



# Sark Electricity Ltd

The Power Station

Harbour Hill

Sark

Channel Islands

GY10 1SB

19<sup>th</sup> July 2022

Dear Customer

It has been my intention for some time to revamp the pricing model I use for 2022, this was placed on hold while Chief Pleas pursued its agenda to acquire SEL/SEHL through compulsory purchase, if necessary.

You will be aware that P&F recently stated its intention to seek Chief Pleas agreement to go out to tender for a competitor to enter Sark's Electricity Market alongside SEL. This was not disclosed to SEL in advance; but we welcome all forms of competition and remain confident that once P&F starts issuing the permissions necessary for grid development and the transition to renewables, that we will provide a cheaper and more reliable provision.

We stand ready, with our partners, to decentralise our grid and swiftly implement our renewables agenda; once P&F have provided the framework necessary for works to progress. Absence permissions, works cannot progress; *as with the Le Coupe*.

**I would 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 would have been significantly less and begun from a significantly lower price point. I will continue to vigorously pursue this agenda and with the permission of Chief Pleas SEL can release documentary evidence of this statement.**

As a result of P&F's tender proposal, I anticipated that SEL should immediately progress with updating our tariff in preparation for the dramatically different marketplace we were about to enjoy.

It has, however, been recently indicated to SEL that the funding arrangements for this, questionable, endeavour have not in fact been secured by P&F. That this endeavour will **require significant tax increases on top of those now required to fund the education solution** being discussed next week in Chief Pleas.

It has further suggested that a final decision on the acquisition of SEL has not yet been made. Indeed, this question was posed by a Conseiller to the entire P&F Committee at the last Chief Pleas meeting and a response is outstanding.

For these reasons, the situation around energy provision and how Chief Pleas aim to solve the crises caused by P&F remains uncertain.

We continue to hope that P&F will engage with SEL and answer our legitimate questions, we will write once more seeking guidance on their current position and intended direction of travel.

We seek resolution not conflict, but resolution requires dialogue and engagement between the parties. Our commitment to the residents of Sark remains strong but we simply cannot function in a vacuum.

I will keep you abreast of our interaction with Chief Pleas and I continue to hope to be in a position to make firm plans for the island's generation and distribution needs in the coming weeks. In the meantime, our tariff review remains on hold pending a clear indication of Chief Pleas long term plans for energy provision on Sark.

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Guernsey Co. Registration No.57127

### August Tariff Announcement

Further to my notice on 20<sup>th</sup> June announcing the price for the month of July; I am now able to advise you that the unit price for August will increase from 70p per unit to 74p per unit with effect 1<sup>st</sup> August.

The last price used by The OPC to determine the 56p unit price at the end of last year was 56.97p per litre delivered. The latest price used on fuel purchases by SEL was on 18<sup>th</sup> July and stood at 107.66p delivered.

However, the average price per litre of the last 30,000 litres delivered, our reserve levels since the end of the pandemic, stands at 107.44p delivered.

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

We will continue to update customers monthly as the fuel price changes. However, every indication is that we have reached a plateau and indeed prices are now dropping. For example, since the 27<sup>th</sup> June the price per litre has decreased from 114.86p delivered to 107.66 delivered, a decrease of 7p in 22 days. Recent market news indicates, although does not guarantee, that this will continue albeit at a slow rate of decline.

Regards

Alan