



# Sark Electricity Ltd

The Power Station

Harbour Hill

Sark

Channel Islands

GY10 1SB

29<sup>th</sup> September 2022

Dear Customer

As has become the norm in light of significant fuel price volatility due to the conflict in The Ukraine, I am writing to confirm for you the price of electricity to be charged for the Month of October.

I had intended that at this point we would have had significantly more certainty as a result of meetings scheduled by Chief Pleas for this month. However, the sad passing of her Majesty has understandably affected Chief Pleas arrangements.

The unavoidable delays to Chief Pleas has had a knock on effect and, as The OPC has advised, it delayed our response to the consultation process currently underway. This has however now been submitted.

## **Sark Energy Transformation Plan**

Our Sark Energy Transformation Plan (SETP) has sat for too long while I waited for P&F to deliberate on their forced acquisition plans. And before that, while I waited for them to respond to the clear need for regulation to defend a residents right to power.

In light of the recent proposals placed before Chief Pleas I can, with a clear conscience, now progress with delivering the vision that I have held for now seven years and deliver a cheaper, cleaner and entirely transparent electricity company that is fit for this century and beyond.

I look forward to working with the entire community to deliver that vision.

## **New Operations Manager**

Some of you may have already met our new Operations Manager Terri Parkinson who has been across a few times in recent weeks and will, I am sure become a regular face around the island as she pushes ahead with our transformation plan.

After a short break from the daily grind to raise her two children Terri leaves the Wirral behind her as she joins us at Sark Electricity. Terri is tasked with delivering our aggressive modernisation programme in preparation for executing our decentralised renewables vision to '*share the wealth*' from the buy-back tariff across the community.

Bringing her expertise from Scottish Power in the Major Projects Department and before that from her time with National Grid, Terri will be key to delivering the Sark Energy Transformation Plan (SETP) that has languished for too long.

I know that she has already begun setting direction's for the team about decommissioning plans for our old distribution network and engines. The first site for decommissioning, the Boulangerie, has already been determined and I am assured that we will see this dismantled in very short order. Plans are also in motion to begin clearing old engines from the station in preparation for modernising our generation needs.

Little Sark appears to have taken her fancy and is, I am told, going to become quite active in the coming months as preparation for the transformation begins. I would probably have waited until the tea gardens re-open but then I am a little partial to their scones and Terri has no intention of sitting around. The guys are, I am sure, delighted by her enthusiasm to get going.

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Guernsey Co. Registration No.57127

From my perspective I am delighted to have someone on board with so much energy and drive who has already fallen in love with the island as deeply as I have. She is already making plans to open 'Terri's Tatties' as a side-line at the Boulangerie next summer, '*when the big stuff is done*'. I fear she may not have accounted adequately for the weather and cargo in her scheduling. However, when you meet her, you will understand why I am not yet brave enough to tell her that out loud.

#### September Tariff Announcement

I have intended to completely revamp the way in which we charge for energy for some considerable while. Holding the view as I do that SEL needs to operate on a more commercial, rather than social basis.

This will involve separating the cost of supply from the cost to produce. Something I touched on in my public meeting. I have for some time been pushing Chief Pleas for significantly greater policy direction and in the proposals for consideration issued a few weeks ago they did exactly that, and I am genuinely grateful to them for laying out these 10 new principles.

It has triggered a number of questions that I have now raised with The OPC, and will also shortly raise with P&F, and I know that The OPC will deliberate and come back to us as part of the current consultation process.

1 principle in particular has required me to delay my tariff considerations for a little while longer and I am going to reach out again to see if I can arrange a meeting with the Committee to fully understand their intention before I can finalise this much needed review. Attendance at the previous meetings I have tried to organise were not sufficiently quorate to enable debate. My hope is that this further delay will be measured in weeks and not months.

While the price of fuel continues to come down it is not dropping at anything like the rate we all want to see.

Fuel per litre at the end of August 2022 was 96.15 ppl. At the end of September it had dropped to 93.48ppl. This would equate to a reduction of roughly 1p per unit over the period. I recognise the difficulty that is being faced across the community, it is why I subsidised the price personally for the first six months of the year.

For this reason I have made some significant changes to the tiered tariff structure and have also introduced a new standby tariff for own generators which, while entirely typical, has not been applied previously. This standby tariff is currently set quite low and I do anticipate that it will move up in the coming months.

Making these changes has enabled me to set the standard rate tariff at 65p per unit from 1<sup>st</sup> October. A reduction of 8p from last month. The standby charge is set at £5 per month per kW of installed capacity and this will take effect from November 1<sup>st</sup> 2022.

Full details of the October Tariff can be found online at [www.sarkelectricity.com](http://www.sarkelectricity.com).

I would also like to highlight once again that had Sark's Government not actively blocked our energy transformation plans over the last two years; SEL would have had a significantly lower dependence on fossil fuels at this point and the price increases this year would have been significantly less and begun from a significantly lower price point. I will continue to vigorously pursue this agenda and I urge all residents to encourage Conseillers to meet with SEL with all urgency.

Regards

Alan