4.4 Deputy T.A. Coles of St. Helier South of the Minister for Treasury and Resources regarding the introduction of an industrial rate of electricity. (OQ.94/2026)

Will the Minister advise, in his capacity as shareholder representative, whether he has had any communication with the Jersey Electricity Company regarding the introduction of an industrial rate of electricity?

Senator A.J.H.M. Maclean (The Minister for Treasury and Resources):

No, there have been no formal discussions with Jersey Electricity regarding the introduction of an industrial electricity tariff. Jersey Electricity does, of course, operate different tariff structures to reflect different patterns of consumption, such as off-peak and network use. I should add that the electricity costs are one of the few things sold in Jersey that are considerably cheaper than in the U.K. by approximately 19 per cent, cheaper than in Guernsey by approximately 17 per cent, and cheaper than the Isle of Man by approximately 29 per cent.

4.4.1 Deputy T.A. Coles:

I am aware this part of my question might be slightly ironic, given how much it is raining today, however, industries like Jersey Water and Jersey Dairy require large amounts of energy for their product. These 2 items alone have good impact on our cost of living. Therefore, an industrial rate of electricity for suppliers like Jersey Water and Jersey Dairy may impact people's cost of living. Is this not a good argument to consider an industrial rate of electricity?

Senator A.J.H.M. Maclean:

I understand where the Deputy is coming from. The problem here is, of course, you could describe as wooden dollars or wooden pounds, and that is because as a 62 per cent shareholder in Jersey Electricity, we benefit from the dividend that the company makes. We need to, and I have a responsibility as shareholder, ensure the sustainability of the company, its ability to invest in its infrastructure and so on. So the balance has to be appropriate. Of course, I might also point out to the Deputy that one of the largest consumers of electricity is the Government itself. So equally, the same argument could apply there. But of course, as I have mentioned, we get a dividend so we have to get the balance right, and I feel the balance is currently right.

4.4.2 Deputy M. Tadier of St. Brelade:

If I understand that last question, is the Minister for Treasury and Resources saying that effectively the dividend that the States gets, he is treating it as a tax on companies, perhaps especially in the absence of any corporation tax for many of those companies in Jersey?

[10:15]

Senator A.J.H.M. Maclean:

No, and in fact, just to be correct, there is a dividend payment that comes to the Government and to the States from Jersey Electricity. The company also pays tax in the Island. The contribution in 2025 for both the dividend and tax was in the region of about £10 million.

4.4.3 Deputy M. Tadier:

I think the Minister misunderstood the question. I am not talking about whether Jersey Electricity pays tax, but the companies who may be zero rated who buy their electricity off Jersey Electricity of course the Government gets the benefit via dividends; so just to clarify. Does the Minister want to answer the underlying question I think that Deputy Coles has raised, which is if residential customers can benefit from off-peak preferential rates, should the business community not be able to also do the same?

Senator A.J.H.M. Maclean:

Sorry, I thought I did make that clear in my opening answer. There are a range of tariffs available, not just to private consumers but to businesses as well that run from approximately 11.7 pence per kilowatt up to the

standard rate, which is 22. So there are businesses for different consumption levels that do get discounts. What I was answering the question, and specifically Deputy Coles' question, was about an additional industrial rate on top of that. That is what I was saying that has not been raised with the company, and the company does not consider it, from what I can understand, to be appropriate.

4.4.4 Deputy T.A. Coles:

I have been led to believe that the off-peak rates suggested for homes is for heating essentially. Where the Minister mentions about the Government being a large user of electricity, these things do not necessarily comply to being an industrial product. Does the Minister not see that there is a difference between an industrial product, as in making water through reverse osmosis that Jersey Water does, and the pasteurisation process that Jersey Dairy does, and therefore these are industries that would benefit from a reduced tariff?

Senator A.J.H.M. Maclean:

I can see the argument; absolutely I can see the argument. There are other businesses from an economic perspective who could perhaps argue that they are also large consumers of electricity and on a volume basis would justify being able to negotiate a lower rate. There is an economic argument. I have no doubt about that whatsoever. We have to focus on the fact that we already have some of the cheapest electricity rates in Europe bar the French, which is heavily subsidised. Just about everywhere else we are significantly cheaper as we stand. That said, if there is a business that would benefit from what is described as an industrial rate, I would suggest the first port of call would be the Economic Development Department to see if any support might be appropriate through that Department who could then lobby Treasury to look at the matter and speak to the company itself. If the consumption levels were so significant there may well be an argument, but of course infrastructure investment, as I have mentioned, the company spends in 2025 £23 million on infrastructure. We have a new cable to France that needs replacing in the next few years, that is going to be between £60 million and £80 million. There are significant capital investments in a business of this type that have to be taken into consideration.