




# ELECTRICITY SUBSIDY FOR HOUSEHOLDS AND OTHER RELIEF MEASURES TO LOWER ENERGY COSTS

Ministry of Finance

March 2023



# Did you know?

The number of households with electricity connection in Grenada is 48,000.

Of that number, some 21,000 households (almost 44%) consume less than 99 kWh per month.

Another 25,000 consume from 100 kwh up to 500 kwh per month.

Combined, this represents roughly 96% of households, which means that only 4% or 2,000 households consume over 500 kWh per month.



# Did you know?

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01

1. Government is providing a \$10 credit to all households consuming 99 kWh or less per month.

02

All households consuming 99 kWh or less per month were always exempted from VAT and EVL and will continue to enjoy this benefit.

03

By virtue of the Government's \$10 electricity subsidy, these households are paying less for electricity than under the previous policy.

04

The temporary policy of a 25% reduction in the non-fuel rate placed GRENLEC in a precarious financial position and had to be discontinued.

# A TYPICAL ELECTRICITY BILL

- Compare and contrast a typical electricity bill for a household consuming 99 kWh per month in electricity.

	PREVIOUS POLICY (EC\$)	NEW POLICY(EC\$)	COMMENTS
Fuel Charge	66.05	66.05	As at March 2023, the fuel charge is \$0.6672
Non-Fuel Charge	40.16	40.16	Unchanged
Value-Added Tax (VAT)	0.00	0.00	Not applicable
Environmental Levy (EVL)	0.00	0.00	Not applicable
Electricity Subsidy	0.00	-10.00	Introduced from February 2023
Total Electricity Bill	106.21	96.21	<b>Customers are facing lower bills under the new policy.</b>

# A TYPICAL ELECTRICITY BILL

- Compare and contrast a typical electricity bill for a commercial entity consuming 1,500kWh per month in electricity.

	PREVIOUS POLICY (EC\$)	NEW POLICY(EC\$)	COMMENTS
Fuel Charge	1,000.80	1,000.80	As at March 2023, the fuel charge is \$0.6672
Non-Fuel Charge	656.25	656.25	Unchanged
Value-Added Tax (VAT)	91.94	45.97	50% reduction in VAT rate to 7.5%
Environmental Levy (EVL)	10.00	10.00	Unchanged
Total Electricity Bill	1,758.99	1,713.02	<b>Businesses are facing lower bills under the new policy</b>



# Did you know?

## 01

1.The Government slashed the VAT rate on electricity consumption from 15% to 7.5% for all categories of consumers, where applicable.

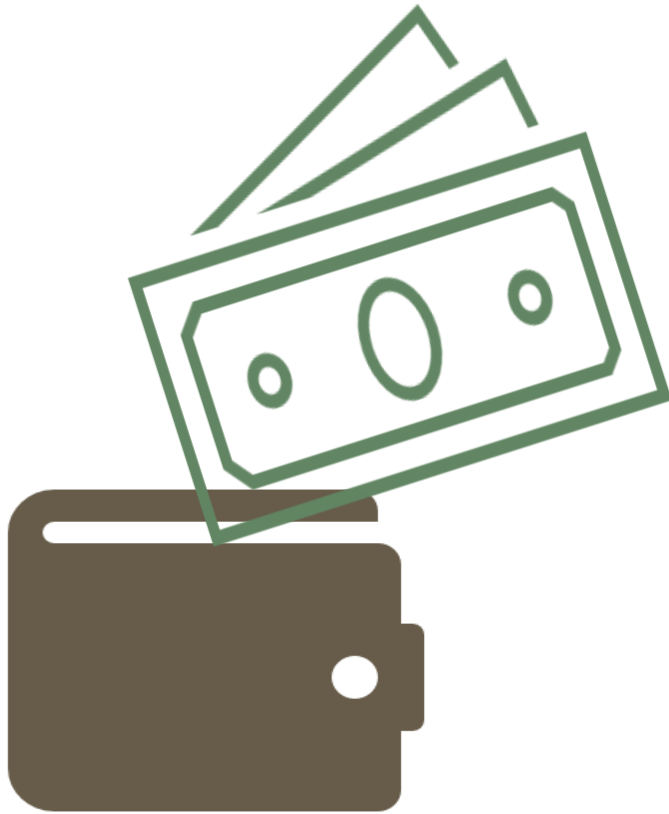
## 02

The EVL is \$5 per month for customers consuming 100 kWh up to 150 kWh per month.

## 03

The EVL is \$10 per month for customers consuming over 150 kWh per month.

# The new relief measures are more targeted and sustainable



The benefits of the reduction in the VAT rate on Electricity Consumption and the reintroduction of the EVL include:

- Households consuming 100 kWh and over will pay less VAT.
- Businesses will face lower cost of doing business, which will support employment and business growth.
- Increased revenues from the EVL will support a cleaner environment and environmental protection.
- Support GRENLEC's transition toward renewable energy and maintain stability of supply.