reasons and I get your  
concerns. One good friend of mine who is a leading part of the protest movement against FAB  
Link said to me, 'Not at any price, Steve. Not even if it made Alderney self-sufficient.' That is a  
heck of a statement. Turn again, Dick Whittington.

845 Thank you.

**The President:** Thank you very much, Mr Roberts.

Does any other Member wish to speak on this? That will be you, Mr Birmingham.

850 **Mr Birmingham:** Thank you, Mr President, fellow States' Members.

I think it is important, as Chair of BDCC, that I make some observations regarding the planning  
process relating to tidal power development, and this follows on from some questions or  
statements made by individuals at the People's Meeting.

855 Some have made suggestions that any future developments are already a done deal and that  
the planning process is a formality. Well that is simply *not* the case. Many people, I do not think,  
understand the role that the BDCC undertakes and believe that it is just another States' Committee  
that undertakes States' directions and this is, again, not so.

860 The fundamental role of the BDCC is the operation and the oversight of the Building and  
Development Control Law 2002 and the duty of its members is to be the independent arbiters of  
that law. BDCC does not take instruction from the rest of the States on planning matters and what

it should and should not pass. In fact, not so long ago the BDCC turned down an application for work from the General Services Committee as the view of the Committee was that the proposal breached guidelines in relation to the Land Use Plan recreation zone for the site.

865 Other suggestions have been made of a grand conspiracy and that plans are already passed. Now, with elections only two months away it is impossible that a future BDCC – of an unknown composition – whose role of independence is clearly set out by the propriety guidance under which all planning bodies operate – which is a part of a States of unknown composition, under the control of a yet-to-be-elected Chairman – has somehow managed to predetermine an outcome. Such accusations are simply not credible. It seems one minute the States is apparently  
870 incompetent, but the next we are some nefarious organisation of international conspiracy. Bear in mind this is the States of Alderney you are talking about, not SPECTRE – though rumour has it Mr Ernst Stavro McDowall has been seen sitting in a big chair stroking a white cat, but that is a completely different matter. That is Alderney rumour and we all know how Alderney rumour works.

875 Over the coming months, the BDCC will be embarking on the second phase of the Land Use Plan, assisted by ARUP. As part of that, economic matters will form a major part of that work programme and will have to include any proposed rezoning of Mannez or any future areas of tidal development. Now, it is important to understand that this is an open process of public engagement, where all may take part. It culminates in a planning review, overseen by an  
880 independent inspector, who will issue an independent report, and any subsequent changes to the Land Use Plan will then have to be voted on by the full States.

The BDCC are not daft. We know that this is a major, major proposal that is coming forward and that is why we have already undertaken consultation with ARUP about improvements to the planning process, specifically for strategic developments of the kind that we are talking about.  
885 That will also, hopefully, be part of the consultation process that takes place as part of the Land Use Plan part two in 2017.

I have to make two or three things very clear: the consultation process that has recently taken place was FAB's consultation. The States had nothing to do with that consultation. Also, no planning application has yet to be received from FAB.

890 Mention has been made – for example, I think Mr McKinley mentioned it; I think Mr Jean did as well – about the importance of EIAs but, trust me, the BDCC are going to be insisting on the highest grade EIAs plus whatever else ARUP will assist us in getting that we require for these applications.

As has been pointed out – I think by Mr Roberts – these are fundamentally important  
895 developments for the future of the Island but at the same time we have to ensure that a proper process has been undertaken, it has been properly studied and that all legal considerations have been taken into account.

I think that is where I will leave it for the moment, but I am pleased that finally people seem to be taking an interest in tidal power. I am lucky enough to be on the board of AEL, as many of you will know, and last September as part of our consumer forum we specifically made an event to deal with tidal power. At that event, AEL board, ACRE members attended, the CEO attended, members of ARE attended; unfortunately, only 25 members of the public attended.

Every process from now on, particularly the Land Use Plan process, I think, will be having a higher level of engagement from the public, which is something that I welcome, but as I have said  
905 that process is going to be fundamental to how we go forward and that open process is something that I hope more people will take part in this time.

**The President:** Thank you, Mr Birmingham.

910 **Mr Jean:** Sir, may I ask a question?

**The President:** Is this a point of clarification? If it is clarification, please go ahead.

**Mr Jean:** It is a question.

915 Do you believe that FAB should take the cost of the part of Ove Arup relating to the environmental impact assessment?

**The President:** Thank you.

You do not need to answer that, Mr Birmingham, thank you very much. It is out of order.

920 **Mr Jean:** It is out of order, fine.

**The President:** Mr Tugby, you wish to speak?

**Mr Tugby:** Yes, sir.

925 I have listened to everybody talking here tonight, but I am passionately in favour of FAB Link and tidal power. I am one of the few Members who has been on the States more or less from day one and I was on the Committee that granted permission for the joint venture packages. What it was, sir, the reason we did it was because most of us realised that renewable energy did not have the money on their own and they needed to get involved with some of the big boys to get the  
930 money because otherwise the millions of pounds that was really needed ... it would just not go ahead. We sought advice from a number of quarters. We had ACRE involved and they spent vast sums of money on lawyers and investigations and everything else. At the end of it all, it looked as though that was the best possible option. That is why I have supported it right from the start and I shall continue to support it.

935 I have asked lots of people their views. Some are against it, but if you are really passionately against it in Alderney there would have been 1,000 people out there tonight or on Longis Common, not – what? – 100 out there, 200, on a lovely day, or 300, on a lovely day, out Longis. If you *really* did not want it, you would have got off your backside and gone out there, but no, because the majority, I am afraid – even though there is some that do not want it and are  
940 passionate about not wanting it – do require Alderney to have cheaper electricity.

**A member of the public:** Put it to the people!

**The President:** Sorry, that is totally out of order. If you insist on making remarks like that, I will  
945 have to have you removed.

**A member of the public:** I am sorry, Mr President.

**The President:** Thank you.

950 There is no interaction from the public. Let me make that very clear.

**Mr Tugby:** I am sure the way I am speaking here ... If anybody at the back of the audience cannot hear me, well that is a problem with me. If they move forward if they cannot hear.

955 At the end of the day, sir, we have got to look for the future of Alderney. I can remember back in the 1960s, 1970s and early 1980s, Alderney was alive, full of life: all the work going on; we had three or four building companies from the UK here; the nightlife was incredible; the young ones had the opportunity of doing all sorts of work. Back in the 1950s we had the steel works; we had Alderney Livestock and everything else. Boats used to come in every other day. The trains were operating every night, more or less, unloading or loading boats out of Alderney. That is how I  
960 remember Alderney and that is how I would like it to go again in the future. Mr McKinley said about we have got to take on board the second-home owners – right, the second-home owners.

We require a certain amount of money to run this Island. Who is going to pay for it? The other day on the radio, there was a person on from the Gambling Commission and he was asked, 'Would Alderney still be as strong with the Gambling Commission in 5, 10 years' time?' And he would not

965 guarantee it. He did not know, because nobody knows. It could be taken away tomorrow for all we know.

At the moment we have got very complacent over here because we have sat back and given the Gambling Commission money and that is it. Everything has been hunky-dory, but I am afraid if they went what have we got left? Nothing! Nothing whatsoever! So what do we do? Put up the taxes; put up the rates – not by a small amount. They have got to go up anyway because Guernsey has cut back our income. If we refuse this when we have taken back more control from Guernsey on our finances and then we go cap in hand to them asking for future help, what are they going to say? ‘You could not even bother to help yourself. Why should we help you?’ It is being said in Guernsey already about that.

975 Sir, it goes on and on and on, and we have got to have it. People have complained as long as when I was a little boy about the price of electricity in Alderney and they are still complaining today. By allowing FAB Link to come ahead through Alderney, at least it gives us an option for the future – maybe 10 years down the line. I will be very lucky if I am still around by then but my grandchildren and my children hopefully will be, if they have not decided to abandon ship because that is what some of the young ones are doing, because there is very little opportunity in Alderney.

980 This will create employment. Once we have got the FAB Link through, then you can negotiate the rest. I blame, partly, the States for some of the things that have gone on in the past because we have been so slow and we have been swayed by a minority – because the minority is usually the most vocal of the whole lot. On Tourgis was an example: five years we kept the developer waiting for planning permission because there were people against it. And what happened? The recession hit and they disappeared because they could not get the money any more. There were a number of other things because people go up in arms with no thought or a little knowledge about certain items and the States, in the past, they have panicked and run rather than face the facts, and you have got to face the facts.

990 The money that we require is not going to be there if we have not got the Gambling Commission. When we had the Gambling Commission first off – it was said on the radio the other day, ‘The goose that laid the golden egg.’ Yes, but the problem was we only get a little bit of the golden egg. Guernsey, in their wisdom, they had the infrastructure. They were going to put the infrastructure into Alderney at the start, but then the clever States’ Members in Guernsey said, 995 ‘Why should we put it into Alderney? Let’s get it down here in Guernsey.’ So they did. They showed me the route they were going to put the fibre optic cable to: to The Arsenal, with Guernsey tenants. Guernsey Telecom showed me the route at the time and then it was all withdrawn, so we did not get anything.

1000 Some people are complaining about security. Now, if I was a terrorist, would I want to come to Alderney, maybe blow myself up? Some people might want me to. (*Laughter*) But, sir, you would have to try ... Well you could only come on a boat because you could not rely on Aurigny and expect to come and get here. (*Laughter*) You would not want to really go to all the trouble of coming to Alderney when you are not even going to put the lights out in France or in the UK. You might cause them a bit of inconvenience but that is all. It is much easier to do something in France 1005 or in the UK where you can disappear in the crowd. Here, there would always be somebody watching you. (*Laughter*) No matter what you do, you cannot get away with nothing (*Laughter*) because there will be somebody who has got their beady eye on you, I can assure you. I have been caught out many times. (*Laughter*)

1010 But still, that is why, sir, we have got to push ahead. I had a go at Mr Birmingham and the Planning Officer earlier, because I wanted the last planning inquiry for the Land Use Plan to actually look at the greenbelt at the Mannez Quarry then but they did decide it was not. Well, we are talking with big boys now, sir. We are not talking with Joe Bloggs up the road. People are investing millions. They want action. And now, can you blame them not putting in fine drawings or anything when they do not even know if the land is going to be allowed to be built on because 1015 it is still in the greenbelt? So, I am sorry, but I blame the States for that one, because we have had 12 years to look at all this and we have not.

1020 So, sir, to the people who are against it, there are going to be so many checks and rechecks and checks again before any of this goes ahead, so do not panic because you are going to have your say many times over, but let us give the outside world a bit of encouragement that we are willing to take on new business in Alderney. But if we are going to keep them waiting for five, six years ... We have kept these waiting for 12 years just to get a part taken out of the greenbelt. If we keep them waiting and that cable goes elsewhere, I am not going to be one of the ones who takes the can from the young ones of tomorrow. That is why I am urging you take the opportunity when it was there because all we are asking for is the cable at the present time. Alright, the inverter will have to come, I suppose, in years to come if you want to go forward, but at least have the cable that runs through and it is there for the future.

1025 No point in saying, 'Oh, if only!' in another six months, seven months' time. 'If only we had had the courage to do it.' Because that is how I feel and I am still as passionate now about the future of Alderney. I have lived here nigh-on seventy-odd years and I really speak from my heart. I am not somebody who has been here five minutes and does not want anything to change, because Alderney has changed dramatically over the years. A lot of it is for the worse and partly because the States have been too cowardly to stand up and take us forward and do things off our own back. We have got the opportunity of having a cable put through Alderney, free of charge, and we will get £70,000 – which is nothing.

1035 Sorry! *(Laughter) [Inaudible]*

Sir, we are getting it free of charge and we are being paid £70,000. Well, at the end of it, the opportunity is there for tidal energy which would bring us in millions and that is what I am bothered about. I am not bothered about a cable going under land. I have put cables all over Alderney. I am still doing it to this day.

1040 Guernsey, they have just spent millions getting an extra cable put through to Guernsey – and Jersey. There are cables going all ashore in the UK and everywhere. Nobody, as far as I know, has been electrocuted or damaged in any way. Guernsey do not close up shop during their tourism because of a few electric cables going under the beach which will not affect anybody whatsoever.

1045 I think, sir, I have said enough, but that is how I feel. Because sometimes you can go on a bit too long and you kill what you have actually said. So I think I had best sit down and have a drink. *(Laughter)*

**The President:** Thank you very much, Mr Tugby.

Mr Simonet, you have not spoken. Do you wish to speak on this?

1050

**Mr Simonet:** Thank you, Mr President. **(A Member:** Follow that!)

1055 I promise everybody I will be brief – really brief, because there is no doubt about it nearly all the comments tonight have been reasoned and informative. I have taken them all aboard. I have listened intently as one always does. States' Members are told they do not listen. Of course they listen, it is just sometimes they do not agree with the person who is making or issuing the dialogue. That is how it is.

Before I go on any further, I would just like to commend the officers for producing this excellent Report. It is a lot of work and they have produced it and it has all the relevant information in there on the processes from 2004 to get where we are today.

1060 It is always encouraging, I think, to see the electorate exercising its right to be heard: challenging States' Members on details of the issues of the day, and I welcome it. It is a little bit sad, I think, that it takes a major issue to get people involved because issues of our greenbelt are both large and small. For my own part, I have fought on many issues regarding the greenbelt and when I have looked out to the community for some verbal assistance, it has not been there.

1065 However, I am confident that the States will ensure that all the questions raised will be heard. All the questions raised: technical, financial and structural issues, will receive a clear and detailed answer. Nothing less than complete transparency will do it, but we have to put a timeline in this. We cannot still be debating this in six months or nine months' time. We need to put the process

1070 in place, put a timeline on it – perhaps one or two months – and then be in the position to make a decision on a cost-benefit analysis that we can all understand. That is what I would like to see and I am sure that will satisfy everybody on both sides of this particular fence.

That is really the sum of what I have got to say here tonight, Mr President.

Thank you very much.

1075 **The President:** Thank you, Mr Simonet.

Mr Harvey, do you wish to exercise your right of reply?

**Mr Harvey:** Thank you, sir.

1080 I do and I will try and be brief; I am very conscious of the hour. But my colleagues have made some very helpful statements and I think it is only fair to record just a few pictures, if I can, of what was said.

1085 Mrs Paris, first of all, thank you for your comments. We are the fortunate generation. There is no question about that and it is very easy for those who live in nice houses, with incomes – sometimes not from this Island – to comment. Yes, we rejected the power cable from Flamanville – missed an opportunity.

Mr McKinley, you obviously have gathered a lot of views and opinions over the last couple of weeks. I think that there is still a lot of misinformation around. There are some things there, like a moratorium you asked for. Well, I would echo the views of Mr Birmingham: a moratorium on what? Because we are not asked to decide anything today, tomorrow, next week.

1090 However, I do agree with you – and you recall I emailed you within an hour of your speech on BBC the other day – regarding the possibility of a Cranfield-type Review. I think that would be an excellent thing to do. I think it probably needs to be done fairly quickly, and at the end of the day – and I shall come back to the issue of certainties – it will be projections of what might happen.

1095 Mr McDowall, thank you very much. Yes, of course, it is a concern of a number of us here: how long do we have? The FAB Link is a major project – as has been referred to by one of those on Chief Pleas – and for that reason alone we have very limited ability to influence its timescale. I am very much aware of the testimony from Capt. Barton at the People’s Meeting when he said he went to Ofgem to confront them, because he was not totally convinced at some of the answers and he said to Ofgem, ‘If this is not an Alderney project. If this is just France to Britain, does that make any difference?’ And the answer was, ‘Absolutely none at all to them.’ They just want the power, as others have said. So I think that is the concern, that we might lose FAB. We are not being bullied by big business, we are looking at the facts of the case, and there is a danger in that.

1100 Mr Jean, I would certainly agree with you on the issue of no shares. Neither I nor my family or anybody I know have shares in any ... Well, I am aware of people in ARE. So, I come to it with clean hands so to speak as obviously you do.

1105 You have indeed queried in the past ... I have the minutes here; I will not go through them in detail. You have queried the financial arrangements for FAB. We were advised by the Law Officers who are there to give legal advice not commercial advice and we therefore took advice from one of the top 100 lawyers in the world who deals with such matters. So we did take external legal advice which the Chief Executive handled and we are satisfied with the deal that came through.

1110 Mr Roberts, thank you. Yes, I would agree with you entirely: it is a thankless job, but somebody has to do it.

1115 The second phase may never be agreed: absolutely. We are not even talking about the first phase yet, so people are looking for certainties where there are none at this stage. Fibre optics, further cable: all of those are things that could be considered in the future, I am sure.

Mr Birmingham, thank you, as ever, for your exposition of the role of BDCC and its independence, which I think is fiercely guarded, and also your unwillingness to look in the crystal ball and say who BDCC might be next year, because we do not know.

1120 Mr Tugby, thank you for your impassioned address. I think you are in a unique position in being able to look backwards over the origins of this, whilst at the same time being able to look forward

and look at possible futures in this Island. I think we should all listen very carefully to what you have to say there.

1125 Mr Simonet, thank you again. I would echo your view that the timeline is an excellent piece of work that the civil servants have done. If nothing else, it illustrates the number of meetings, the number of discussions, the number of debates – all of which are in the public domain because these minutes are all published – that have taken place on this issue. It is not something that has been dreamed up overnight, but I guess we are all older and wiser people, as somebody has said, since the events of August.

1130 I would just like to finish on two points. Certainty is not guaranteed. People look for certainties and guarantees; we all look for certainties and guarantees. There are not any. We could walk out of this building tomorrow and something dreadful could happen to us. We do not know all the answers. We are honest enough as States' Members to say, 'No, we do not know all the answers' but if the States do not look forward 5, 10, 15 years and use their best judgment and advice from people as to what are the likely outcomes for this Island over that period, then I would ask you  
1135 who is going to do it? But the consequence of that is, you cannot say with certainty 'In 10 years we will have this or that'. We do not even have any certainty on the first planning application. So, please, look for certainties but do not expect them in some of these issues.

The final point I would make, just to pick up on points that a couple of those members of the public and Chief Pleas have made, which is on the subject of reconciliation in this community.  
1140 There are two very precious things about Alderney. We have talked at huge length about the environment. It is precious; it is very wonderful. Community is as well and that community deserves to survive and it also deserves to survive without civil war breaking out within families. This used to be – always has been – a friendly, pleasant Island. We all have our views; some of them are held with passion, but I beseech everybody to step back and just to think quietly and to  
1145 respect their friends, their neighbours and their families.

Thank you.

**The President:** Mr Harvey.

1150 Mr McKinley, you wish to make a point of order?

**Mr McKinley:** No longer, Mr President. Thank you very much.

**The President:** Thank you very much.

1155 That then concludes the debate on FAB Link and the Report which is being put forward.

**IV. Questions and Reports –  
Royal Connaught Residential Home Ltd Financial Statements 2015 –  
Alderney Commission for Renewable Energy Financial Statements 2015**

*Item IV.*

*Financial Statements 2015 for:*

*(a) Royal Connaught Residential Home Ltd*

*(b) Alderney Commission for Renewable Energy*

*Received from Mr Robert McDowall, Chairman of the Policy & Finance Committee.*

**The President:** We now move to the next Item on the Billet.

Mr Greffier.

1160 **The Greffier:** Thank you, sir.

Item IV this evening is Questions and Reports. This evening I have received two Reports from Mr McDowall in his capacity as Chairman of the Policy and Finance Committee; those Reports being the 2015 Financial Statements of the Royal Connaught Residential Home Ltd and the Alderney Commission for Renewable Energy.

1165

**The President:** Thank you very much.

We will just wait until the people leaving have left.

Thank you very much. We will continue. What we will do, because questions are allowed to be asked on these Reports, we will take these one at a time when we get round to it. In the meantime, Mr Harvey, as Convenor, were there any comments on these two Reports? Can we do them one at a time, please.

1170

**Mr Harvey:** Yes, indeed.

There were no comments on the Royal Connaught Residential Home.

1175

**The President:** Thank you very much indeed.

Mr McDowall, do you wish to introduce the Report?

**Mr McDowall:** Yes, just very briefly.

Mr President, this is the Report of the Royal Connaught Residential Home. This is becoming an increasingly important service to the Island as the demographics change and I would expect there to be more financial pressure on the Royal Connaught Residential Home over the next few years and the States will cannily have to look at how it wishes to and can contribute to that. That is the only comment I would like to make, Mr President.

1185

**The President:** Thank you, Mr McDowall.

Does any Member have questions for Mr McDowall on the Royal Connaught Residential Home Ltd Financial Statements 2015?

1190 **Mr McKinley:** I just have one question, Mr President.

**The President:** Mr McKinley, please proceed.

1195 **Mr McKinley:** I think it was at the finance meeting – one of the meetings – we discussed that Connaught was either no longer going to be able to be paying us some money as it had been doing in previous years. Could you perhaps explain that for others?

1200 **Mr McDowall:** Yes, indeed. In fact, this will come up at the Budget next ... But essentially, the States will be contributing about £80,000 additional contribution to the Connaught next year and this will be reflected in the Budget.

**The President:** Thank you, Mr McDowall.

Does any other Member have any questions on the Royal Connaught Financial Statements? No other questions?

1205 In that case, can we move of if you would be so kind, Mr Harvey. Were there any comments on the ACRE Financial Statements?

**Mr Harvey:** There were indeed, sir. There were a number of questions raised and I am pleased to say I had the answers on those.

1210 One contributor noted that substantial payments have not been received and that the auditors were unable to obtain sufficient appropriate evidence to support the carrying value of the trade debtor balance. Capt. Barton, ACRE Commissioner, advised that ACRE has the powers to defer the payments and that payments from ARE for 2015 and that for the first page of 2016 were rolled into a convertible loan; the terms of the loan being favourable to ACRE and also will allow for the States to convert the value of the loan to shares if ARE needed. It was noted that ARE still continues to pay £200,000 per year as these payments still remain.

Another contributor asked why the loan was rolled and the lease not terminated? It was noted that ACRE can defer the payment and that it was an ACRE decision to do so. The States of Alderney have been informed of the equity stake but the States did not give prior consent to this action.

1220 It was queried as to whether ACRE felt prejudiced or compromised by this action as it was unusual practice for a regulator, the Commission, to take up this sort of option? It was stated that ACRE would not be conflicted. If the loan was converted, it would be converted into shares, not money, which would be owned by the States.

1225 It was queried as to whether ACRE continues to support other interested companies in tidal energy besides ARE? It was advised ACRE has been in negotiation with other companies and specifically Atlantis and are also trying to get another big player on the scene. It was noted that Atlantis had stated they would only consider coming to Alderney if the route to market was via FAB Link.

1230 It was asked what security had been taken against the loan with ARE and would this option be also available to other developers? It was the opinion of the contributor that the role of ACRE and ARE had become skewed over the last 18 months. Capt. Barton stated that the situation with regard to the loan note was purely a decision for ACRE. The States had knowledge and they were fully informed.

1235 It was asked who 'they' were? Capt. Barton stated that he was not there, Mark Wordsworth ... I think that is meant to say 'Mark Wordsworth, Chairman, was not there and Professor Sharpe, Commissioner'. They were present at the July meeting of the Policy and Finance Committee. Mr McDowall, Chairman of P&F, clarified regarding the minutes of the July meeting of the Policy and Finance Committee.

1240 It was noted that KPMG were unable to perform alternative audit procedures to obtain sufficient appropriate evidence to support the carrying value of the trade debtor balance, i.e. they were unable to satisfy themselves. The Convenor confirmed that, to date, the States had not been informed of the value of the shares and therefore the risk is not known to date.

1245 Various concerns were raised as to the remit of ACRE as the regulator to make a loan with an operator who has defaulted on payments. It was also noted that in the finance industry under GFSC regulations, if a licence holder defaulted, then the licence will be cancelled. The Chief Executive advised that the loan was permissible under the licensing agreement between ACRE and ARE.

1250 It was stated that in the opinion of one contributor the answers given were brief and an economy of the truth, a crooked deal. The Convenor warned they must be careful of accusations and the decision was a judgement call made with the best of intentions by ACRE.

It was noted that it was difficult to quantify the value of the loan notes and the value of ARE shares – was this not irresponsible? It was stated that there was no requirement for ACRE to convert the loan note; they would receive the money back with the accrued interest.

1255 It was queried as to whether ARE own half of FAB Link? Mr Gaudion confirmed that ARE is 50% owner of FAB Link Ltd.

It was noted that the States will gain £70,000 per year from FAB Link. Do they get any payment from AEL with regard to their cables? The Convenor confirmed that the States does not receive any payments from AEL.

1260 It was stated that under EU competition regulations a company cannot be both a power generator and an operator; it is a conflict of interest. Mr Gaudion acknowledged that this is why ARE would give up its interest in FAB Link as soon as tidal power is generated at some stage in the future.

1265 It was further queried that, if the licensee shows signs of financial instability, the regulator can revoke their licence. Why had this not happened in the case of ARE? Should companies not be required to deposit £½ million prior to any licence being granted for development of the blocks? Capt. Barton stated the Commission did not feel that it was appropriate at this time. There is no indication that the loan will not be repaid. Mr Gaudion advised that ARE have paid £2.3 million to date and £1.1 million to AEL. They are not awash with cash compared to other tidal project developers who can obtain EU subsidies and support. ARE are many years away from any  
1270 revenues.

**The President:** Thank you, Mr Harvey.

Mr McDowall, do you wish to introduce the Report for ACRE Financial Statements?

1275 **Mr McDowall:** Yes, I do. Thank you very much, Mr President.

I want to bring clarity to two matters concerning the accounts for 2015. Normally these are produced, along with the other accounts for the Water Board and so on, for the April States' Meeting where the accounts are presented and approved. When these were not forthcoming, I did push our Treasurer as to why hadn't we got them. Apparently, they were having some  
1280 difficulty in pulling the accounts together. I now know why.

We were then presented with the accounts at the July P&F and Mr Wordsworth and Mr Barton thought they had better attend that meeting because, clearly, of the issues in the accounts, which one of the Chief Pleas' presenters has very eloquently explained.

1285 The issue of rolling up the loan note further is clearly one which will not go forward because ARE is reluctant that there is an independent valuation carried out. Therefore, certainly the fees for the second half of this year will be paid by the end of this year.

Thank you.

**The President:** Thank you, Mr McDowall.

1290 Does any Member of the States have any questions for Mr McDowall with regard to ACRE Financial Statements 2015?

Mr McKinley.

1295 **Mr McKinley:** I just have one question which is actually following on from what Mr Harvey's last comment was. ARE are many years away from receiving any revenue –

**The President:** Is this is a question for Mr McDowall?

**Mr McKinley:** It is a question for McDowall but I am just questioning what Mr Harvey said.

1300 **The President:** Good, excellent. Thank you.

**Mr McKinley:** If that is alright.

1305 What are we going to do? If ARE are unable to receive any revenue, how much longer can they carry on before they do receive any revenue? What are we going to do about it? Are we going to help them or not?

**Mr McDowall:** We can do one of two things: we clearly could retract the existing licence or essentially they would have to provide additional funding from their shareholders. It is a simple as that.

1310

**Mr McKinley:** And if they do not?

**Mr McDowall:** Well, I think the first is the answer.

1315 **The President:** Thank you.

Does anybody else have any questions for Mr McDowall? None at all?  
Yes, Mr Tugby.

1320 **Mr Tugby:** If we allow them to run up an account there, basically by waiving their fees, we are still getting the money for the electricity company which is helping Alderney and also, if the FAB Link goes ahead and then they sell their shares which the law requires them to do, they will have more than sufficient funds to pay any future fees. So that is the way it will go.

1325 **Mr McDowall:** If I may ... Yes, you are absolutely correct in that statement, Mr Tugby.  
Thank you.

**The President:** Thank you.

Are there any further questions for Mr McDowall from States' Members? No.

1330 In that case, that concludes this evening's States' Meeting. I would like to thank both the States' Members and the members of the public for their patience and behaviour during this meeting.  
If you would close the meeting, please.

**PRAYERS**

*The Greffier*

*The Assembly adjourned at 7.40 p.m.*