

A Fairer Way To Pay: Rethinking Tariffs And System Charges in Alderney



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A L D E R N E Y
Electricity is beginning an important piece of work this year: a review and reform of how electricity charges work on the Island. This is something we

have been considering for some time, and it reflects both the changing global energy landscape and the need to ensure that our local system remains fair, resilient and sustainable for the long term.

For a number of years, the company has worked hard to limit price increases wherever possible. Through efficiency improvements, investment in new engines, and careful financial management, we have been able to absorb cost pressures that might otherwise have been passed on more quickly to customers. That approach helped protect households and businesses during a period of wider economic uncertainty. However, it also means that parts of our current tariff structure no longer fully reflect the real costs of maintaining and operating Alderney's electricity system.

Like many small island grids, Alderney's electricity network has high fixed costs. The infrastructure must be maintained and ready to serve every property, regardless of how much electricity is used. At present, a significant proportion of these costs is recovered through usage-based charges. Over time, this creates imbalances, particularly where some properties rely on the system but contribute relatively little towards its upkeep. The aim of tariff reform is to address this in a fair and measured way.

Over the coming months, we will be reviewing how costs are shared across all users

of the system. This is likely to include introducing or adjusting a fixed "system" charge, ensuring that all properties contribute appropriately to the essential infrastructure that supports the Island's electricity supply. We will also be exploring the introduction of a modest community or resilience contribution from properties that are unoccupied for significant parts of the year. These homes still depend on the Island's electricity network being available and maintained, even when not in regular use. A contribution of this kind would help ensure that the costs of the system are shared more evenly, while also supporting investment in the Island's energy future and providing assistance to more vulnerable members of the community.

It is important to stress that no final decisions have been made at this stage. The work currently underway involves mapping the existing system, building financial models, and engaging with stakeholders to ensure that any changes are proportionate, transparent and in the best interests of Alderney as a whole.

We understand that any discussion of pricing can be a concern. Our intention is not to introduce sudden or unnecessary increases, but to put in place a structure that is fair, understandable, and capable of supporting the Island's needs over the long term. As this work progresses, we will continue to communicate openly and provide clear information about what is being proposed and why. There will be opportunities for feedback, and we are committed to listening carefully to the views of the community.

Alderney's electricity system is a vital part of Island life. By taking the time now to get its foundations right, we can ensure it remains reliable, resilient and fair for everyone who depends on it, today and in the years ahead.

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