



# Sark Electricity Ltd

The Power Station

Harbour Hill

Sark

Channel Islands

GY10 1SB

20<sup>th</sup> June 2022

Dear Customer

Further to my announcement on 1<sup>st</sup> March 2022 that I would be removing my personal fuel subsidy at the end of June I have to advise you that the unit price will increase from 56p per unit to 70p per unit with effect 1<sup>st</sup> July.

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 13<sup>th</sup> June and stood at 108.53p 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 96.98p delivered.

We will continue to update customers monthly as the fuel price changes and, for the foreseeable future, I would expect to see regular increases in the unit price. For example, since the 23<sup>rd</sup> May the price per litre has increased from 87.43p delivered to 113.41 delivered, a further increase of 26p in 30 days.

I reached out to Policy & Finance to urge them to implement a support package to residents, as many Governments have given the global circumstance. Regrettably, I have received no response and I can wait no longer for a response.

I would like to highlight that had Sark's Government not actively blocked our energy transformation plan 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 lower price point. I will continue to vigorously pursue this agenda.

## TO BE CLEAR

This unit price increase does **not** in any way recover any of the increases that I have absorbed on your behalf in the last 6 months.

The subsidy required to maintain 56p per unit through Q1 & Q2, of roughly £66,500 or £150 per customer over the period, has been met entirely by me and will not be recovered from you the consumer. My commitment to Sark remains steadfast, despite what some of you may believe.

## NEXT STEPS

In light of the fuel price increases we are seeing, and the continued losses that SEL incurs under The OPC pricing policies, it is my intention to fully revamp the pricing model of SEL and I will be issuing an entirely new tariff structure in the next 7 days that will take effect from 1<sup>st</sup> August.

This root and branch review will see many customer bills reduce significantly and should achieve The OPC's stated aim of increasing demand. Coupled with our renewables transformation plan, it should produce significant benefits to our tourism centric economy and will I believe encourage new business and reduce the inflationary impact of the fuel crises, assuming businesses pass on the benefits to their customers.

I have chosen to separate the two matters to provide greater clarity on the impact of the fuel price squeeze resulting from the crises in the Ukraine.

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