

Jersey Electricity's Misleading Sales of Electric Boilers: A Financial and Environmental Burden on Jersey Consumers

Introduction

The Jersey Electricity Company (JEC) is promoting electric boilers as a green initiative aligned with the Jersey Government's Net Zero targets. However, these boilers come with high running costs, significantly higher than those of air source heat pumps (ASHP) and oil boilers, placing an undue financial burden on consumers.

Misleading Information and Financial Burden

The Jersey Electricity's '**Positive Energy**' advertising campaign on social media and the local radio station is misleading and does not mention the increased running costs, just focussing on the Jersey Government Low Carbon heating grant to reduce the installation cost.

Installing a new furnace is a major investment for any property owner. Once these boilers are installed customers become trapped by high bills and are financial unable to switch to a lower cost solution.

When enquiring about the high costs of running an electric boiler, a plumber said –

"Sorry to hear your bills have increased by such a huge amount. It sounds like you've been very incorrectly advised.

Your system is up against the fundamental laws of physics and domestic energy economics.

An electric boiler is almost never a viable option for residential heat and hot water provision.

Heat Pumps multiply their efficiency into the range of 300-500% of energy input.

This is why we exclusively suggest heat pumps and focus on the efficiency with which they are installed.

In addition, you are now probably ineligible for the government grant should you want to switch as you're already "off fossil fuels".

Comparative Costs and Financial Impact

Electric boilers are at least 3.5 times more expensive to run than an Air source Heat Pump (ASHP), resulting in significantly higher electricity bills compared to the oil boilers they replace.

The JEC has failed to disclose the additional running costs or present more cost-effective alternatives, merely stating that ASHPs are too expensive or difficult to install.

For a standard 3-bedroom house consuming 20,000 kWh per year for heating and hot water, the financial implications are stark:

System	Installation Cost	Running Costs (Annual)	5-Year Total Cost	10-Year Total Cost
Electric Boiler 100% efficient	£3,300	£3,000	£18,300	£33,300
Air Source Heat Pump 350% efficient*	£9,200	£857.25	£13,486.25	£17,772.50
Existing Oil Furnace 80% efficient	N/A	£1,700	£8,500	£17,000

*An ASHP should have a minimum performance of 350% efficiency, when installed correctly the ASHP can achieve efficiencies of over 500%.

The figures show that consumers will be better off with an ASHP compared with the electric boiler after only 5 years and benefit from significantly lower bills going forward.

The annual running cost of an ASHP is lower than the equivalent Oil or Gas heating.

Over 10 years, the extra cost of running an electric boiler is considerably more costly to the consumer, an additional £15,527.50.

Assuming the JEC install 250 electric boilers annually over the next 10 years, the JEC will increase its revenue by £29.5million based on current electricity prices. This is 3 times the revenue if ASHP were installed.

The JEC may argue that these properties are unsuitable for heat pumps but without the full facts consumers can't make an informed choice.

When presented with the full costings consumers may choose to improve the energy efficiency of their homes instead of switching to an electric boiler but after switching it reduces the consumers options.

Environmental and Infrastructure Impact

Electric boilers significantly increase electricity usage, straining the island's infrastructure and this undermines the governments carbon reduction targets. Higher electricity consumption leads to a larger carbon footprint, contradicting the premise of a green initiative, in contrast ASHPs offer a sustainable solution with efficiencies of 300-500%, reducing overall electricity consumption and provide an environmentally friendly heating solution.

Ethical Considerations and Governance

As the monopoly electricity provider, the JEC has a duty of care to its customers, the JEC should act transparently and in the best interests of its consumers.

Promoting less efficient electric boilers with high running costs raises serious ethical and governance concerns. The JEC's is a UK Plc and this is a potential conflict of interest, where corporate profits are prioritized over consumer welfare and the islands interests. JEC must align its practices with ethical standards, ensuring that consumers are not misled or financially exploited.

What should be done about this?

1. **Public Enquiry:** The practices of the JEC need to be investigated to find how customers have been affected by these boilers.
2. **Promote ASHPs:** JEC should prioritize the promotion and installation of ASHPs, providing clear information about their benefits and long-term cost savings.
3. **Increase Transparency:** Transparent marketing practices need to be adopted to ensure consumers are fully informed about the costs and benefits of different heating systems.
4. **Policy Adjustments:** Policymakers should revisit grant conditions to allow consumers to switch to more efficient systems without financial penalties, even if they have already received grants for electric boilers.
5. **Support Sustainable Technologies:** JEC must be made to promote sustainable heating systems. These technologies would reduce electricity consumption and further support Jersey's Net Zero targets. Why isn't the JEC installing solar panels in homes and new buildings?
6. **Regulation:** The JEC must be mandated to provide accurate guidance to customers on low-carbon initiatives and a regulatory authority to authorize and monitor its behaviour.
7. **Compensation:** If the JEC is found to have been negligent in its practices and duty of care to its customers, affected consumers need be compensated for the extra costs and have remedial work carried out as required.

To Summarize

The JEC's practices place a heavy financial burden on consumers and undermine the governments environmental goals. Immediate action is required to stop these unethical practices and promote more efficient heating solutions, ensuring sustainable and affordable energy for Jersey residents. By aligning with ethical standards and prioritizing consumer welfare, JEC can truly contribute to a greener and more economically stable future for the island.