

ESC commentary on Isle of Man Budget 2024-25, 20 Feb 24

The Energy and Sustainability Centre IOM (ESC) appreciate that there are many pressures on Government spending and that no budget will please everyone. Nonetheless, it is surprising that critical items related to energy security and climate change are barely mentioned in the Budget.

To meet growth and net zero emissions targets, ESC believes the budget should have included:

- **Tangible initiatives to support net zero emission targets.** An unallocated £26 million in the Climate Change Fund is too vague. Instead, direct investments are needed in infrastructure and homes to support the expected doubling in electricity demand as fossil fuels are phased out. For example, practical support in the form of grants and training is required to improve and replace inefficient heating systems in homes.
- **Measures supporting sustainable economic growth.** It is crucial to develop new business in the clean technology sector if the Island's population is to rise to 100,000 by 2037.
- **Green initiatives to retain existing companies and attract new commercial sectors.** Most international businesses are committed to reducing their environmental footprint which largely depends on being able to access reliable and secure low-carbon power with predictable costs. MUA's planned onshore wind farm will only provide one-quarter of current electricity demand and does not include energy storage. The Island can generate more renewable energy than it needs and does not need to import electricity to meet the shortfall.
- **Mechanisms to stimulate private sector investment in renewable energy.** The Isle of Man can be self-sufficient in affordable green power. This is now a matter of national security as conflicts in regions like the Middle East and attacks on energy infrastructure can at any time spark supply problems and price rises in oil, gas and imported electricity.
- **Education schemes to provide new skills.** There is a shortage of local tradespeople in the areas needed to decarbonise home heating, transport and commercial activities. The redevelopment of Castle Rushen High School, including a new Southern Swimming Pool, is a chance demonstrate high ambitions in energy efficiency in public sector buildings.
- **Investment in flood protection and resilience against severe weather events.** The Isle of Man is at increasing risk from rising sea-levels, flash-floods, storm damage and summer droughts. Sea defences and emergency drainage schemes are required to protect local residents, businesses and infrastructure. Plans for increased reservoir capacity and conservation of water stock are also needed.

In summary, the budget does not deal with the significant changes that the Isle of Man is soon to face – both the transition to a carbon-free society and the impacts of climate change. ESC feels this is a missed opportunity to set the Island on course to a prosperous, secure and sustainable society. Nonetheless, we are confident that there is still time for this to be rectified.