

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON TUESDAY 6th MAY 2025
ANSWER TO BE TABLED ON WEDNESDAY 14th MAY 2025**

Question

“In relation to standby charges applied by the Jersey Electricity Company to customers who generate their own electricity but who remain connected to the electricity grid for back-up supply, will the Minister, as shareholder representative –

- (a) advise what these charges cover;
- (b) advise how these charges are calculated; and
- (c) state the total amount collected in standby charges in 2023, 2024 and so far in 2025?”

Answer

- (a) The standby charge covers a share of fixed network costs for commercial customers who generate their own electricity but require backup services from Jersey Electricity’s (“JE”) grid to be immediately available (to satisfy their peak demand) on a standby basis.

The charge is intended to ensure that those customers make a fair contribution to the fixed costs of the system. Failure to recover these costs would mean that other customers would be required to bear these costs.

The standby charge is not presently levied against domestic customers.

The charge is also not levied against customers that export their full renewable generation onto the grid, as these customers are not relying on a standby or backup service.

The standby charge was examined in detail by an independent consultant, Nera that was commissioned by the Government of Jersey to assess the appropriateness of these charges.

A detailed review was conducted which concluded that JE was reasonable to levy its standby charges:

Government of Jersey comment on the study:

<https://www.gov.je/news/2019/pages/jecchargesreport.aspx>

The study itself:

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20NERA%20Review%20of%20Standby%20Charge%20Report%2015.08.2018.pdf>

- (b) The charges are calculated at a level that ensures that the costs of providing the network infrastructure and service are covered by each customer that uses the network and service (except domestic customers who are presently exempted). This is on the basis that these customers enjoy the benefit of this infrastructure during times when they are either a) unable to generate their own

power or b) choose not to do so. The charge is presently set at £4.26/kWp/month or 14.03pence per kWp per day for solar installations up to 70kW (these charges include GST).

- (c) The total income collected in 2023, 2024 and to end April 2025 are £15,005, £22,287 and £10,939 (for 4 months of the year). JE expect the scale of avoided fixed costs to be substantially higher were JE not to levy these charges and such costs would have to be borne by other customers.