

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

6th September, 2023

Proposition No. P.2023/55

Committee for the Environment & Infrastructure

Electricity Strategy for Guernsey

AMENDMENT

Proposed by: Deputy H L de Sausmarez

Seconded by: Deputy A Gabriel

To insert a new Proposition 4 after Proposition 3, and renumber the subsequent Propositions accordingly:

“4 To agree that the removal, or setting at zero, of the stand-by charge for renewable energy installations is a priority, as outlined in paragraph 10.8 and identified as an interim measure in paragraph 11.2, and that this should be undertaken as part of the ongoing tariff review as led by the States’ Trading Supervisory Board at the earliest opportunity, and that the impact of this change be monitored.”.

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans by highlighting a key element of the identified interim measures that are required to deliver the Electricity Strategy. The proposition places a level of expectation that the work on removing a potential barrier is accelerated. This is in line with the objectives of both the Energy Policy and this Electricity Strategy.
- b) In preparing the proposition, consultation has been undertaken with the States’ Trading Supervisory Board and Guernsey Electricity.
- c) The proposition has been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications .
- d) The investigations required by this proposition are already anticipated in Section 9 of the Electricity Strategy and can be incorporated into the pre-

existing tariff review process and, as such, there are no additional financial implications to the States of carrying the proposal into effect.

Explanatory note

Paragraph 10.8 of the Policy Letter outlines that the stand-by charge, in its current form, may be acting as a barrier to some developments above 25kW and therefore recommends that it is removed for renewable energy installations as a priority. This could be achieved over a period of a few years through a more general review of tariffs, with tariff rebalancing potentially removing the need for any stand-by charge; however, this process is unlikely to be sufficiently expedient for the purpose of incentivising the roll out of solar PV to meet the Strategy's proposed near-term targets. Therefore, in order to expediate the removal of the stand-by charge for renewable energy installations, this amendment makes explicit that it should be considered at the next available opportunity.

At the meeting of the 8th September 2021 the States agreed that the responsibilities for determining the tariffs and prices charged by Guernsey Electricity Limited (GEL) should be transferred from the Guernsey Competition and Regulatory Authority (GCRA) to the States' Trading Supervisory Board (STSB). Therefore, when considering the interim arrangements as set out in Section 11 of the Policy Letter, it is the STSB that will work with GEL to determine changes to the stand-by charge, noting that there is a statutory process that it must follow before any such changes are made.

The ongoing review of the impact of the change will assist with future policy decisions relating to renewable energy installations.

The Committee *for the* Environment & Infrastructure is therefore bringing this amendment to provide clarity on where the responsibility for the implementation of the interim measure of removing the stand-by charge for renewable energy installations sits and to highlight the importance of the removal of the potential barrier it presents.