



Office of Utility Regulation

Designer Markets

**Options for Guernsey's Retail and
Generation Electricity Markets**

Information Notice

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Background

In July 2002, the Director General of Utility Regulation launched a wide ranging consultation on the future of Guernsey's electricity market. A public presentation was held along with an industry workshop, and a detailed consultation paper was published seeking views and inputs from interested parties on the development of the Guernsey electricity market and in particular on the question of introducing competition in the market for supplying electricity directly to customers.

The consultation looked at the characteristics of the Guernsey market in some detail and then identified a small number of options that might be viable in Guernsey, ranging from the existing monopoly structure with no competition, to the introduction of full competition for all customers in the market whereby anyone could chose different retail suppliers from whom to purchase their electricity. The implications of these various options were explored, including the possible benefits and costs of adopting the options, and respondents were asked to comment on them.

The consultation process was designed to assist the Director General in responding to States Directions¹ issued in February 2002. In accordance with those directions, the Director General was asked to review, within twelve months from 1st February 2002, the impact of the introduction of competition into the electricity supply market in Guernsey and to make recommendations on the introduction of competition in the supply market to the Board of Industry to enable the Board to take appropriate policy recommendations to the States of Guernsey.

The Director General indicated in the paper that, following receipt of comments, her Office would prepare a report and recommendations to the Board of Industry by the end of Quarter 3 in 2002.

Report to the Board of Industry

The Director General has now concluded her review of the responses to the consultation and wishes to thank those who responded. The views expressed, including those expressed in the public meeting and industry workshop, have been taken into account when formulating the final report to the Board of Industry. This report will now be forwarded to the Board of Industry for the Board's consideration and decision on what, if any, policy recommendations should be brought to the States.

Following the Board's consideration of the report, the Director General will publish a version of the report on the OUR website, excluding any confidential data that has been used to underpin the analysis undertaken.

/ENDS

¹ Billet d'Etat No XVIII 2001, pages 1263 to 1264