



NEWS RELEASE

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Competition Regulator Publishes Draft Report on Electricity Market

The Jersey Competition Regulatory Authority (the Authority) has published its draft report on the electricity market in Jersey. The draft report shows Jersey compares well with other jurisdictions. However, there is scope for greater market-oriented outcomes.

The Authority announced the study in October 2023 and published the [terms of reference](#), which set out the objective to consider how the market operates and to understand if there are features of the market that might impact competition and consumer benefits.

The study shows that electricity remains a relatively large component of Jersey's total energy usage, and that Jersey continues to import 94% its electricity (with the current contract due to expire in 2027). The main provider in Jersey is Jersey Electricity; it is involved at all stages of electricity supply and operates several related group businesses.

The study considered Jersey market outcomes relative to Great Britain, France, Guernsey, Isle of Man and Malta. Jersey tariffs are among the lowest of the comparator group and have remained stable, despite international market instability. Jersey also has fewer customer minutes lost than the comparator group. The study noted future challenges in developing local generation and achievement of the Government's Carbon Neutral Roadmap.

These challenges sit alongside wider market uncertainties – such as the renegotiation of the main supply contract and the level of future investments that needs to be undertaken. Within

this context, continuing to find ways to support more market-oriented outcomes for consumers is a priority. The Authority is setting out options for the recommendations in the final report. These include:

- Draft recommendation 1 (short-term recommendation) - To enable more informed and effective consumer choice, Jersey Electricity should:
 - provide information to existing and new consumers on all available tariffs (including greater clarity on time of use tariffs); and
 - ensure that its infrastructure, systems and processes enable consumers to cost-effectively switch between alternative electricity tariffs.
- Draft recommendation 2 (short-term recommendation) - To enable more economically viable self and distributed generation, Jersey Electricity should:
 - facilitate greater access to its network through the development of general terms of access and the provision of operational information. For example, on potential geographic and network points of access and areas of spare network capacity.
- Draft recommendation 3 (longer-term recommendation) - To further mitigate market uncertainty and help improve future consumer outcomes, Government should:
 - refine its existing energy policy toward a more competitively resilient market structure, with a detailed path to carbon neutrality. This should provide clarity and guidance to current and potential suppliers, and where necessary, assurance to prospective investors.

Commenting on the study, Tim Ringsdore, Chief Executive of the Authority said, “The study shows that Jersey Electricity has performed well, but the electricity sector continues to face ongoing challenges and uncertainty. We are setting out forward looking recommendations to help drive market outcomes. We look forward to securing feedback from stakeholders to help us further understand how we can drive positive outcomes for Jersey consumers and businesses.”

The consultation on the draft report closes on 9th August and full details can be found on the Authority website.

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NOTES TO EDITORS:

About The Jersey Competition Regulatory Authority:

The Authority was established under the Competition Regulatory Authority (Jersey) Law 2001. It is responsible for administering and enforcing the Competition (Jersey) Law 2005 and also regulates the telecoms and postal sectors and the Ports of Jersey.

The Authority strives to ensure that the markets work well for the benefit of all stakeholders, including Government, business, citizens and consumers facilitating best value, choice and access to high quality services.

What is a Market Study?

A market study is a flexible tool to explore whether a market, or feature of a market, is working well for Jersey consumers. It is important to note that a market study is on the structure and behaviour of the market itself, not the action of any specific business or firm.

More information about market studies, including a video quick guide and previous studies, can be found at the Authority's website <https://www.jcra.je/competition-and-regulation/market-studies/>