



Office of the Sark Electricity Price Control Commissioner

Electricity Price Increase From 1st October 2023

The maximum unit price that Sark Electricity Limited (“SEL”) can charge for electricity will increase from 40p/unit to 48 p/unit from the 1st October 2023.

This price increase is because of the monthly correction mechanism in the price control which has been in place since 1st April 2023. This mechanism compares actual fuel prices and demand to what was forecast in the price control and, once a certain threshold is reached, a change to the maximum unit price is triggered.

The maximum unit price was initially set at 53 p/unit and, due to a significant fall in fuel prices since April 2023 and increased demand over the summer months, this was reduced to 44 p/unit for August 2023 and then again to 40 p/unit for September 2023.

Unfortunately, fuel prices rose sharply again in August and September 2023 and are now around 9% higher than what was forecast in the price control. This is the main reason for this increase to the maximum unit price and, if fuel prices remain high, it is possible that a further increase may be required from November 2023.

Under this correction mechanism, price increases or decreases resulting from factors that are largely outside of the control of SEL (like fuel prices or the level of demand) are passed on to consumers as quickly as possible. Some customers may prefer this approach but there may be others who would prefer less volatility. It should be possible to amend the correction mechanism such that prices are smoothed over the longer term. I am presently discussing this matter with SEL and I would also welcome views from interested consumers. I can be contacted at the e-mail address below.

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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