



## **Office of the Sark Electricity Price Control Commissioner**

### **Electricity Price Reduction From 1<sup>st</sup> March 2025 and Next Steps for Electricity Price Regulation**

The maximum unit price that Sark Electricity Limited (“SEL”) can charge for electricity decreased from 50p/unit to 49p/unit from the 1<sup>st</sup> March 2025.

For the month of January 2025 fuel prices were 10% lower than forecast and consumption was 13.4% higher than forecast. Both of these factors contributed to this price decrease.

The monthly connection fee remained capped at £10/meter and the monthly standby charge for own-generators remained capped at £5/KW of installed capacity.

Under the terms of The Control of Electricity Prices (Sark) Law, 2016 (“the Law”), this current price control comes to an end on the 31<sup>st</sup> March 2025. After this date, there will no longer be a maximum unit price imposed on SEL. However, under the Law, if I determine after investigation that the price charged by SEL is not fair and reasonable, I have the power to introduce a new price control.

Electricity prices are determined by several underlying factors and based on the closing values in the current price control, and allowing for inflation and asset depreciation, I would expect prices to remain around current levels over the next year or so. These closing values are:

- Fuel Price = 22.4 p/kwh,
- Annual Demand = 1,503,438 Kwhs,,
- Regulatory Asset Value (RAV) = £425,392
- Reasonable return on investment = 8.23%,
- Remaining depreciation period for 2020 acquisition assets = 5 years and 7 months, and
- Fixed Operating Costs = £349,469 (to be inflated from 1<sup>st</sup> April 2025).

It would be fair and reasonable however for prices to increase if demand was lower than forecast, or if fuel prices were higher than forecast, or if there was capital expenditure. I will be requiring SEL to continue to provide me with monthly data such that I can continuously monitor these underlying factors and determine if the prices charged by SEL are fair and reasonable.

Please also note the change of website address below.

Shane Lynch, Electricity Price Control Commissioner

[Commissioner@epc.sark.gg](mailto:Commissioner@epc.sark.gg) and <http://sarkelectricitypcc.org/>

7<sup>th</sup> March 2025