

Tariff Reform: A Fairer Future for Alderney's Electricity



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**A L D E R N E Y
Electricity Ltd
(AEL) is embarking on an important review of our electricity tariffs, and the aim is simple: to create a fairer system that supports a sus-**

tainable energy future for our Island.

AEL's current tariff structure is complex, does not fully recover fixed costs, and lacks transparency compared to regional comparators such as Guernsey and Jersey Electricity. For years, our tariffs have reflected the realities of a small Island supply, but this has resulted in an inequitable situation.

The costs of the infrastructure that generates, transmits, and distributes our electricity around the Island are considerable. Currently, these costs are paid for through each unit of electricity purchased. The less one buys, the less one contributes to the investment in, and operation and maintenance of, the Island's network. This means that many second-home owners pay very little for the privilege of connection to the electricity grid, while permanent residents and businesses shoulder the costs of maintaining and upgrading our electricity infrastructure.

The challenge now is to ensure that everyone contributes fairly to the systems that keep our lights on, power our homes and businesses, and support Alderney's transition to low-carbon energy. AEL is investing in initiatives like more solar, large batteries and other renewable projects, which will reduce reliance on imported diesel and kerosene, improve resilience, and deliver long-term cost savings, but only if our tariff framework reflects the true costs of supply.

To guide this process, I am setting up a Tariff Reform Working Group. I would like

this group to include: two AEL staff members, a States Member, and two representatives from the wider community – ideally from elements of our local community who are less well heard. The aim is to ensure that everyone has a voice in shaping a fair and sustainable tariff system. This is not just about bills; it's about shared responsibility for the infrastructure that benefits all of us today and what we need for tomorrow. If you are interested in sitting on the Tariff Reform Working Group over the next 12 months, or would like to nominate someone to do so, please contact me via the Venelles Office.

Have Your Say: Community Survey

To kick off the process, AEL will also be running a short community survey in early November. It is open to all residents, businesses, and seasonal users. Your feedback will help identify priorities, concerns, and ideas that will feed directly into the Working Group's discussions. This survey is a unique opportunity to contribute directly to decisions that affect how electricity costs are shared and how investments in renewable energy are made. By taking part, you will help AEL develop a tariff system that is fair, sustainable, and reflective of everyone's use and responsibility.

Tariff reform is about more than fairness; it's about securing Alderney's energy future. By understanding the challenges and opportunities together, we can create a system that ensures reliable, sustainable electricity while distributing costs equitably. We all at AEL look forward to engaging with the community, listening to your views, and developing a tariff structure that supports Alderney today and for generations to come.

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