Grenlec Explains the Impact of Government of Grenada Relief Measures on Electricity Customers

The Government of Grenada has introduced three temporary measures to provide relief to electricity customers from **1 August to 31 December 2026.**

1 Government Subsidy for Eligible Domestic Customers

A $50.00 credit will be applied to eligible electricity bills.

Eligibility:

- Applicable to usage **on or after 1 August through 31 December 2026**
- Domestic customers only with electricity usage of **1–200 kWh** during the billing period.
- Renewable energy customer accounts are **not eligible**

Please note:

- If a customers' **bill includes usage before and after 1 August 2026**, the Government subsidy will be **between $10 and $50**.
- Once a **billing period falls entirely within the relief period**, the subsidy will be **$50.00**.

2 Value Added Tax (VAT) Relief

Effective **1 August to 31 December 2026**, the **non-fuel component** of electricity consumption will be **temporarily zero-rated for VAT (0%)** for all customers.

What this means:

- Applicable to usage **on or after 1 August through 31 December 2026**.
- Prior to this measure, the **VAT rate was 7.5%** of the non-fuel component of electricity usage. Domestic customers were exempted from VAT on the first 99 kWh used.
- With the relief, **all customers will pay no VAT on the non-fuel component** of their electricity usage.

Please note:

- If a customers' **bill includes usage before and after 1 August 2026**, the VAT relief will apply only to usage from 1 August.
- Note there is **no VAT on the fuel charge**.

3 Customs Service Charge (CSC) Relief on Imported Diesel for Electricity Generation

The 6% CSC is the only Government tax on diesel imported for electricity generation. This charge is being **temporarily removed** for diesel imported between **1 August and 31 December 2026**.

For fuel imported during this period, the measure will:

- Further reduce the fuel charge when imported fuel prices are falling.
- Reduce the size of increases in the fuel charge when imported fuel prices are rising.

Between **March and July 2026**, the fuel charge increased by **27 cents per kWh**, driven by global conflicts that pushed up the cost of imported fuel used to generate electricity.

Note:

- The CSC relief applies only to fuel imported between **1 August and 31 December 2026.**
- Fuel imported **before 1 August 2026 will not benefit from the tax relief**, even if it is used to generate electricity on or after that date. Customers will n**ot begin to receive the benefit until existing fuel stocks are depleted**.
- Likewise, customers will continue to benefit from the tax relief on fuel imported **on or before 31 December 2026**, even if it is used to generate electricity after that date. The benefit will continue until fuel stocks imported during the relief period are depleted.

Key Points for Customers

The three measures apply to different components of the electricity bill:

- The **Government subsidy** provides a direct credit to eligible electricity customers.
- The **VAT relief** removes VAT from the non-fuel component of electricity consumption.
- **The CSC** relief removes the only tax applied to imported diesel used for electricity generation, reducing the cost of fuel imported for generation. The resulting benefit will be reflected in the fuel charge passed on to electricity customers.

These measures are temporary and apply from 1 August to 31 December 2026.