



NEWS RELEASE

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Supplier of last resort costs in the Guernsey electricity market

The Guernsey Competition and Regulatory Authority (**the Authority**) is seeking views on how best to ensure a fair balance between the contribution to Guernsey Electricity's (**GEL**) supplier of last resort obligation and the promotion of renewable generation capacity in the Guernsey electricity market.

Guernsey's electricity needs are currently met through a combination of certified green imported electricity from France and fossil fuel-based power on-Island. As the cost of renewable generation falls and the technology matures, a growing number of customers also have the ability to install their own green options for their homes or businesses, but these require a back-stop power supply from GEL when the capacity they have installed is less than they need or they suffer a technical failure in the equipment they install.

GEL is legally obliged to maintain elements of its infrastructure on a 'just in case' basis for those consumers who have chosen to generate their own power, or source it from a third party, and that costs the company money. The Authority wants to assess how much GEL should be able to charge consumers for this standby service. Because there are different arguments about how the cost should be calculated, the Authority is seeking views on different approaches to make sure any charge is fair and equitable for GEL and all consumers, including those who install renewable generation capacity themselves.

The Call for Information by the Authority looks to gather information from stakeholders who can contribute to its assessment. If there is a need for regulatory intervention to set a charge that achieves a fair balance between the different parties, the Authority can propose an approach and ultimately stipulate a regulated price after taking into account the views of key stakeholders.

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About the Guernsey Competition & Regulatory Authority:

The Guernsey Competition & Regulatory Authority (GCRA) (formerly the Office of Utility Regulation) was established under The Guernsey Competition & Regulatory Authority Ordinance, 2012. The GCRA is responsible for regulating the telecoms, postal and electricity sectors and for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.