



## **CICRA media release**

**9 July 2012**

### **CICRA launches review of electricity supply in Jersey**

CICRA (the Channel Islands Competition and Regulatory Authorities) has launched a market study into the supply of electricity in Jersey.

CICRA Chief Executive, Andrew Riseley, said the principal aim of the study was to identify whether Jersey electricity prices were fair and reasonable.

“Electricity is an important component of weekly expenditure for Jersey households and local businesses,” said Mr Riseley.

“We are very aware that, in the current economic climate, there is significant pressure on household budgets and we want to ensure that consumers are getting a good deal from their electricity supplier.”

“Jersey imports most of its electricity from France via submarine cables but also needs to be able to generate its own electricity in case the supply from France fails. We will be analysing the costs and tariffs of Jersey Electricity PLC (JEC) in some detail and benchmarking them against similar electricity operators elsewhere.”

“We will seek to determine whether JEC is a reasonably efficient operator having regard to the burden it bears with respect to security of supply.”

CICRA intends to analyse cross-subsidies between JEC’s core business (i.e. the supply and distribution of electricity) and its non-core businesses (e.g. the retail park at Queens Road), and also to look at whether there are barriers to potential future competition from investment in renewable energy sources.

“While the States of Jersey holds a majority shareholding in JEC, a significant minority of its shares are privately-held and traded on the London Stock Exchange,” Mr Riseley said.

“The States currently has power to set JEC’s tariffs under legislative provisions dating from 1975. We will also consider whether it would be appropriate to recommend modifications to the arrangements for regulation of the electricity sector in Jersey.”

“JEC will be working with us through the course of this review and we expect the electricity sector market study to be completed in three to four months.”

This study follows CICRA’s previous reviews of the Jersey motor fuels and heating oil markets in 2011. CICRA intends to complete its investigation of energy markets by undertaking a review of the supply of gas to households once the electricity market study is complete.

## **ENDS**

### **NOTES TO EDITORS:**

All enquiries should be directed in writing to CICRA Chief Executive Designate, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority (formerly the Office of Utility Regulation), Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email [info@bicra.gg](mailto:info@bicra.gg).

### **About CICRA:**

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under the Competition (Enabling Provisions) (Guernsey) Law, 2009 and the Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which will also be responsible for the introduction, administration and enforcement of the Guernsey competition law if it is introduced, as expected, later in 2012.

By working together, and sharing resources and expertise between the islands, CICRA's aim is to ensure that consumers receive the best value, choice and access to high quality services.