

BILLET D'ETAT FOR 22-06-2005

Date: 21st June, 2005

Members of the States:

I have the honour to inform you that the Meeting of the States will be held at 5.30p.m. on Wednesday, 22nd June, 2005. This will be preceded by the People's Meeting which will be held on Wednesday, 15th June at 7.00p.m. in the Island Hall.

Sir Norman Browse
President

Item I Tidal Power: Alderney Renewable Energy Limited

The following letter has been received from Colonel Walter, Chairman of the Policy and Finance Committee:-

"At its meeting of 18th May 2004 the States resolved as follows:

1 The Policy and Finance Committee proceed as a matter of urgency with their deliberations on the harnessing of tidal power in the sea around Alderney with a view in the first instance to establishing Alderney as a pre-eminent global location for marine tidal energy research and consider whether:

(i) to seek out suitable persons to form a Panel of Assessors to take matters forward and prepare a long term strategy including an examination and evaluation of the offer and licence application made to the States of Alderney by Alderney Renewable Energy Limited and consider the appointment of a permanent member to carry out research and secretarial duties;

*(ii) to set a budget to finance, on the advice of the Panel of Assessors, item 1(i).
and report back to the States within six months making recommendations.*

2 Request H.M. Procureur to advise the Committee on the need for legislation to deal with the harnessing of tidal power within Alderney waters and to prepare such legislation as is deemed necessary.

A panel of Assessors was appointed, under the Chairmanship of the President, and its report was received by the Policy and Finance Committee, which then made its proposals to the States. At its meeting held on 17th December 2004 the States resolved to receive the report of the Panel and to agree to the following proposals (with amendments indicated in square brackets):

A. That the States urgently pursue the exploitation of the energy that could be extracted from the tides that flow around Alderney.

B. *That the States request the Law Officers to prepare legislation that will permit Alderney to take control of commercial activities in the sea, the seabed and the land beneath the sea bed within its territorial waters, subject to any obligation contained in international and customary law.*

C. *That the States request the Law Officers to draw up legislation to establish a Commission for the Exploitation of Natural Energy (the Commission) of three members and a Chairman to supervise, control, manage and licence all commercial activities on the seabed within Alderney's territorial waters*

concerned with the exploitation of tidal energy and to have responsibilities similar to those exercised by the Crown Estates Commissioners, the Maritime Consents Bureau and other appropriate responsibilities as exercised by the Maritime and Coastguard Agency.

D. That the States, pending the introduction of the above proposed Laws, appoint a Shadow Commission, comprising of Mr John Buggy (Chairman), Dr John Antill, Mr Brian Goddard and Mr Mark Wordsworth and authorise it to begin negotiations with Alderney Renewable Energy Limited and its subsidiaries (if any) and any other interested companies on a provisional set of "Heads of Agreement" consistent with the minimum requirements of the States of Alderney (SoA), namely :-

- a. the Company be and remain an Alderney registered company*
- b. the Company not be sold without the consent of the Commission*
- c. the Company may not sublet its lease*
- d. the Company maintain an adequate, ring-fenced, decommissioning fund*
- e. the Company accepts that all onshore installation will be subject to SoA building and planning controls*
- f. the Company carry all the financial risks and the risks of legal action by other parties*
- g. should the Company become insolvent the SoA have the right to purchase (or nominate another party to purchase) the company's intellectual property and other assets*
- h. that at the end of the first five year period the Company will need to make a fresh application to the Commission for a licence to continue their work*
- i. [The final heads of Agreement to be tabled for approval at an appropriate States Meeting providing all legal requirements are in place]*

E. The States is also asked to agree that, for the initial five year phase of this project, it will direct the Commission to grant one research and development licence and this licence to be granted to ARE limited, or the preferred company, provided they meet the criteria of the Commission, and to establish the boundaries of the licence areas as soon as possible. [The granting of a licence for the research and development in Alderney waters to any approved company must be restricted to one specific area only, to give the opportunity for other companies to undertake research and development similar to the present arrangement in the North Sea].

F. Should the Company's plans proceed successfully in the initial five year phase and meet the Commissions targets the Commission will thereupon report to the SoA on the possibility of electricity being produced in commercial quantities for the island and for export and on the need for additional legislation to further such supply and production, and should commercial production of electricity take place to make recommendations on the royalties payable to the SoA.

The Shadow Commission has negotiated provisional Heads of Agreement with Alderney Renewable Energy Limited. These are attached. In accordance with the previous Resolution of the States (as amended) these may only take effect as final Heads of Agreement if they are approved by the States. If approved, a formal agreement will be entered into based on their terms. It will be noted that the Shadow Commission has not felt able to remain entirely within the mandate given to it but it is of the view that the Heads of Agreement are commercially realistic and thus capable of moving forward the tidal power initiative.

Peter Walter
Chairman"

The States is asked to approve the Heads of Agreement

Item II The Housing (Exemptions) (Alderney) Ordinance, 2005

The following letter has been received from Mr Main, Chairman of the Building and Development Control Committee:-

"At its meeting held on 20th October 2004 the States resolved to agree to the exchange of their parcel number AY 683 at Marais Square for parcel number AY 1067 adjoining the Jubilee Home, no money changing hands. The owners of parcel number AY 1067 are Mr Nicholas Peter Winder and Mrs Heather Winder. Mr and Mrs Winder will need to be exempted from the provisions of section 33 of the Building and Development Control (Alderney) law, 2002, in order for them to be able to apply for permission to convert the building on AY 683 into a dwelling.

An Ordinance entitled The Housing (Exemptions) (Alderney) Ordinance, 2005, has been drafted by the Law Officers. A copy is attached. I would be obliged if you would place this before the States with an appropriate proposition.

C Main

Chairman"

The States is asked to approve of "The Housing (Exemptions) (Alderney) Ordinance, 2005"

Item III The Speed Trials (Alderney) Ordinance, 2005

The following letter has been received from Mr Pengilley, Chairman of the General Services Committee:-

"I am pleased to be able to report that the Guernsey Kart and Motor Club applied to the Committee for permission to organise a two-day Sprint and Hill Climb event on the 16th and 17th September this year at the Hammond Memorial / Lighthouse course, and on Tourgis Hill. The Committee have granted the permission required and the necessary Ordinance prepared.

The Ordinance will allow competing vehicles to exceed the speed limit etc. and to permit the closure along the course (a) on the road extending from Whitegates to Mannez Lighthouse and (b) Tourgis Hill along the extent of the Hill Climb course, from the road junction of the Petit Val with Route de Picaterre to the junction of Tourgis Hill Road with the Grande Val.

As in past years, the Guernsey Kart and Motor Club has undertaken to put in place all necessary safety precautions and to liaise with the Police, Ambulance and Fire Services for these events.

The draft Ordinance has been approved by H M Procureur and I shall be obliged if you will place it before the States with an appropriate proposition.

B A E Pengilley

Chairman"

The States is asked to approve of "The Speed Trials (Alderney) Ordinance, 2005".

Item IV Questions and Reports

Issued : Friday, 10th June, 2005