



**ALDERNEY
COMMISSION**
FOR RENEWABLE ENERGY

**ANNUAL REPORT
AND
ACCOUNTS
2019 and 2020**

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Introduction to ACRE

The Renewable Energy (Alderney) Law, 2007 established the Alderney Commission for Renewable Energy (the Commission) with powers to licence and regulate the operation, deployment, use or management of all forms of renewable energy in the island of Alderney and its territorial waters.

The Law and its subsequent amendment also prohibit the operation, deployment, use or management of any form of renewable energy in the Island and its territorial waters unless licensed by the Commission.

Between 2008 and 2017, ACRE was funded through 'block fees' received from Alderney Renewable Energy Ltd (ARE) in respect of a number of seabed licences held by ARE. A confidential Settlement Agreement was concluded in 2018 in respect of outstanding debt due from ARE.

Following the Settlement Agreement, the States of Alderney Policy and Finance Committee considered the future role of ACRE given that there were no longer any current tidal developments and no pending licence applications. In January 2019, it was considered that ACRE's role was still required to:

- Secure the outcomes of the Settlement Agreement;
- Retain the ability to determine any future licence applications; and
- Retain the technical knowledge and understanding of tidal power and related environmental impacts around Alderney.

It was agreed to terminate the contracts of all staff and commissioners as well as the premises lease. All cash reserves were retained for ACRE residual business transactions but bank accounts were passed to the States of Alderney to manage on behalf of ACRE.

At the States meeting on 15 May 2019, it was resolved to appoint three members of the SoA civil service to act as temporary commissioners of the ACRE. ACRE activity as set out in the 2007 Law is expected to be minimal in the interim period and the roles of the temporary commissioners are unremunerated.

An alternative regulation process will be considered in the event of any future licence applications. This could include reinvigorating ACRE with appropriate skills in the longer term.

ACRE residual responsibilities

ACRE remains a separate entity and is required to carry out the functions set out in the Renewable Energy (Alderney) Law 2007. ACRE is not a Committee of the States of Alderney although the Law does provide that the States may give guidance or directions of a 'general character' in the discharge of any of its functions. The Commission is required by the law to take account of this guidance or act in accordance with any direction. The Commission will not be deemed to have acted unreasonably or outside of its powers only by reason that it has followed this guidance or direction.

The responsibilities are summarised as follows:

a) Provision of information to the States and committees of the States

The Commission shall:

- when requested in writing by the States, furnish the States or any specified committee of the States, with such information about any renewable energy systems.

b) Annual Reports

The Commission shall:

- Make a report to any specified committee of the States on its activities during the preceding year.
- The annual report may refer to any guidance provided by the States. The annual report shall set out any directions issued by the States.

c) Accounts and Audit

The Commission shall:

- keep proper accounts and records in relation to those accounts, and
- prepare in respect of each year a statement of accounts giving a true and fair view of the state of affairs of the Commission.

The accounts of the Commission shall be:

- Audited by auditors appointed by the States, and
- Laid before the States, in the same manner as the accounts of a committee of the States.

In addition to these statutory requirements set out in Law, the Settlement Agreement with ARE includes provision to notify the States of appropriate matters relating to the agreement on a confidential basis.

Annual Report

Under Section 10 of the Renewable Energy (Alderney) Law, 2007, ACRE is required to provide an annual report of its activities as soon as practicable. This report covers the reporting periods for 2019 and 2020.

FABLINK Development

ACRE currently has no responsibility for FAB Link. This is an interconnector cable proposing to transmit electricity from France to the UK. As it is not a 'renewable energy system' and as there is currently no renewable energy component to this electricity it is outside ACRE's statutory powers to be involved.

Activity Report

Licencing

There have been no licence applications in 2019 or 2020.

Information sharing

During the autumn of 2020, ACRE received a data request for some seabed and tidal data. The data was produced as part of two separate studies as follows:-

1. Measurements carried out by Osiris Projects for Alderney Renewable Energy Ltd. in two phases, first in May 2009; second in June-September 2009. the datasets were shared with the University of Southampton by Alderney Renewable Energy Ltd., facilitated by ACRE.
2. Measurements carried out by Mr Richard Keen (local contractor) for ACRE in June and September 2012 (two deployments). The datasets are in binary .prf format.

Following extensive research ACRE was not able to confirm ownership of the first dataset, and was therefore not able to agree to its early release from a Confidentiality Agreement with Southampton University. The second set of data is however owned by ACRE, and we have been able to confirm that the Commission has no objection to the release of the data to a third party, provided Southampton University similarly agrees (if this is necessary). The reasoning for the release being that it may contribute to, and/or facilitate, the future development of renewable energy for the benefit of Alderney and its community.

The data requests did highlight some ways to improve the efficiency within ACRE for handling similar such requests in future.

Governance Report

Commissioners

At its meeting on 15 May 2019, following a recommendation from the Policy and Finance Committee under Section 6 of the Renewable Energy (Alderney) Law, 2007, the States of Alderney agreed to the appointment of three Commissioners from the States of Alderney civil service. These were:

Andrew Muter – Chair
Paul Veron
Elizabeth Maurice

Andrew Muter resigned as Chair of the Commission during 2020. On 9 December 2020, following a recommendation from the Policy and Finance Committee, in accordance with section 6 of the Renewable Energy (Alderney) Law, 2007, the States of Alderney approved the appointment of Stephen Taylor as Member and Chair of the Alderney Commission for Renewable Energy.

The other two Commissioner appointments are unchanged. All posts are unremunerated.

Guidance and Direction from the States of Alderney

The Renewable Energy (Alderney) Law, 2007 provides that the States of Alderney can provide guidance or direction to ACRE. The Commission has a duty to take account of any guidance and act in accordance with any direction but it will not be deemed to have acted unreasonably or outside of its powers only by reason that it has done so.

During 2019 and 2020, no such guidance or direction was received by the Commission.

Forward look

A protocol will be prepared in 2021 for agreement with the States of Alderney Policy and Finance Committee. This will ensure that the role and responsibilities of the temporary Commissioners are clear in the context of their individual relationships with the States of Alderney.

Financial Report 2019 to 2020

The States of Alderney holds all cash reserves from ACRE which were transferred at the time that the organisation moved to its current status. A record of receipts and payments related to all residual activities is maintained. Given the limited volume of transactions, the financial statements are not subject to audit.

ACRE receipts and payments 2019 and 2020

| | Notes | 2020 | | 2019 | |
|---------------------------------|-------|-----------|---------------|--------------|---------------|
| | | £ | £ | £ | £ |
| Receipts | | | | | |
| States of Alderney subsidy | 1 | 0 | | 65,000 | |
| Rental deposit | | <u>0</u> | 0 | <u>2,500</u> | 67,500 |
| Payments | | | | | |
| Commissioner and employee costs | 2 | | | 47,491 | |
| Premises costs | 3 | | | 1,927 | |
| Office and IT expenses | 4 | 1,304 | | 1,898 | |
| Insurance | | | | 798 | |
| Audit and Accountancy fees | | | | 7,280 | |
| Bank charges | | <u>85</u> | 1,389 | <u>97</u> | 59,491 |
| Cash Surplus/(Deficit) | | | <u>-1,389</u> | <u>8,009</u> | |
| Balances | | | | | |
| Opening cash balance | 5 | | 28,681 | | 20,672 |
| Surplus/(Deficit) | | | <u>-1,389</u> | | <u>8,009</u> |
| Closing cash balance | | | <u>27,292</u> | | <u>28,681</u> |

Notes:

1. In the absence of income from licence fees, the States of Alderney provided a subsidy to meet the agreed costs of ACRE under an Indemnity Agreement.
2. 2019 payments include accruals reflected in 2018 ACRE published accounts.
3. The Commissioner and employee costs for 2019 include severance costs.
4. Represents residual costs of web hosting, software licences and certificates etc.
5. Opening balance at 1 January 2019 represents bank balance transferred to the States of Alderney for management of residual costs.

The receipts and payments set out above were agreed as an accurate record of the transactions of the Alderney Commission for Renewable Energy at its meeting on 9 July 2021, 2021.

Signed:



Chair

09/07/2021

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