

Alderney Renewable Energy response to National Infrastructure Commission call for evidence on delivering future-proof energy infrastructure, January 2016

Alderney Renewable Energy (ARE) is a renewable energy developer in the Channel Islands, focused on two projects.

Firstly, and of particular interest to the Commission, is the FAB Link electricity interconnector (France, Alderney, Britain Link). This will be a 1400MW interconnector that will facilitate lower prices for British consumers and improve our security of supply by broadening potential sources of power generation at peak times. This includes access to renewable energy from our associated tidal array project, as well as cheap French nuclear power.

FAB Link was referenced in the government's National Infrastructure Plan 2014 and has now been granted an electricity interconnector licence and a cap and floor regime in principle by Ofgem. Independent analysis by Pöyry, commissioned by Ofgem, found that, using a baseline case of future market projections: "FAB Link presents large benefits to GB consumers."

FAB Link is progressing well but it is essential that policymakers continue to provide a stable and positive policy environment that reflects the importance of FAB Link and interconnection more broadly for UK consumers and in addressing any potential imbalance between energy supply and demand.

Alongside this, if the UK is to ensure future energy security and a balance in supply and demand, it is essential that the government supports integrated energy projects. ARE's second project is a tidal array in the fast waters of the Alderney Race that will 'plug in' to FAB Link. Unlike many forms of low carbon power, tidal provides 12 hours of reliable and completely predictable power output each day. The tidal flows of the Alderney Race could provide c3GW of predictable renewable energy. However, in order to take forward our tidal array project we need stability in the UK's support mechanism for renewable energy and to be given the opportunity to access Contracts for Difference (CFD) support for an initial 300MW array.

We would note that the development of predictable renewable generation may help the UK's energy system in the long term, as larger volumes of unpredictable generation come on stream.

This will provide the support necessary to bring the technology to scale and subsequently undertake the additional arrays; as well as enabling the marketisation of a technology that has not yet been given the opportunity to establish itself. This would have significant benefits not only for the UK's decarbonisation targets but also security of supply and in bringing about lower costs for consumers.

The integration of the tidal array with the FAB Link interconnector offers an exciting solution to a potential imbalance between energy supply and demand. It will provide the UK with access to predictable, renewable tidal energy as well as cheap French nuclear power. This will be a vital contributor to security of supply. However, unless the government provides the support needed to take the tidal array forward, this potential will not be realised.

As the Commission takes forward its work on electricity supply in the UK we hope it will consider the potential, beneficial role that predictable power generation projects such as tidal arrays can have for the UK, particularly when combined with interconnection. This combined project allows the UK to access tidal power for 12 hours a day, and affordable French nuclear for the other 12 hours, bringing significant new supply to the UK at a blended cost that is highly affordable.