



Guernsey Electricity Licence Modification:

Licence Exclusivity

E1610G

Proposed Decision

Date: 15 May 2024

GUERNSEY COMPETITION & REGULATORY AUTHORITY

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1. Summary

1.1 In accordance with:

- section 8 of *The Electricity (Guernsey) Law, 2001* (the **Electricity Law**);
- condition 6 of the Licence issued to Guernsey Electricity Limited (**GEL**) under section 2(1) of the Electricity Law; and
- the States' Direction to the Guernsey Competition and Regulatory Authority (**GCRA**) under Section 3 of the *Regulation of Utilities (Bailiwick of Guernsey) Law, 2001* (the **Regulation Law**) which was agreed by the States of Guernsey at its meeting on 26 January 2022,¹

the Guernsey Competition and Regulatory Authority (**GCRA**) gives notice of its intention to modify conditions 25.3 and 36.3 of the licence issued to GEL on 1 February 2012 under section 2(1) of the Electricity Law.

2. Background

2.1. Guernsey Electricity Limited (**GEL**) is licensed by the GCRA to generate, convey and supply electricity in Guernsey. The licence was issued on 1 February 2012 under section 2(1) of the Electricity Law.² Licence condition 6 provides for the GCRA to modify any condition in the licence in accordance with section 8 of the Electricity Law and any other requirements under any applicable law.

2.2. Under section 3(b) of the Regulation Law, the States may, on the recommendation of the Committee for Economic Development (**CfED**) made after consultation with the GCRA, give States' Directions to the GCRA specifying any special or exclusive rights to be awarded to any licensee. In October 2021, the Committee for Economic Development consulted with the GCRA on a proposed States' Direction to extend GEL's licence exclusivity in the supply and conveyance markets.

2.3. On 26 January 2022, the States agreed the following States' Direction:

To require the Guernsey Competition and Regulatory Authority to maintain GEL's existing licence exclusivity in the supply and conveyance markets until such time as the States has considered and agreed both an updated Electricity Strategy and a new licensing framework for the energy sector to support the development of on-island renewables.

2.4. On 14 March 2024, the GCRA received a letter from the CfED setting out the States' Direction on licence exclusivity (at **Appendix 1**).

¹ <https://www.gov.gg/article/186734/Guernsey-Electricity-Limited---Licence-Exclusivity-in-the-Conveyance-and-Supply-Areas-of-the-Electricity-Market>

² <https://www.gcra.gg/media/2960/cicra1211-gel-licence-renewal-and-conditions-2012.pdf>

3. Proposed modification

- 3.1. The GCRA proposes to delete the existing condition 25.3 and replace it with the following condition:

The Licensee shall have the exclusive right to convey electricity in its Authorised Area until such time as the States has considered and agreed both an updated Electricity Strategy and a new licensing framework for the energy sector to support the development of on-island renewables. The GCRA may extend or amend the duration of this exclusive right if so directed by States' Direction under Regulation Law.

- 3.2. The GCRA proposes to delete the existing condition 36.3 and replace it with the following condition:

The Licensee shall have the exclusive right to supply electricity in its Authorised Area until such time as the States has considered and agreed both an updated Electricity Strategy and a new licensing framework for the energy sector to support the development of on-island renewables. The GCRA may extend or amend the duration of this exclusive right if so directed by States' Direction under Regulation Law.

4. Reason for the modification

- 4.1. The reason for this modification is to comply with the States' Direction issued to the GCRA on 14 March 2024 in accordance with section 3 of the Regulation Law.

5. Representations or objections

- 5.1. In accordance with section 8(2)(c) of the Electricity Law, interested parties are invited to submit written representations or objections to the proposals in this notice before **4pm on 28 May 2024**.

- 5.2. All representations or objections should be clearly marked '*Comments on GEL Licence Modification: Licence Exclusivity*' and should be delivered by hand or by e-mail to the following address:

Suite 4, 1st Floor
La Plaiderie Chambers
La Plaiderie
St Peter Port
Guernsey
GY1 1WG

E-mail: info@gcra.gg

- 5.3. In line with the GCRA's policy, it intends to make responses to the consultation available on its website. Any material that is confidential should be put in a separate annex and clearly marked as such, in order that it may be kept confidential.

5.4. Pursuant to section 5(4) of the Electricity Law, the Authority has published notice in *La Gazette Officielle* of the availability of this document on the Authority's website (www.gcra.gg).

6. Next steps

6.1. Following consideration of any representations or objections, the GCRA will publish notice of its decision to modify or not to modify GEL's licence.

Annex 1: Letter with States' Direction



Mr M Byrne
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Sent by email: Michael.Byrne@gcra.gg

14th March 2024

Dear Mr Byrne

STATES DIRECTIONS TO THE GCRA – GEL LICENCE EXCLUSIVITY

On 11 October 2021 the Guernsey Competition and Licencing Authority (GCRA) responded to a request from the Committee seeking views concerning extending Guernsey Electricity Limited's (GEL) licence exclusivity and a review of existing supply licence exemptions. The Committee is grateful for this feedback which was subsequently incorporated into its 29 November 2021 Policy Letter¹.

This Policy Letter was presented to the States at their 26 January 2022 meeting. The States agreed that the Committee would issue a direction to the GCRA to maintain GEL's licence exclusivity in the supply and conveyance markets until such time as the States has considered and agreed both an updated Electricity Strategy and a new licensing framework for the energy sector to support the development of on-island renewables.

The Committee write to instruct that the GCRA follow the above direction as agreed by the States at their 26 January 2022 meeting. The Committee notes that the updated Electricity Strategy was approved by the States at their 6 September 2023 meeting but that a new licensing framework to support a renewable energy sector remains under development.

Yours sincerely,

Deputy Neil Inder
President

¹ [Licence Exclusivity in the Conveyance and Supply Areas of the Electricity Market](#)