



MEDIA RELEASE

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CICRA address level of standby charges in Guernsey

The Channel Islands Competition and Regulatory Authorities (**The Competition Authority**) has used its legal powers to issue a statutory notice proposing to immediately reduce the level of standby charges in Guernsey currently charged by Guernsey Electricity Limited (**GEL**).

Standby charges are a monthly charge levied by GEL on customers who have onsite generation installed (such as solar panels).

The Competition Authority is of the view that the standby charge applied by GEL is high compared to other jurisdictions to the extent comparators can be found and should, as an interim measure, be reduced until a full review has been undertaken on the appropriate level. This response is proposed as a result of the credible risk to competition in Guernsey's energy market should the present charging structure remain, given the level and unclear basis for the current charges.

Michael Byrne, Chief Executive of CICRA, said, "The proposed reduction in the standby charge from £6.8594 per kW to £3.07/kW/month will be introduced as an interim measure. A full assessment of the appropriate level of this charge will be

significantly assisted by States of Guernsey policy, including clarification of the Competition Authority's role in regulation of the energy sector going forward.”

NOTES TO EDITORS:

Customers with onsite generation typically require a different set of services, which includes continuing electricity service for the portion of usage that is not provided by the onsite generator, as well as service for periods of scheduled or unscheduled outages. The standby charge makes a contribution towards the provision and maintenance of the electricity network, which a customer would use if the power generated by onsite generation is not meeting their electricity needs.

Issued by ORCHID

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About The Channel Islands Competition and Regulatory Authorities:

The Channel Islands Competition and Regulatory Authorities is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.