



Operation of Current Electricity Price Control For Sark

By

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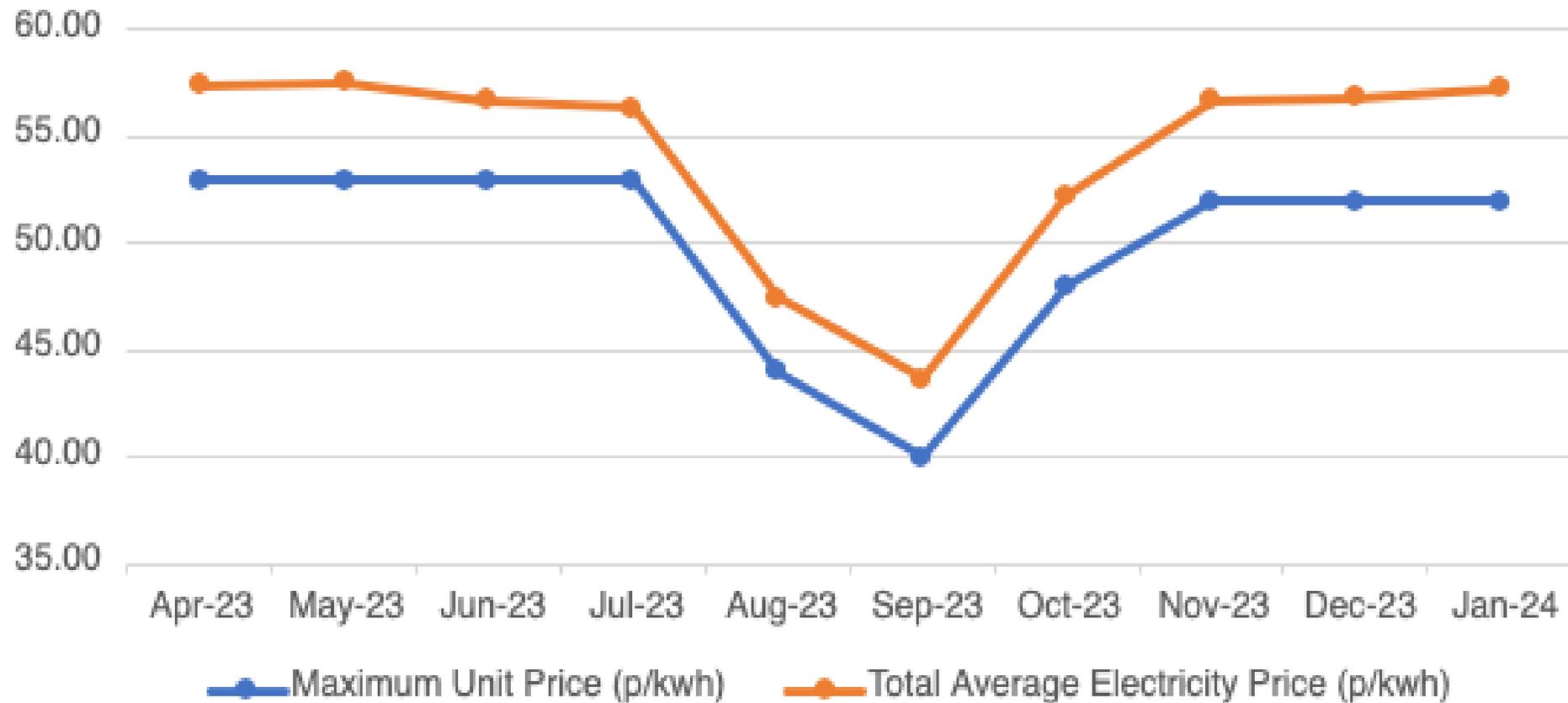
Electricity Price Controller

At Public Meeting on 10 January 2024

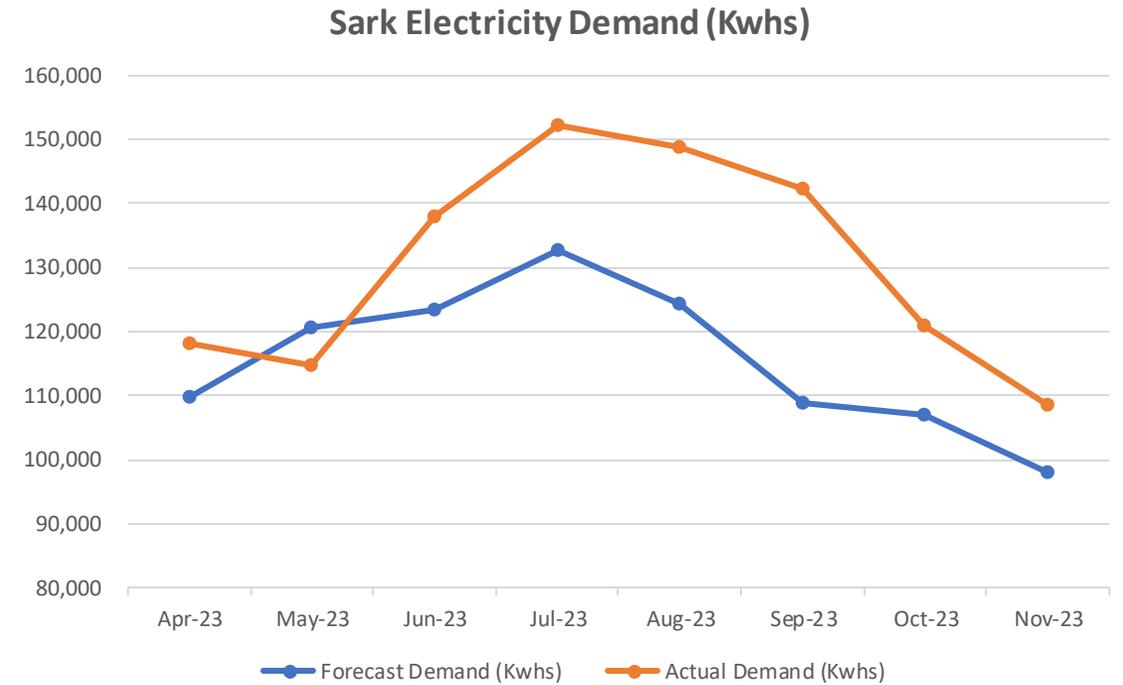
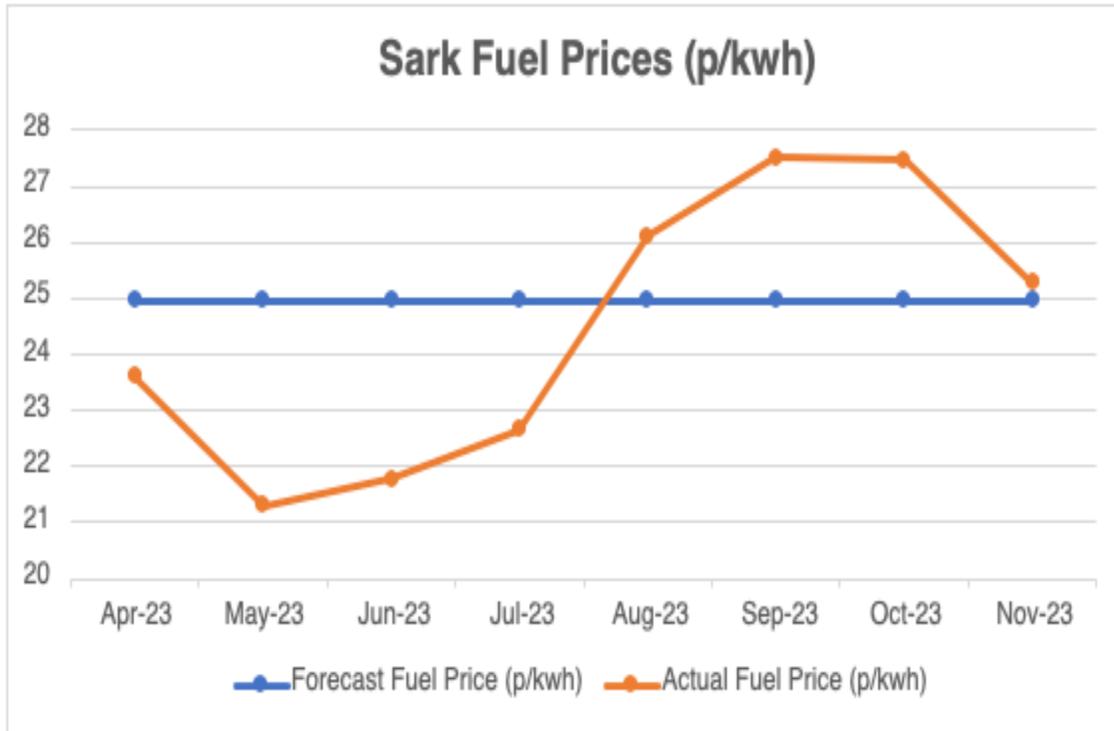
Price Control Design

- 2-Year Price Control from 01st April 2023 – 31st March 2025
- Maximum Unit Price (p/kwh), monthly connection charge, monthly stand-by charge for own-generators.
- Designed To Allow For The Recovery Of:
 - Historic and new capital expenditure
 - A return on capital,
 - Fixed operating costs, and
 - Fuel costs
- Monthly Correction Mechanism for Fuel and Consumption
 - 2-Month Lag

Sark Electricity Price Trend (p/kwh)



Price Drivers



Material Lack Of Capital Expenditure

- Previous technical reports have indicated the need for a significant asset replacement and upgrade programme.
- Price Control allows for new capital expenditure to be recovered and takes into consideration the additional investment risk in Sark .
- The Price Control required SEL to urgently submit its proposals for capital expenditure, prioritised on the basis of safety and reliability.
- SEL has still not made its submission despite several reminders.
- Electricity prices are artificially low and the risks to safety and reliability are significantly higher due to this lack of capital expenditure.