States' Trading Supervisory Board

GUERNSEY ELECTRICITY

APPLICATION TO INCREASE TARIFFS

NOTICE OF DECISION

30th May 2022

States Trading Supervisory Board
Brickfield House
St Andrew
Guernsey
GY6 8TY

Tel: +44(0) 1481 222044
Email: tradinggroup@gov.gg

STATES TRADING SUPERVISORY BOARD

GUERNSEY ELECTRICITY – APPLICATION TO INCREASE TARIFFS

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1. Introduction

The States' Trading Supervisory Board ("**the Board**") has received an application from Guernsey Electricity Ltd ("**GEL**") to increase its tariffs for the supply of electricity with effect from 1st July, 2022. The purpose of this Notice it to set out the Board's decision in respect of GEL's application.

Under the provisions of The Electricity (Guernsey) Law, 2001[1] ("**the Electricity Law**"), the prices to be charged by GEL for the supply of electricity shall be in accordance with such tariffs as the Company may fix from time to time, which must be approved by the Board before they are levied. When determining the tariffs levied by GEL, the Electricity Law requires that the Board must have regard to the objectives set out in section 2[2] of The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 ("**the Regulation Law**").

2. Format of Proposals

GEL has applied to the Board to increase individual elements of its existing tariffs for the supply of electricity by varying amounts in order to generate a specified amount of additional revenue under a "revenue cap" approach during the year commencing 1st July, 2022. Details of the changes that GEL has proposed to the tariffs are set out in Appendix 1 to this Notice. This represents the first year of a three-year tariff plan envisaged by GEL.

3. Summary and Purpose of Proposals

GEL has noted that, since the last general increase in its tariffs in 2012, there have been no further permanent increases enabling it to recover its investments since then in critical sub-sea cable and generation infrastructure or increases in the underlying costs of the business. As a consequence, it has had to rely upon debt financing. As of 30th September, 2021, GEL had £42m of debt drawn down. The cost of servicing this debt equates to c.£2.4m per annum and reduces the amount of available earnings to invest in capex to below annual depreciation levels. GEL's submission is that existing tariff levels are insufficient to either fully maintain or improve the existing asset base. It is concerned about risks to service disruption as operational expenditure is significantly pared back to prioritise capital investment and to remain within its loan covenants.

GEL is proposing the changes to its tariffs set out in Appendix 1 for the following purposes:

[1] Section 12(1A) – Power to recover charges
[2] Section 2 – General Duties

- Infrastructure Investment

  GEL has identified a short-term (3 year) minimum "base-case" capital investment requirement of £10.7m per annum in order to properly maintain the Island's electricity infrastructure and to allow for a limited amount of the anticipated growth in electricity demand associated with the energy transition. GEL has proposed funding this investment through a combination of additional debt finance and tariff increases. The proposed tariffs would enable it to increase its electricity sales revenues by a capped amount of 9% for the year commencing 1st July, 2022 (year 1), in order to fund a proposed capital investment programme of £10.7m per annum.

  GEL has indicated in its application that further increases in the revenue cap of 7% will be required during both the years commencing 1st July, 2023 (year 2) and 1st July, 2024 (year 3) to fund its capital investment programme. Any such increases will be the subject of further applications to the Board in due course.

- Tariff Rebalancing

  GEL has identified a need to start a process to rebalance the proportion of its sales revenues recovered from its variable charges (currently accounting for c.96% of total revenues) to its fixed charges (currently accounting for c.4% of its total revenues). This does not reflect the actual fixed costs of the business, which equate to c.50% of its total costs. Its submission is that the fixed costs of the centralised electricity infrastructure it provides for the Island will continue to rise as peak demand for electric heating and transport grows. However, if tariffs continue to be based predominantly on volumes taken from the grid and, as the number of customers self-generating continues to grow, then it will generate insufficient revenues from its variable charges to cover those fixed costs of maintaining and upgrading the electricity network and providing the security of supply that it is mandated by the States to provide. Once implemented, GEL's proposed tariffs are designed to enable it to start increasing the proportion of revenues generated from its fixed charges, in this case from c.4% of total revenues to c.7%, to begin addressing this risk.

The 9% revenue cap proposed by GEL includes provision for a net adjustment to and extension of a temporary 3-year cost pass-through ("**CPT**") arrangement[3] previously agreed by the Guernsey Competition & Regulatory Authority ("**GCRA**") in 2019. CPT arrangements have previously been utilised as temporary mechanisms to enable GEL to recover uncontrollable additional costs of generating and importing electricity arising from movements in the foreign exchange and commodity (oil) markets. The application reflects actual historic costs in the years 2018-21, after taking into account the mitigating impact of GEL's forward hedging arrangements.

For the avoidance of doubt, this Notice only sets out the Board's position in respect of the revenue cap and proposed tariffs for year 1. In doing so, it provides an indication of the approach the

[3] The CPT arrangement was effective from 1st July 2019 and was set by the GCRA to enable GEL to recover historic uncontrollable costs associated with movements in the commodity and foreign exchange markets.

Board anticipates taking to determining future applications by GEL for changes to its tariffs in years 2 and 3.

4. Tariff Application – Approach of the States' Trading Supervisory Board

In considering the application from GEL, the Board has taken into account, inter alia:

- Its obligations under the provisions of the Electricity Law;

- The Energy Policy[4] adopted by the States upon the recommendation of the Committee *for the* Environment & Infrastructure ("**CftE&I**") in 2020 and the policy framework established therein for the effective management of Guernsey's energy needs over the period 2020-2050;

- The policy letter and propositions considered and agreed by the States in 2021 on the interim arrangements for the regulation of GEL's tariffs[5] ("**the Tariff Regulation policy letter**"). The policy letter was submitted to the States jointly by the Policy & Resources Committee ("**P&RC**"), the Committee *for* Economic Development ("**CfED**") and the States' Trading Supervisory Board; and,

- The States of Guernsey's Government Work Plan[6]. The Plan includes a prioritised commitment to develop an updated Electricity Strategy. The Plan notes that this Strategy will, inter alia, aim to create an environment which helps the energy market to transition to decarbonisation without risking security of supply for Islanders.

In determining the application from GEL, the Board has considered reports on the following:

- An independent assurance review of GEL's proposed CPT adjustment undertaken on the Board's behalf by Mr D Hipple;

- An independent assurance review of GEL's proposed revenue cap and tariff proposals undertaken on the Board's behalf by Mr D Hipple;

- An independent assurance review of GEL's proposed £10.7m per annum infrastructure investment programme undertaken on the Board's behalf by WSP Global Inc ("**WSP**");

- A report from Explain Market Research on the results of the public consultation exercise on GEL's proposals that it undertook on behalf of the Company in March/April 2022.

Having considered the above, the Board has proceeded to determine its position on the application.

[4] Article 8 of Billet d'Etat XI of 2020: States of Guernsey Energy Policy 2020-2050
[5] Article 5 of Billet d'Etat XVII of 2021: Interim Arrangements for Tariff Regulation
[6] Article 1 of Billet d'Etat XV of 2021 – Government Work Plan

5. Regulation Law - Objectives

In determining the application, the Board has had regard to the aforementioned objectives (see section 1 above) set out in the Regulation Law. These are discussed below:

Objective 1: to protect the interests of consumers and other users in the Bailiwick in respect of the prices charged for, and the quality, service levels, permanence and variety of, utility services.

Key factors identified by the Board in considering this objective included the following:

- The Energy Policy notes that the Island's reliance on the electricity network will increase given the anticipated rapid transition to electricity usage.

- The first objective of the tariff proposals is to enable GEL to generate sufficient revenues so that it can increase its capital investment to a **base-case** minimum level of £10.7m per annum for the next three years in order to properly maintain the Island's electricity infrastructure on which consumers rely and allow for a **limited** amount of anticipated growth in electricity demand associated with the transition.

- GEL's submission is that, whilst additional higher levels of investment in its infrastructure (beyond the planned £10.7m per annum) will likely be required to fully meet the needs of the transition, those plans should only be developed and determined once the States has considered the Electricity Strategy being brought forward by the CftE&I in 2022.

- The WSP report reviewed GEL's capital expenditure plans and included the following conclusions: firstly, given the anticipated evolution of electricity demand, it is likely that the capacity of the Island's electricity network will need to be expanded rather than simply maintained and sustained; secondly, the risk under GEL's current investment plans of it over-investing in the network is significantly less than the risk of under-investment; and, thirdly, expenditure of £10.7m per annum over the next three years is necessary to properly sustain the network in its current form.

- A key pillar of the Energy Policy is to facilitate a competitive energy supply market using shared critical infrastructure as appropriate. The Board acknowledges that investment to maintain and then increase the reliability and capacity of the Island's electricity network is essential to support the transition and to enable the growth and development of distributed electricity generation and supply, including from a wider range of alternative and renewable sources (and suppliers) of electricity.

- GEL's tariffs were last subject to a general increase in 2012, when they were increased by 9% on 1st October that year. Since then, GEL's tariffs have been restricted to two temporary (3-year) CPT adjustments of 6.8% (2019) and 4.8% (2020), but only to recover cost increases arising from movements in the foreign exchange and commodity markets. Over the same period, the increase in RPIX has been 23.8%[7].

- GEL has proposed funding its investment plans over the next three years through a combination of tariff increases and additional debt funding. It has proposed this approach to reduce the level of tariff increases that would otherwise be necessary, thereby reducing the impact on consumers by spreading a proportion of the investment required over a longer period through a manageable level of additional debt (there are limits on the amount of debt which GEL can take on without breaching its financial covenants). It has also noted that this approach is also more equitable, in that it ensures that future customers will make a contribution towards the cost of the infrastructure they will eventually use.

Objective 2: to secure, so far as practicable, the provision of utility services that satisfy all reasonable demands for such services within the Bailiwick, whether those services are supplied from, within or to the Bailiwick.

Key factors identified by the Board in considering this objective include the following:

- Since the last general increase in 2012, there have been no increases in GEL's tariffs to enable it to recover either increases in the underlying costs of the business or the costs of its investment in key infrastructure, including: its investments in the N1, N3 and GJ1 sub-sea interconnectors; and, the installation of the 2D and 3D generators at the power station.

- GEL's application notes that, without any changes to existing tariffs, it currently only has £5.6m available for capital expenditure in the current financial year, which will fall in year 2 and year 3 to £5.5m and £3.9m respectively. With current annual depreciation costs of c£8m, it maintains that these levels of expenditure fall well below the level needed to maintain the existing asset base and are significantly below the level required to deliver the energy transition. The tariff proposals will enable GEL to increase its capital expenditure to £10.7m per annum for the next three years.

- GEL's submission is that expenditure of £10.7m in the short-term is required to properly maintain the Island's electricity infrastructure on which consumers rely and allow for a **limited** amount of anticipated growth in electricity demand associated with the transition. The aforementioned WSP report has concluded that expenditure of this level is required to sustain the network in its current form.

- GEL's longer-term capital investment plans will be updated following the States' consideration of the Electricity Strategy that the CftE&I will be presenting in 2022. It is anticipated that the Strategy will establish the future role that GEL will play in serving the generation, supply and conveyance markets and any further investment that will be required to fully enable the transition.

[7] Source: States of Guernsey Inflation Calculator – 30/9/12 to 31/3/22

<u>Objective 3</u><u>: to ensure that utility activities are carried out in such a way as best to serve and contribute to the economic and social development and well-being of the Bailiwick.</u>

Key factors identified by the Board in considering this objective include the following:

- As noted in the commentary on objectives 1 and 2 above, one of the main purposes of the tariff application is to enable GEL to meet its base-case capital investment plans for the next three years to maintain the electricity infrastructure on which the Island depends. The forecasts provided by GEL in support of its application show that - subject to further changes to its tariffs in years 2 and 3 - it will generate a cash surplus of £3.3m by the end of year 3 to enable the company to either: reduce its debt levels; improve its resilience in the event of a failure of a major asset; and/or build a buffer with which to shield customers against future commodity price increases. It should be noted that the STSB adopts a "not-for-dividend" policy in respect of GEL, meaning that all surpluses are retained by the Company and reinvested in the business in the best long-term interests of Islanders.

- The second main purpose of the application is to start a process to rebalance GEL's tariffs so that its variable and fixed charges for the supply of electricity better reflect the variable and fixed costs of the business. This is consistent with the Energy Policy, which stresses the importance of ensuring that cost-reflective tariff systems are put in place across all forms of energy supplies. The Policy's stated outcome is that costs must be properly reflected in tariffs and must be recoverable by energy providers. This would ensure greater clarity for investment by both existing suppliers and new market entrants, whilst providing customers with transparency in respect of what they choose to pay for.

- GEL's submission is that, if steps are not taken to correct the imbalance in its charges, the risk is that, as more consumers adopt localised and/or behind-the-meter sources of electricity, revenues from variable charges will reduce disproportionately and GEL will be unable to afford the fixed costs of maintaining/upgrading the electricity network without disproportionate increases in its variable charges. Those most adversely affected as a consequence would be the remaining customers who are either unable to or cannot afford to adopt micro-renewable technologies, such as solar PV, including those in rented accommodation or apartments who can also be limited from investing in such equipment. These challenges are not unique to Guernsey. In its application, GEL provided evidence of multiple European jurisdictions where fixed charges have evolved to represent between 30% and 80% of revenues being generated, noting that under its proposals, Guernsey's would remain below those in the UK and would be less than those charged by Guernsey Gas[8] for the time being.

- The Tariff Regulation policy letter (see section 4 above) considered by the States in 2021 clearly identified a need to rebalance GEL's tariffs for the reason set out above. It also noted that there was a pressing need to start that process, given that the current tariffs are already sending misleading signals to the wider electricity marketplace by overstating the actual unit

[8] Directly comparable data against Jersey Electricity was unavailable.

costs of electricity that GEL is providing and understating the fixed costs of providing and maintaining the electricity infrastructure.

- The Board acknowledges that the arguments in support of rebalancing GEL's tariffs have to be balanced with the following considerations: firstly, increasing the proportion of revenues recovered by GEL from its standing charges and reducing the proportion from variable charges will increase the payback period for consumers considering investing in micro-renewable technologies and may act as a disincentive to doing so; secondly, increases in standing charges will have a disproportionate impact on those consumers of low volumes of electricity and vulnerable customers; and, thirdly, the proposals pre-empt work that the CfED has been directed by the States (following consideration of the Energy Policy) to undertake to review structures for cost reflective tariffs and to report back with proposals.

In weighing these considerations, the Board has been mindful that any rebalancing of GEL's tariffs will need to be phased over time. The proposals within the application mark a relatively modest start to that process that will increase the proportion of total revenues that GEL generates from its standing charge from 4% to 7% and will start to correct the misleading signals that the current tariffs are sending to the marketplace. Additionally, GEL has included commitments within its application to communicate proactively with customers to minimise their bills and maximise their energy efficiency, with a particular focus on assisting those most disproportionately impacted by the changes in the standing charge.

The Board does not believe that the relatively modest change envisaged at this time is sufficient to prejudice the aforementioned future work that the CfED has been directed to undertake on cost reflective tariffs by the States. The proposals are consistent with the direction established in the Energy Policy in 2020 and the intent that was clearly flagged in the Tariff Regulation policy letter in 2021.

The Board believes the greater risk arises from not starting to take action to rebalance GEL's tariffs. It is conscious that the longer the delay there is in starting the rebalancing process, the greater the risk there would be to GEL's ability to generate sufficient revenues to invest in the electricity network. It has concluded that the need to ensure GEL can continue to invest in the maintenance and upgrading of a reliable electricity network as an essential part of the Island's social and economic infrastructure should be the primary consideration. Therefore, the Board has concluded that it supports the proposed rebalancing set out in GEL's application.

Objective 4: to introduce, maintain and promote effective and sustainable competition in the provision of utility services in the Bailiwick, subject to any special or exclusive rights awarded to a licensee by [the GCRA] pursuant to States' Directions.

Key factors identified by the Board in considering this objective include the following:

- GEL is not proposing any increases in its standby charge, which is applicable to larger commercial customers with their own installed generation capacity above a threshold of 25kW, but who also remain connected to the GEL network. The maximum standby charge was reduced to its current level of £3.07 per kW in 2019 by the GCRA following a review of the competitive impact it was having on the electricity market (a charge of £6.8594 per kW remains for legacy systems where the owner has not requested a change to the reduced rate). In real terms, the cost of the standby charge has fallen since then and that process will continue under GEL's proposals.

- GEL is not proposing any increase in the buy-back tariff, this being the rate at which it purchases surplus energy from customers with their own renewable generation. The rate (currently 9.90 pence per unit (ppu)) has remained unchanged since 2012 and, as such, has and continues to fall in real terms. However, the rate exceeds the combined marginal cost GEL incurs when importing/generating its own electricity, which is budgeted at 6.78ppu during the current financial year. It also exceeds the buy-back rate in Jersey (7.04ppu) and the rates available within the UK, which GEL has advised can vary from between 1.5ppu and 7.50ppu.

- The Board acknowledges that the buy-back tariff is an important factor for customers considering the installation of their own micro-renewable facilities and, therefore, that it plays a role in the development of competition from renewable sources. With this in mind, the Board is conscious of the following factors. Firstly, a focus[9] of the forthcoming Electricity Strategy will be on what arrangements can be put in place to facilitate more adoption of local renewable energy at both a micro and macro level and it will examine if/how electricity tariffs might be adapted to incentivise the development and adoption of local renewable energy. Secondly, GEL is subject to a "merit order" which requires it to rank the electricity sources available to it for dispatch into the network based solely on their ascending order of price (such that the cheapest must always be dispatched first). The States has committed[10] to undertaking a review of the merit order, noting that potential changes could include requiring GEL to give a greater priority to the dispatch of locally generated renewable electricity and enabling it to stimulate this part of the market. The Board believes it would be inappropriate to pre-empt the outcomes of the above policy workstreams by making changes to the buy-back tariff in the interim, but will keep the matter under review.

- As noted in the commentary on objective 3 above, increasing the proportion of revenues recovered by GEL from its standing charges and reducing the proportion from variable charges will increase the payback period for consumers considering investing in micro-renewable technologies and may act as a disincentive to doing so. Conversely, the increases in the variable charges that GEL is proposing will increase the marginal pricing difference between those renewables and the electricity supplied by GEL, which should have the opposite effect.

Objective 5: to improve the quality and coverage of utility services and to facilitate the availability of new utility services within the Bailiwick.

Key factors identified by the Board in considering this objective include the following:

[9] Article 5 of Billet d'Etat XVII of 2021: Interim Arrangements for Tariff Regulation – Explanatory Note to Amendment 2 laid by the President and Vice-President, CftE&I.
[10] Resolution 2(c) of Article 5 of Billet d'Etat XVII of 2021

- As set out in the commentary on the above objectives, one of the main purposes of the tariff proposals is to correct current levels of underinvestment in the Island's electricity infrastructure to enable GEL to meet its base-case capital investment plans for the next three years to maintain the electricity infrastructure on which the Island depends. The WSP report has confirmed that level of investment as being necessary.

- As set out in the commentary on the above objectives, the proposed rebalancing of tariffs set out in GEL's application is intended to ensure that GEL can continue to generate revenues to invest in the maintenance and upgrading of a reliable electricity network without having to introduce disproportionate increases in its variable charges.

- As set out in the commentary on the above objectives, investment in the network is required to enable the growth of distributed electricity generation and supply, including a wider range of alternative/renewable sources of electricity.

Objective 6: to lessen, where practicable, any adverse impact of utility activities on the environment.

The key factor identified by the Board in considering this objective is that GEL's proposals underpin its short-term capital expenditure plans, which are intended to correct current levels of under-investment. The intention is to stabilise the electricity network and to start preparing it for the growth in demand for electricity that is anticipated by the Island's Energy Policy. Short and long-term investment in the Island's electricity infrastructure are key enablers in meeting the Energy Policy's decarbonisation objectives and the target for net-zero emissions by 2050.

6. Decision

The revenue cap of 9% and tariffs that have been proposed by GEL for the year commencing 1st July, 2022, form the first of a three-year tariff evolution strategy envisaged by GEL. The Board wishes to be clear that it is determining its position on the application for year 1 only. Any changes to the tariffs in years 2 and 3 will be subject to further detailed application(s) by GEL to the Board. Whilst the Board is reserving its position on any such applications, it has set out below an indication of the approach it anticipates taking towards those, which should be considered in conjunction with its decision on the application for year 1.

Aside from the aforementioned temporary CPT adjustments, there has been no general increase in GEL's tariffs since 2012. That is a consequence of a historic regulatory impasse, the reasons for which are set out in the Tariff Regulation policy letter. Current levels of investment in the Island's electricity infrastructure fall well below the level needed to maintain the existing asset base and are significantly below the level required to deliver the energy transition. Whilst highly conscious of the impact of increased charges on consumers at any time, but in particular during the current economic situation, the Board has nevertheless determined that the most important factor to be addressed in determining the application is the pressing need to start correcting current levels of under-investment in the electricity network. Such investment is needed to maintain and upgrade the network as an essential part of the Island's social and economic infrastructure and is required to support the anticipated growth in electricity demand as part of the energy transition anticipated by the Energy Policy. The Board is satisfied that this cannot be delivered by GEL without the combination of additional revenues and debt funding that the Company has proposed.

Therefore, taking into account the matters set out within this Notice, the Board has agreed to approve the revenue cap of 9% and the tariffs proposed by GEL, for introduction with effect from 1st July, 2022.

The application from GEL does anticipate that the Company will make further applications for increases to the revenue cap and consequential changes to tariffs in years 2 and 3 to support its capital investment requirements. The Board has agreed that this must be preceded by two further assurance workstreams.

Firstly, the Board will commission an independent ex-post review of GEL's actual financial outturns. In the event that this review identifies a material variance against the forecasts included within GEL's current application that results in an over (or under) recovery, then a corresponding adjustment will be made to the subsequent year's tariff proposals.

Secondly, the Board will shortly begin work to commission price and efficiency benchmarking reviews of GEL and will work with the company to ensure that the results of those are available to inform its consideration of those applications and, specifically, the extent of any future tariff increases that can be justified.

30th May 2022

Appendices: Appendix 1 – 2022 Proposed Electricity Tariffs

Appendix 1- 2022 Proposed Electricity Tariffs

1 unit = 1 kWh

		CURRENT	REVISED 1st July 2022	
STANDARD TARIFF	Standing Charge (Primary Meter)	£17.97	£30.00	per quarter
	Standing Charge (Secondary Meter)	£3.01	£5.02	per quarter
	All units	19.78p	20.77p	per unit
SUPER ECONOMY 12	Standing Charge (Primary Meter)	£17.97	£30.00	per quarter
	Standing Charge (Secondary Meter)	£4.65	£7.76	per quarter
	Low rate units	8.57p	9.25p	per unit
	Normal rate units	20.67p	22.01p	per unit

Super Economy 12 Low Rate: 10-hour period between 7:45pm and 8:15am. 2-hour period between 12:00 noon and 4:40pm.

		CURRENT	REVISED 1st July 2022	
INDUSTRIAL ECONOMY TARIFF				
High Voltage Supplies	Low rate units (10 hours)	8.57p	9.32p	per unit
	Normal rate units (14 hours)	17.59p	19.14p	per unit
	kW Charge April – October	£0.00	£0.00	per kW
	kW Charge November – March	£13.75	£14.96	per kW
	Standby Charge (Installed Capacity)*	£3.07	£3.07	per kW
	Power factor adjustment **	1.15p	1.25p	
Low Voltage Supplies	Low rate units (10 hours)	8.99p	9.78p	per unit
	Normal rate units (14 hours)	18.02p	19.61p	per unit
	kW Charge April – October	£0.00	£0.00	per kW
	kW Charge November – March	£13.75	£14.96	per kW
	Standby Charge (Installed Capacity)*	£3.07	£3.07	per kW
	Power factor adjustment **	1.15p	1.25p	
MAXIMUM DEMAND TARIFF				
High Voltage Supplies	All units	15.82p	17.21p	per unit
	kW Charge April – October	£0.00	£0.00	per kW
	kW Charge November – March	£13.75	£14.96	per kW
	Standby Charge (Installed Capacity)*	£3.07	£3.07	per kW
	Power factor adjustment **	1.15p	1.25p	
Low Voltage Supplies	All units	16.49p	17.94p	per unit
	kW Charge April – October	£0.00	£0.00	per kW
	kW Charge November – March	£13.75	£14.96	per kW
	Standby Charge (Installed Capacity)*	£3.07	£3.07	per kW
	Power factor adjustment **	1.15p	1.25p	
HEAT PUMP TARIFF	All units	13.07p	14.22p	per unit

Permanently connected heat pumps only. Supply may be interrupted, in the unlikely event of severe network conditions, for up to 30 minutes in a 24-hour period with a maximum number of interruptions being four times per calendar year.

		CURRENT	REVISED 1st July 2022	
NON - PEAK TARIFF	Standing Charge	£17.97	£30.00	per quarter
	All units	9.74p	10.59p	per unit

Supply available for a minimum of 20 hours. Disconnected for a total of 4 hours at the discretion of the Company.

		CURRENT	REVISED 1st July 2022	
SUPERHEAT TARIFF	Standing Charge	£3.01	£5.02	per quarter
	All units	9.42p	9.89p	per unit

Supply may be interrupted, in the unlikely event of severe network conditions, for up to 30 minutes in a 24-hour period with a maximum number of interruptions being four times per calendar year.

		CURRENT	REVISED 1st July 2022	
BUY BACK TARIFF	All units	9.90p	9.90p	per unit

This tariff is available to customers with their own generating equipment, wishing to export power to Guernsey Electricity.
*Standby charge set in accordance with CICRA 19/16 "Standby Charge for Embedded Electricity Generation" effective 3rd May 2019 and only applicable where parties agree to reimburse the other should a subsequent regulatory decision set a different rate.

** Power factor adjustment: /kVArh in excess of 50% of kWh/month. The customer shall maintain the power factor of their connected load between 0.90 lagging and unity.

MAXIMUM RESALE PRICE:
In accordance with section 23 of the Electricity (Guernsey) Law 2001, the maximum resale price at which electricity can be resold by persons to whom it is supplied is 20.83 pence per unit.