



Office of the Sark Electricity Price Control Commissioner

Electricity Price Decrease From 1st June 2024

The maximum unit price that Sark Electricity Limited (“SEL”) can charge for electricity will decrease from 53p/unit to 48 p/unit from the 1st June 2024.

This price decrease is because of the monthly correction mechanism in the price control which has been in place since 1st April 2023.

This price decrease has been mainly driven by significant increases in consumption of 12.7% in March 2024 and 10.1% in April 2024 compared to forecast. A drop of 2% in fuel prices in April 2024 compared to forecast was also a modest contributor to the price decrease. These changes caused the balance owed to customers to increase to almost £8,000. Given that this exceeded the £5,000 limit for the balancing fund, the price correction mechanism was triggered.

From the 01st June 2024 £26,000 will be added to the regulatory asset base due to recent capital expenditure by SEL on a replacement generator. This increases the default Maximum Unit Price in the price control from 53 p/unit to 54 p/unit going forward.

It is not possible to say for sure what will happen to prices in the months ahead. The balance in the balancing fund must build up and exceed £5,000 again before the correction mechanism can be triggered. If this does not happen next month, the maximum unit price will return to 54 p/kwh. If demand remains higher than forecast and/or fuel prices remain lower than forecast, this will have a downward effect on prices. However, if further capital expenditure is approved for SEL, this will have an upwards effect on prices.

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

Shane Lynch

Electricity Price Commissioner

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