

Rosie Allsopp

From: Yvonne Burford [REDACTED]
Sent: 02 December 2010 15:37
To: Info
Subject: OUR Price Control consultation response

Dear OUR,

I wish to make a general response to the above-mentioned consultation document.

It is difficult to respond specifically to the invitations made throughout the document because, as the old joke goes, I wouldn't start from here.

The "commercialising" of GEL and the general discourse promotes the idea that running GEL as if it were a private corporation will necessarily elicit the best outcome. I disagree. The numerous references in the document to rewards/incentives and sanctions demonstrate a lack of faith in the people employed by GEL (at all levels) to do the job for which they are employed. The efficacy of the rewards culture has been brought into question on numerous occasions although this link probably provides the most watchable example of the inherent problems associated with this approach. <http://www.youtube.com/watch?v=u6XAPnuFjJc&feature=channel>

We need *low-carbon electricity* and *energy security*. Neither of the two sources of electricity we currently use provide both these requirements. *Price* should be far from the only consideration in the operation of GEL but it seems to be the overriding consideration of the OUR. We also need to be considering the *cost*, including externalities. A private corporation will seek to sell as much of its product as it can and externalise as many costs as it can. To try and run GEL along these lines will utterly fail to address the need for energy efficiency and runs counter to the aspirations of the (noted) Energy Policy. If the issue is that the OUR is merely operating within its remit, then the remit needs to change. It is interesting to note that we seek to regulate public corporations more strenuously than private ones when the overwhelming lesson of (particularly recent) history is that it is always the latter type which land us in the doo-doo. (Banks and PFI deals to name but a few).

With reference to volume pricing there should *not* be volume discounts, on the contrary there should absolutely be volume premiums with electricity becoming more expensive the more you use. This will obviously be counter-intuitive to free-marketeers. Even if volume premiums do not serve to significantly reduce the overall levels of electricity consumption they will bring in a useful source of revenue to allow urgently needed investment in local renewable technologies. Climate change, peak oil and local energy security are crucial issues and just about all we appear to be doing to address them is writing good reports which then are noted and gather dust.

I agree that clarity is needed on the carbon intensity of various sources of energy. However it is important that such a debate does not overshadow the need to develop our own *local* low carbon electricity sources and equally importantly that we do not use the carbon saving afforded by imported nuclear power (whatever that may ultimately be deemed to be) to offset taking action in other areas of energy consumption.

Guernsey is a small island (small market, if you prefer) and to try and run it along the lines of large countries is a completely flawed idea.

In summary then, GEL should be allowed to get on with the task of keeping the lights on, they should encourage reduced usage and they should charge higher users a premium in order to have a substantial fund to press forward with local low-carbon generation.

kind regards

