



# **LICENSING GUIDELINE FOR SERVICE PROVIDERS IN THE BAHAMAS ELECTRICITY SUPPLY REGIME**

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# 1 INTRODUCTION TO LICENSING GUIDELINES

## 1.1 Introduction

The Utilities Regulation and Competition Authority (URCA) was established as the regulator for the Electricity Sector (ES) in the Bahamas when the Electricity Act, 2015 (“EA”) and the URCA Amended Act, 2015 came into force on 28 January 2016. URCA’s mandate, among other things, is to licence and regulate the economic and technical operations of service providers in the Electricity Sector. URCA performs these functions through enactment and enforcement of licensing conditions, standards of performance rules, and technical rules of practice.

One of URCA’s statutory functions is to administer the licensing of electricity Generation, Transmission, Distribution, and Supply (GTDS) activities. A person or organisation is prohibited from engaging in electricity GTDS activities unless that person holds a licence to undertake the activity or has received an exemption from URCA. It is noted that upon the enactment of the EA, URCA issued provisional licences to statutorily recognized service providers engaged in operations in the industry, namely Bahamas Power and Light (BPL) and Grand Bahama Power Company (GBPC). These provisional licenses are expected to be replaced with permanent final licenses.

In undertaking its licensing role, URCA is guided by the provisions of the EA and the objectives under the Utilities Regulation and Competition Authority (Amendment) Act, 2015 (“the Act”). URCA’s primary objective is to perform its functions and exercise its powers to protect the long-term interests of Bahamian consumers with regard to the price, quality, and reliability of essential services. In seeking to achieve its primary objective, URCA must also have regard to the following facilitating objectives as prescribed under the legislation:

- to facilitate efficiency in regulated industries and the incentive for efficient long-term investment;
- to facilitate the financial viability of regulated industries;
- to facilitate effective competition and promote competitive market conduct;
- to ensure that regulatory decision making has regard to the relevant health, safety, environmental and social legislation applying to the regulated industry;
- to ensure that users and consumers (including low-income or vulnerable customers) benefit from the gains from competition and efficiency; and
- to promote consistency in regulation on a national basis.

URCA will not grant an application for the issue of a licence unless URCA is satisfied that:

- the applicant has the ability to maintain the technical capacity to comply with the conditions of the licence;
- the applicant complies with the laws of the Commonwealth of The Bahamas and the EA, and
- the applicant has the financial strength and resources and can be expected to continue to be so.

The issue of the Licensing Guidelines for Electricity Providers in The Bahamas marks a significant development in the pursuit and implementation of reforms in the Electricity Sector, which are aimed at

opening up the sector to attract private capital injections and thereby encourage competition into the sector among other goals. These initiatives are expected to be achieved through the development and introduction of regulatory and institutional reforms that assuredly will open access and transparency of transactions and operations within the sector.

The establishment of these Licensing Guidelines places URCA in good stead to issue permanent licences to existing and prospective operators within the sector, and to replace the existing regime of provisional licences.

## **1.2 Purpose of Licensing Guidelines**

The purpose of these Guidelines is to provide guidance to licence applicants on the information required from applicants and URCA's approach to assessing applications in relation to issuing a prescribed licence. Additionally, these Licensing Guidelines are to provide an outline of procedures and processes involved as well as highlights of terms and conditions that should be expected in the various types of licences that URCA is mandated to grant in order to ensure safe, reliable, economic and cost-effective operation of the electricity sector.

URCA will subject the guidelines to periodic review in order to improve its quality and to make it more amenable to its objects and functions as and when it deems it necessary. Portions of the Licensing guidelines that may be affected by subsequent reviews will be prominently highlighted in the subsequent versions of the guidelines.

Licensing obligations under Part IX of the EA outlines the law with regard to the licensing of electricity sector and oversight of licensees by URCA. Section 44 of the EA provides that no persons shall engage in electricity operations, unless the person either holds a licence granted under the EA authorizing the relevant operations or is exempted from holding a licence. These electricity operations include the following:

- (a) Engage in the generation of electricity;
- (b) Engage in the transmission and distribution of electricity, including the international transmission, or inter-Island transmission, of electricity within, into, from or through The Bahamas;
- (c) Except in the capacity of an employee or independent contractor of a licensee, transmit electricity for or on behalf of such licensee;
- (d) Engage in retail of electricity;
- (e) Import or export of electricity; or
- (f) Trade in any wholesale electricity market.

A breach of any of the provisions (a) to (f) is an offence under the Act and may be sanctioned accordingly.

## **1.3 Exemptions**

URCA may, by determination, exempt a person or class of persons from the requirement of a licence for a specified period in accordance with section 50 of the EA.

## 1.4 The Structure of the Guidelines

The Guidelines sets out the role of URCA and the process to be followed by interested persons with regard to applying for a licence as follows:

Chapter 2 describes the role of URCA in issuing Licences

Chapter 3 list the types of licence an applicant can apply for

Chapter 4 describes the application and approval of licence

Chapter 5 outline the information requirements and guidance to key matters

Chapter 6 describes the licence conditions

Chapter 7 outlines the licencing process

Chapter 8 describes the enforcement of licence conditions

Chapter 9 outlines the schedule of fees

## 1.5 Contact for Additional Information

Users of the guidelines are highly encouraged to make submissions on any part or portion of it that needs improvement and/or refinement to assist in the establishment of a complete and coherent licensing framework for the electricity sector in The Bahamas. Submission of any relevant comments and ideas in this regard should be forwarded to: *URCA directly via telephone at 396-5200; email at [info@urcabahamas.bs](mailto:info@urcabahamas.bs); fax to (242) 393-0153; or in person at URCA's offices at Frederick House, Frederick Street, P. O. Box N-4860, Nassau, Bahamas.*

## **2 THE ROLE OF URCA IN ISSUING LICENCES**

### **2.1 Guiding principles**

URCA is guided by the provisions of the EA and URCA's primary objective under the URCA Amendment Act, 2015. URCA's role is to perform its functions and exercise its powers to protect the long-term interests of the Bahamian consumers with regard to the safety, price, quality and reliability of electricity services.

Sections 37 and 38 of the EA outline the role and functions of URCA. These sections establish URCA as the approving agency for licences, monitoring entity of licensees, and administrator of the public register of licensees, among others.

Section 38(2) states that URCA may do anything that it considers necessary to fulfil its functions, including issuing regulations and other measures without limitation. The EA gives URCA the remit to issue, suspend, vary or revoke licences, permits and exemptions, whenever it deems necessary. Section 51(3) of the EA also states that URCA may issue licences or exemptions "*notwithstanding any law, agreement, contract, licence, or other provision in existence on the date the Act comes into operation.*"

Together, these sections give URCA broad powers to set licensing categories as well as the criteria for granting licences in categories that it creates.

### **2.2 Licensing functions**

URCA has the responsibility for a number of licensing functions in accordance with the EA, as it relates to electricity, notably:

- (a) Granting licences;
- (b) Specifying licence conditions;
- (c) Varying licensing terms and conditions;
- (d) Maintaining a register of issued licences;
- (e) Monitoring and enforcing licence conditions; and
- (f) Suspending and cancelling licences.

### **2.3 Granting of licence**

URCA may issue or grant a licence if satisfied that:

- (a) The applicant meets the requirements in section 45 of the EA; and
- (b) Specified requirements are met for each licence type in accordance with section 46 of the EA.

(N.B.: The types are detailed in Chapter 3 and the application process is detailed in Chapter 4)

### **2.4 Specifying licensing conditions**

The EA provides that URCA, in granting a licence, may make the licence subject to certain statutory and other conditions in a manner determined by URCA. The nature of licence conditions is outlined in Chapter 6.



## **2.5 Verifying licensing conditions**

URCA may vary licence conditions by written notice to the electricity service provider involved, as URCA considers appropriate. A variation may be made only if the URCA considers it necessary to further the objects of the EA.

## **2.6 Register of issued license**

URCA shall keep a register of the licences granted to electricity service providers under the Act. A copy of the register will be available on URCA's web site ([www.urbahamas.bs](http://www.urbahamas.bs)) to facilitate access by the public for inspection.

## **2.7 Compliance monitoring and enforcement**

URCA shall monitor and enforce compliance with all licence conditions. A contravention of the licence is a breach of the Act, which could give rise to penalties. URCA may suspend or cancel the licence of an electricity service provider where that licensee contravenes a condition of the licence.

## **3 TYPES AND DURATION OF LICENCES**

### **3.1 Types of licences**

Subject to section 46 of the EA, this Section provides guidelines on the types and duration of licences URCA will grant for the generation, transmission, distribution, and the supply of electricity in The Bahamas. Whilst the EA has made reference to possibly five categories of licences. Mainly:

- Public Electricity Supplier Licence;
- Authorised Public Electricity Supplier Licence;
- Electricity Generation Licence/Independent Power Producers Licence;
- Transmission and Distribution Licence;
- Subsidiary Licence.
- Other Licences it deems necessary based on section 46.1(d) of the EA.

URCA has determined that given the level of maturity of the electricity market in The Bahamas, the following three categories of licences are developed and URCA will grant the following licenses to qualified persons or organization:

- Public Electricity Supplier Licence;
- Authorized Public Electricity Supplier Licence; and
- Independent Power Producer Licence.

#### **3.1.1 Public Electricity Supplier Licence (PESL)**

The Public Electricity Supplier Licence (PESL) allows for the Generation, Transmission, Distribution and Supply (GTDS) of electricity to the public. Under section 46(3) of the EA, URCA was required within ninety (90) days of the coming into operation of the EA to grant a PESL to the Bahamas Power and Light Company Limited (BPL), or any successor company approved by the Minister to perform electricity GTDS in The Bahamas, as well as to the Grand Bahama Power Company Limited (GBPC), or any successor company approved by the Grand Bahama Port Authority (GBPA) to perform GTDS in the Port Area. Following a consultation process, URCA issued a temporary PESL to BPL -pending finalisation of the comprehensive licensing categories. On finalisation of the comprehensive licensing categories, URCA proposes to issue a new PESL to BPL and also to grant a PESL to GBPC.

#### **3.1.2 Authorized Public Electricity Supplier Licence (APESL)**

The APESL is eligible to any person or entity that has been granted approval in writing by the GBPC or BPL to construct or operate an electricity supply system and perform GTDS functions in the Port Area or in the Family Islands, respectively.

#### **3.1.3 Independent Power Producer Licence (IPPL)**

The IPPL allows for the generation of electricity only. The EA does not specify any restrictions on the type of energy source, capacity limit, or facility for IPPL.

The IPPL is eligible to Independent Power Producers (IPPs). The Act defines an IPP as a person who “generates additional energy to the grid pursuant to a negotiated power purchase and grid interconnection agreement” with the public electricity supplier or an approving authority (BPL or the GBPA, depending on the context). The EA does not specify any restriction on IPPs other than requiring the permission of an approving authority (BPL or the GBPA, depending on the context) or another public electricity supplier.

### **3.2 Other licences**

Under section 46 of the EA, URCA may also grant other types of licences. URCA signals its intent to develop the following licences as the need arise:

*(a) Transmission and Distribution Licence (T&DL)*

The T&DL allows for the transmission and distribution of electricity. The EA does not specify any restrictions on the type of energy source, capacity limit, or facility for the T&DL. Neither does it specify any eligible organisations or persons.

*(b) Subsidiary Licences*

Subsidiary Licences may be issued for any or all parts of the electricity supply chain (GTDS). Subsidiary Licences are only issued to entities that apply through an already established licensee. Subsidiary Licences category allows licensees to sub-contract services to more efficient third-parties. The EA does not specify any restrictions on the type of energy source, capacity limit, or facility for Subsidiary Licences.

*(c) Temporary Generation Licence*

Temporary Generation Licences allow the licensee to generate electricity on a system of over 1000kW or more for a fixed period. Temporary Generation Licences may not be granted for a period longer than 6 months. Temporary Generation Licences may only be used for self-supply, not for grid-tied generation.

*(d) Emergency Licence Waiver*

In the event of a force majeure, any person or organization may apply to URCA for an Emergency Licence Waiver. URCA will grant Waivers on a case-by-case basis, considering the need for continuous electricity supply during emergencies and the applicant’s credentials and ability to operate an emergency facility.

URCA will issue all Waivers for a specified period and for specified activities (GTDS, or any combination thereof). Recipients may re-apply after the Waiver period has ended, if the impacts of the force majeure continue.

### **3.3 Exemptions**

There are two types of exemptions:

1. Statutory exemptions, which are determined by the Electricity Act
2. Exemptions URCA may issue within its regulatory powers

#### **3.3.1 Statutory Exemptions**

The following are statutory exemptions and persons who meet these criteria do not require a licence by URCA.

Under the EA, the following types of electricity generation do not require licensing by URCA:

- (a) a standby generating plant;
- (b) renewable energy sources by a property owner for the purpose of supplying energy for residential use; and
- (c) renewable energy self-generation projects advanced by the Government or a small-scale business or commercial enterprise approved in writing by URCA.

Under section 23(3)(a) of the EA, a standby generating plant approved by the Ministry of Works, with a generating capacity not exceeding one thousand kilowatts (1,000 kW) and is used solely for the supply of electricity in case of the failure of supply by BPL or another public electricity supplier or in case of other emergency. These back-up electrical systems are typically used by consumers in the event of an outage and may not be used at other times without a licence.

Under section 23(3)(b) of the EA, a property owner who utilises for the purpose of supplying energy for residential use renewable energy sources in accordance with the requirements of section 27 of the EA.

Under section 23(3)(c) of the EA, where URCA approves in writing renewable self-generation projects advanced by the Government or a small-scale business or commercial enterprise in accordance with section 28 of the EA.

#### **3.3.2 Exemptions URCA may issue within its regulatory powers**

URCA may by determination, exempt a person or class of person from the requirement of a licence. The exemptions shall be for a specified period:

- (a) Generally or to such an extent as may be specified in the determination; and
- (b) Unconditionally or subject to such conditions as may be specified in the determination.

### **3.4 Duration of licences**

The duration of a license is the period from when the licence is issued, referred to as the Commencement Date, until it expires. Licences may terminate earlier than their expiry date if they are revoked by URCA or surrendered by the licensee in accordance with the terms and conditions of the licence and the Electricity Act.

A licence will be granted for a definite period. The duration of a licence shall be as indicated in Table 1 and shall be renewable upon compliance with the conditions of the licence. Applicants may make submissions in relation to the term that they wish the licence to be granted.

Table 1: Duration of Licences

Type of Licence	Recommended Duration
Public Electricity Supplier Licence (PESL)	Up to 25 years
Authorised Public Electricity Supplier Licence (APESL)	Up to 25years
Independent Power Producer Licence (IPPL)	Up to 25 years
Temporary Generation Licence	Up to six (6) months
Emergency Licence Waiver	Specified period by URCA

### 3.5 Renewal of Licence

A licence may be renewed by URCA upon application by the licensee, subject to equipment or facility having been certified by URCA to be in good technical operating condition. The procedure for renewal of a licence shall be the same as that applicable to the grant of the original licence, however in addition to the criteria applied for the original application, URCA shall also consider the licensee’s compliance with the original licence and any other licences held by the licensee, in determining whether or not to renew a licence.

## **4 APPLICATION FOR AND APPROVAL OF LICENCE**

### **4.1 Introduction**

Any person/organization who engage in the generation, transmission, distribution and supply of electricity must have a licence, unless that person/organization or the activities being undertaken fall within a valid exemption. This chapter sets out the core legal principles and policies used by URCA when assessing whether an individual or organization meets the requirements for the granting of a licence or licences.

### **4.2 Who may apply for a licence?**

An applicant for a licence must be a legal entity incorporated in The Bahamas. An un-incorporated joint venture for example cannot apply, since this would not constitute a legal entity.

### **4.3 Applicant's responsibility**

The applicant is responsible for providing URCA with accurate and relevant documentation. This will ensure that the application is processed promptly and without delay.

All applications are assessed on a case-by-case basis. If insufficient information is provided with an application URCA will generally specify and request additional information to be submitted before the application is considered further.

However, applicants should note that it is their responsibility to provide all necessary details with their application and should not rely on URCA to search for or request information to support any application.

### **4.4 Application**

An application for a licence shall be made in writing addressed to the Chief Executive Officer of URCA and should be submitted together with all relevant information as specified in Chapter 5 of these guidelines.

An application for a license shall be made on the Application form approved and supplied by URCA. The application form can also be accessed from URCS's website [www.urbahamas.bs](http://www.urbahamas.bs).

The applicant shall complete the appropriate application form in its entirety and submit all required attachments, affidavits, and evidence of capability specified by the form at the time an application is filed.

The applicant must pay to URCA an application fee determined by URCA. The Application Fees are set out in Chapter 9, and in URCA's Fee Schedule.

Application fees may be revised by URCA and announced by amendment and publication of a revised Fee Schedule.

Application fees are also payable for an application to transfer a licence.

The stipulated application fee will be payable in respect of each type of licence sought, regardless of whether or not applications are made separately or are aggregated into a single application document.

An application shall be deemed to have been successfully lodged only if all relevant supporting documentation required as indicated in Chapter 5 are attached in addition to full payment of the required application fee.

URCA shall acknowledge receipt of an application for a licence and notify applicant **within 30 calendar days** of receipt on submission of an application and indicate whether the applicant's submissions fully satisfy the requirements expected of the relevant type of licence or otherwise.

## **4.5 Application Fees**

No application for a licence shall be considered unless the appropriate Application Fee has been paid by the applicant.

The Application Fee for a particular type of licence shall be the fee determined by URCA to be paid by the licensee prior to the issue and commencement of a licence.

URCA will charge for applications for the all the types of licences that it grants, namely:

- Public Electricity Supplier Licence;
- Transmission and Distribution Licence;
- Electricity generation licences, including;
- Large Self-Generation Licence;
- Independent Power Producer Licence;
- Temporary Licence; and
- Subsidiary Licence.

URCA has adopted a differentiated fee schedule. The amount for each type is based on URCA's costs to process an application. The current Application Fees are set out in Chapter 9. The highest fee is to be charged to the Public Electricity Supplier Licence applicants, as this licence allows the applicant to participate in all stages of the electricity supply chain (GTDS).

Application Fees are non-refundable.

## **4.6 Consideration and approval of application**

URCA shall issue a license only if it is satisfied that the application is submitted in the form and manner required by URCA, together with –

- (a) A copy of the approval granted by the approving authority in the case of an APESL application, and
- (b) Such other documents and fees as URCA may specify and prescribe in schedule 1.

Per section 45 of the Electricity Act, an applicant for a licence must –

- (a) Be a legal entity incorporated in the Bahamas;
- (b) Conduct the administration and management of its business that is the subject of the licence application from premises in the Bahamas;
- (c) Be a fit and proper person to establish, maintain and operate an electricity service;

- (d) Demonstrate to the satisfaction of URCA that the application has sufficient intention, financial strength and resources to meet obligation under the EA and to provide electricity services in an effective manner consistent with the electricity sector policy objectives; and
- (e) Meet any other requirements, including but not limited to the provision of information and data, that URCA may require.

In deciding whether an applicant is suitable to hold a licence, URCA will consider:

- (a) The applicant's previous commercial and other dealings, within and outside the Bahamas, as may be deemed appropriate by URCA (including that of its major officers, principals and shareholders) in order to determine and/or assess the applicant's standard of honesty and integrity and to ascertain, among other things, possible past breaches of statutory and other legal obligations in previous dealings.
- (b) The financial and technical capability of the applicant, as well as the human resources available for the operations under the licence.
- (c) Other matters as prescribed by the EA or any other relevant laws and regulations.

#### **4.7 Notice of licence decision**

URCA shall review all applications for licences and within thirty (30) calendar days of receipt of an application –

- (a) approve the application and grant a licence or licences;
- (b) reject the application specifying the reasons for the rejection; or
- (c) request further information necessary or desirable to evaluate the application.

Where URCA requests further information pursuant to paragraph 4.6 of this Chapter URCA shall have a further thirty (30) calendar days from the date of receipt of the information to evaluate the licence application.



## 5 INFORMATION REQUIREMENTS

### 5.1 General

URCA requires information to be provided by applicants to enable it to:

- (a) assess the suitability of an applicant for a licence; and
- (b) specify the appropriate licence conditions to apply, if a licence were to be granted.

This chapter details URCA’s information requirements as it relates to the licensee’s operations and some guidance in the manner in which applications should be presented.

Applicants are reminded that it is an obligation of the applicant to ensure that all information relating to the licensee’s operations furnished to URCA is complete and correct. Providing false, misleading or incomplete information may impact the applicant suitability to hold a licence.

### 5.2 What is the scope and type of information required from applicants?

Table 1.1, list the information that an applicant should provide to URCA regarding the type of licence the applicant wishes to apply for, the duration of the licence, and any request to modify the standards conditions to the licence.

Table 1.1: Licence Application Details

Section	Information to be Provided by the Applicant in the Application Form
Licence details	<ul style="list-style-type: none"><li>• Type of licence the applicant is applying for (PESL, APESL, IPPL)</li><li>• Location where and/or customers to which the applicant wishes to provide service</li><li>• Specify if the application is for a new licence, a licence renewal, or a modification of the licence</li><li>• Date the new licence, licence renewal, or licence extension is desired to take effect</li><li>• Details of previous applications and licences held (if applicant held a licence under the previous electricity sector regime, if the applicant has applied for other licences, or has had licences revoked or applications refused)</li><li>• Modifications to standard conditions requested (if the applicant wishes to request for modifications, what are the modifications requested, and justification for modification)</li></ul>

**Table 1.2** lists the information that an applicant should provide regarding its legal status, organizational structure, financial position and technical expertise. The information to be provided by the applicant should be supported by documents (attachments) that evidence the applicants' legal status, organizational structure, financial position and technical expertise. For example, to demonstrate the applicant has the financial strength to carry out the operations it intends to develop under a licence, the applicant should submit audited financial statements that include the balance sheet, the income statement, and the cash flow statement.

Table 1.2: Information to be Provided by the Applicant on the Application Form and Supporting Documents

Section	Information to be Provided by the Applicant in the Form	Required Attachments or Documentation
Information about the applicant	<ul style="list-style-type: none"> <li>▪ Name of the applicant/ registered business name and registration number</li> <li>▪ Legal status (public limited company, private limited company, partnership, incorporated association or any other legal status. If legal status is partnership or joint venture, name and addresses of all parties should be listed)</li> <li>▪ Registered business or postal address</li> <li>▪ Legal representative or contact person on behalf of the applicant (name, title and contact details)</li> <li>▪ Details of criminal convictions, prosecutions or regulatory complaints made against the applicant</li> <li>▪ Details of any outsourced service that are either in negotiation or to be entered into by the applicant</li> <li>▪ Details of the applicant's director(s) (name, address, date of birth, date of appointment as director, and academic qualifications and professional qualifications)</li> <li>▪ Details of undertakings (registered business name, registration number, name of directors)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Certified copy of certificate of incorporation (Corporation's Constitution)</li> <li>▪ Certified copy of business registration (Certificate of Registration)</li> <li>▪ If applicant is a partnership or joint venture, include copy of partnership or joint venture agreement</li> <li>▪ If applicant is a trust, include copy of trust deed</li> <li>▪ If applicant is a non-public company, trust or other non-public entity, include documentation on shareholders, unit holders, beneficiaries and others having interest in the entity</li> <li>▪ Contracts with related parties</li> </ul>
Information on the corporate structure	<ul style="list-style-type: none"> <li>▪ If applicant is a non-public company, trust or other non-public entity, provide details on shareholders with more than 20 percent of any class of shares (name of shareholder, address, effective date of shareholding, number and class of shares, percentage aggregate of the class of shares)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diagram of corporate structure, including details of any parent and related companies if applicable</li> </ul>
Financial information required	<ul style="list-style-type: none"> <li>▪ Information on the current financial position of the applicant</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most recent audited financial statements for the last three years (to include balance sheet, income statement, cash flows statement, and all notes to the financial statements)</li> <li>▪ If the applicant does not have audited financial statements, then the applicant must submit financial</li> </ul>

Section	Information to be Provided by the Applicant in the Form	Required Attachments or Documentation
		<p>statements certified by an accountant in possession of a practicing certificate issued by The Bahamas Institute of Chartered Accountants</p> <ul style="list-style-type: none"> <li>▪ For subsidiary companies, include the audited financial statements of the parent company</li> <li>▪ For new entities, the most recent statements showing the balances of any bank accounts held by the applicant and a certified letter from a bank or any other entity confirming that the applicant is able to access the financing necessary to carry out the undertaking</li> <li>▪ For applicants for APESL and IPPL, letter from licensed PES confirming any discussions and/or negotiations concerning any credit support arrangements</li> </ul>
<p>Technical information required</p>	<ul style="list-style-type: none"> <li>▪ For any undertakings carried out by the applicant that are similar to that for which the applicant is applying for a licence, provide the following information: <ul style="list-style-type: none"> <li>Location</li> <li>Beginning year and end year (if applicable)</li> <li>Contracting party</li> <li>Body that authorized or approved the undertaking</li> <li>References</li> </ul> </li> <li>▪ Any information on subcontractors and external service providers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Organizational chart of key personnel</li> <li>▪ <i>Curriculum Vitae</i> of key personnel with details of experience and knowledge of the industry. Include at least two references</li> <li>▪ Any contracts with external service providers related to the business for which the applicant is seeking a licence</li> <li>▪ For applicants for PESL, describe how the applicant will comply with the applicable requirements of the following standard conditions: <ul style="list-style-type: none"> <li>Standard Condition 14.5 (Regarding to how the applicant plans to resolve unplanned interruptions)</li> <li>Standard Condition 35.1 (Regarding how the applicant will comply with the transmission and distribution standards)</li> <li>Standard Condition 42.1 (Regarding how the applicant intends to inform customers on dangers, matter requiring urgent attention, of supply issues)</li> </ul> </li> </ul>

Section	Information to be Provided by the Applicant in the Form	Required Attachments or Documentation
		<p>Standard Condition 47.1 and 47.2 (Regarding what grid code the applicant intends to file with URCA and how the applicant intends to comply with the grid code)</p> <ul style="list-style-type: none"> <li>▪ For applicants for APESL, describe how the applicant will comply with the applicable requirements of the following standard conditions: <ul style="list-style-type: none"> <li>Standard Condition 14.5 (Regarding to how the applicant plans to resolve unplanned interruptions)</li> <li>Standard Condition 35.1 (Regarding how the applicant will comply with the transmission and distribution standards)</li> <li>Standard Condition 41.1 (Regarding how the applicant intends to inform customers on dangers, matter requiring urgent attention, of supply issues)</li> <li>Standard Condition 46.1 (Regarding what grid code the applicant intends to file with URCA and how the applicant intends to comply with the grid code)</li> </ul> </li> <li>▪ For applicants for an IPPL, describe how the applicant will comply with the applicable requirements of the following standard conditions: <ul style="list-style-type: none"> <li>Standard Conditions 15.1 and 17.1 (Regarding how the applicant will act under an event of Force Majeure or Catastrophic Failure)</li> <li>Standard Condition 22.1 (Regarding engaging in other business activities)</li> <li>Standard Condition 24.1 (Regarding how the applicant will ensure its employees are appropriate trained and qualified).</li> </ul> </li> </ul>

### **5.3 Commercially sensitive information**

URCA may make public the information included in an application for a licence. Where the applicant considers information contained in an application to be commercially sensitive, the applicant should clearly identify such information and state the reasons why they are to be regarded as commercially sensitive, to enable URCA to determine its consideration of the confidentiality request.

### **5.4 Environmental Management Plan**

Where an environmental permit is issued subject to the licensee having to prepare and submit a satisfactory Environmental Management Plan (EMP), the operational licence granted by the URCA shall be made subject to the condition that the licensee submits a satisfactory EMP for Environmental Agency approval and is issued with a permanent environmental certificate within six (6) months of commercial operations under the licence.

## **6 LICENCE CONDITIONS**

### **6.1 General**

Licences granted shall be subject to conditions. These conditions may include limitations and/or constraints that are determined and imposed by URCA or statutory requirements stipulated by the EA or any other relevant legislation.

URCA when granting a licence shall have regard to such conditions as it considers appropriate under the electricity sector policy objectives.

URCA shall publish the standard conditions to be included in each licence per section 48 of the EA

A licensee shall not contravene a condition of its licence. A licensee that contravenes a condition of its licence may be subject to:

- (a) The suspension or cancellation of the licence for a material contravention of a licence condition; and/or
- (b) An order for compensation payment.

### **6.2 What are licence conditions**

Licence conditions are of three broad types:

- (a) '*Statutory conditions*', which the EA imposes or requires URCA to impose;
- (b) 'Mandatory Conditions' prior to "Authorization to Operate"; and
- (c) '*Other conditions*' which are within the discretion of URCA to apply.

#### **6.2.1 Statutory conditions**

The EA provides that URCA shall grant a licence subject to specific conditions. Section 48(8) of the EA stipulates that a licence may include a condition requiring the licensee to -

- (i) pay to URCA a fee on the grant of this licence or to pay to it periodic fees during the currency of the licence or both, of such amount as may be determined by URCA;
- (ii) Enter into an agreement or arrangement on specified term, or on term of a specified type, relating to its operations or for the connection to or use of any electric line or plant owned or operated by the licensee or the other part to the agreement or arrangement;
- (iii) observe, with such modification or exemption as may be approved by URCA, specified codes of practice and any market rules;
- (iv) maintain specified financial accounting records and prepare financial accounts according to specified principles;

## 6.2.2 Mandatory Conditions prior to “Authorization to Operate”

A licensee shall prepare and submit for approval all the Information Requirements outlined in Chapter 5 in particular **Table 1.1 and Table 1.2** prior to the commencement of commercial operations of the licenced facility.

URCA shall issue an **authorization to operate** when the Information Requirements outlined in Chapter 5 in particular **Table 1.1 and Table 1.2** are satisfactorily fulfilled.

## 6.2.3 Other conditions

URCA shall, on granting a licence, make the licence subject to further conditions that URCA may consider appropriate.

## 6.3 Payment of Fees

Every Licence contains a condition requiring the payment of fees to URCA.

URCA may levy the following fees and charges in relation to the Electricity Sector:

- i. fees for the processing of any application to URCA required under the EA pursuant to section 54(2)(b) of the Electricity Act, 2015;
- ii. fees for providing copies of documents pursuant to section 54(2)(c) of the Electricity Act, 2015;
- iii. annual URCA fees, based on the licensee’s relevant turnover for the year in question pursuant to section 54(2)(d) of the Electricity Act, 2015;
- iv. fees for the processing of merger applications under section 57 of the EA, pursuant to section 54(2)(e) of the Electricity Act, 2015; and
- v. the Tribunal Fee pursuant to the Third Schedule of the Utilities Appeal Tribunal Act, 2009.

Applicable fees for the period from grant until the end of the calendar year in which the licence is granted will be invoiced at the time of issuance of the licence, and must be paid upon collection of the licence. Where applicable, in subsequent years URCA will invoice licensees for fees payable annually, as soon as practicable after the start of URCA’s financial year.

### 6.3.1 What annual license fees are payable?

Certain Licensees shall be subject to payment of an annual fee called URCA Annual Fee payable during the validity of the licence, save as exempted below. The URCA fee is currently applied only to Public Electricity Suppliers, though URCA intends to expand this to include Independent Power Producers (IPP) in the event that the same are licensed. URCA intends that IPPs will pay an URCA Annual fee of 0.03% of their relevant turnover. The URCA Annual Fee is payable pursuant to URCA’s Fee Schedule which may be updated from time to time<sup>1</sup>.

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<sup>1</sup> Available for download from URCA’s website at <http://www.urbahamas.bs/licensing/fee-schedule/>



The URCA Annual Fee will not apply to persons with small grid-tied systems operating under a Certificate from URCA or a Public Electricity Supplier.

A licence issued that includes construction of facilities shall be exempted from payment of the URCA annual fee during the initial construction period. A licensee shall commence payment of the annual licence fee on the issue of an authorization by URCA to start commercial operations.

URCA may consider, at its sole discretion, requests for payment of the URCA Annual Fee in feasible installments.

The URCA Annual Fee is calculated as follows<sup>2</sup>:

Public Electricity Suppliers shall be charged a percentage of their annual relevant turnover, as determined by URCA annually and published in URCA's Fee Schedule. This rate will be set to cover URCA's electricity-related costs that are not covered by annual fees from IPPs. The rate measures URCA's electricity-related costs against Public Electricity Suppliers' relevant turnovers.

To calculate the rate applied to Public Electricity Suppliers, URCA will subtract the fees charged to IPPs from URCA's electricity-related costs. The rate that Public Electricity Suppliers pay is calculated to cover URCA's remaining electricity related costs. The following equation determines the rate used to calculate the URCA Annual Fee for Public Electricity Suppliers:

$$\text{Rate used to calculate Annual Fee} = \frac{\text{URCA's electricity-related costs} - \text{URCA Annual Fees paid by IPPs}}{\text{Total relevant turnover of all Public Electricity Suppliers}}$$

### 6.3.2 How can the fees be paid?

Licensees can pay their fees using any of the following methods:

- debit or credit card payment at URCA's office;
- money order;
- bank transfer; or
- bank draft /manager's cheque

Details of URCA's accounts can be obtained by Licensees from URCA's Finance Department. URCA cannot accept personal cheques or cash. If a licensee wishes to pay any fees using cash, they should deposit the payment into URCA's bank account at a branch of the Bank of The Bahamas. The licensee should retain a copy of the bank deposit slip and submit it to URCA as evidence of payment. URCA will issue receipts for all payments received.

All payments must be of the full fee payable, NET of any applicable bank charges.

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<sup>2</sup> URCA 2018 Fee Schedule (URCA 01/2018), published on 30 January 2018. For subsequent years, Licensees should note that these fees may be amended by URCA from time to time, and should check the Fee Schedule applicable for the relevant year.

## **6.4 Amendment and revocation of licences**

The amendment and revocation of a licence is set out in section 49 of the EA in accordance with the procedures specified in the licence.

### **6.4.1 Can URCA modify, vary, restrict the conditions of, or revoke, a licence?**

URCA has the remit, per section 49 of the Electricity Act, to make a determination, on its own motion or on the written application of the relevant licensee, to modify, vary, restrict the conditions of, or revoke, a licence granted to a licensee where:

- (a) It is necessary to comply with or conform to international treaties, commitments or standards or the laws of The Bahamas;
- (b) It is necessary to further the electricity sector policy and national energy policy goals, objectives and principles and there is justification to do so due to hardship that may result to that licensee;
- (c) The licensee has repeatedly contravened, or failed to cure a material contravention of the EA, or any other regulatory measures, including conditions of its licence;
- (d) The licensee made a statement or omitted to make a statement resulting in a material misrepresentation in its licence application; and
- (e) The licensee is not providing the electricity service authorized by and specified in its licence and URCA is satisfied that the licensee does not have the intention or the financial strength and resources to provide such service.

### **6.4.2 What is the procedure for Amendment and revocation of licences?**

URCA may by determination, on its own motion or on the written application of the relevant licensee, modify, vary, restrict the conditions of, or revoke a licence granted to a licensee.

A determination made by URCA to modify, vary, restrict or revoke a licence shall take effect on the date specified as follows:

- The date shall not be less than thirty calendar days after the date of written notice given to a licensee affected by URCA's determination; and
- The licensee may, before the date specified in the notice given, appeal to the Utilities Appeals Tribunal (the Tribunal) against such modification, variation, restriction or revocation.

Where any issue of national security may arise as a result of a determination made by URCA, URCA shall, prior to making such determination, consult with the Minister responsible for National Security.

### **6.4.3 Is approval required before licence ownership can change?**

Licensees are required to notify URCA of changes in control. Section 57 of the EA stipulates that a person shall not implement a change in control of a licensee without obtaining the prior written approval of URCA.

Failure to obtain prior written approval from URCA makes the parties involved in the ownership change liable for prosecution for committing an offence under section 57(7) of the EA.

#### **6.4.4 When and how does the licensee notify URCA of the change in control?**

The Licensee must apply for approval by notifying URCA within seven (7) calendar days of concluding an agreement, or announcing a public bid, that would result in a change in control of a licensee.

The notification shall be in writing in such form and manner as may be specified by URCA and should include;

- (a) A description of the terms of the transaction;
- (b) Information about the acquirer of the licence and the licensee shareholders; and
- (c) Financial information including annual revenue, copies of most recent annual reports and financial statements, description of the electricity market in which the parties involved in the transaction operates.

#### **6.4.5 What are the principles URCA will apply in appraising a change in control of a licence?**

URCA on receiving a notification of a change in control of a licensee, shall review the application and attendant information requirements in accordance with sections 59, 60, and 61 of the EA and form an opinion whether a proposed change of control of a licensee:

- (a) Would have, or be likely to have the effect of substantially lessening competition in a market in the Bahamas; and
- (b) Whether the change in control would have an effect, or likely to have an effect, contrary to the public interest.

URCA will not unreasonably object to a change of control notified pursuant to a licence condition. The purpose of this condition in the licence is so that URCA can ensure that a person that would not be suitable as a licensee does not gain control over a licensee. URCA will approve a change of control under the licence conditions if the acquirer satisfies the application process in sections 57 - 61 of the EA. URCA will approve the change of control under the licence conditions if the acquirer would otherwise satisfy the application process in section 57 of the EA.

#### **6.4.6 What is the timetable for appraisal of a change of control?**

Section 62 of the EA outlined the statutory timetable for URCA to review a change of control of a licensee. URCA shall promptly review a complete notification under section 57(3) of the EA and shall within thirty (30) calendar days of receiving representations issue an adjudication in accordance with section 61 or inform the acquirer and relevant licensee that it is opening an in-depth investigation under section 62(2) of the EA.

Within ninety (90) days of opening an investigation under section 62(2) of the EA, URCA shall issue its adjudication under the provision of section 61 of the EA as applicable.

#### **6.4.7 What are the requirements of holding a licence?**

The term of the licence and its conditions are at the discretion of URCA (see sections 48 and 49 of the EA). Section 48 of the EA outlines some of the types of conditions that can be included in a licence.

A copy of each licence can be found on URCA's website: [www.urbahamas.bs](http://www.urbahamas.bs). Applicants should note that URCA may, consistent with section 48 (3) of the EA, impose additional or alternative conditions on a particular licensee.

## **7 THE LICENSING PROCESS**

### **7.1 How long will it take to process an application?**

The time that URCA will take to process a complete application is 8 to 10 weeks, including public advertising and the provision to URCA of public submissions. However, the process can take longer as this depends largely on the circumstances of the applicant, the quality and standard of the documentation provided to the URCA and the number of submissions received in relation to the application. Applications will be assessed on a case-by-case basis having regard to the requirements of the relevant legislation. In assessing an application for a licence, URCA must have regard to its objectives under the EA (sections 5 & 6). URCA may engage the services of external consultants (e.g., accountants or lawyers) to assist in the assessment of the information provided to URCA. URCA will generally interact with the applicant during the application phase providing guidance and feedback wherever possible. Therefore, applicants are encouraged to provide a draft application to URCA before it is formally considered by URCA. The type of information that URCA will require to be included in an application is set Section 5 – Information Requirement, Tables 1.1 and 1.2 respectively. Whilst URCA, where appropriate, will assist the applicant to prepare the licence application prior to the applicant formally submitting the application, the applicant bears complete responsibility to provide URCA with accurate, truthful and relevant documentation.

URCA also encourages applicants to consult with other non-approving entities including Ministry of Works and other relevant entities as the case may be.

### **7.2 How will URCA process the licence application?**

#### **7.2.1 During initial checks for completeness**

On receipt of a licence application URCA will carry out a number of initial checks<sup>3</sup> to ensure that the application is complete and to verify key application details<sup>4</sup>. Alongside these initial checks URCA will also carry out an initial risk assessment based on the results of these initial checks and decide whether to pursue additional verification.

#### **7.2.2 During the course of processing the application**

##### Stage 1

Subject to Section 7.3 of this guideline an applicant that provides details of required information and indicative dates of key steps taken (or to be taken) to allow them to commence licensable activities is likely to be allocated a lower risk rating than an applicant that provides little or no details/indicative dates

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<sup>3</sup> For example URCA will check against Registrar General Records to ensure that the applicants' registration number is correct and that correct details of all current directors and major shareholders have been provided.

<sup>4</sup> To be considered complete an application must be in the form and manner specified in the Applications Form and contain all the information and documents specified therein.

of such arrangements. Such applicant will warrant an URCA decision for the granting of a licence at stage 1

Subject to Section 7.3 an application may be moved to stage 2 or 3 after it has been acknowledged as a 'duly made' application (which is subject to any notification by URCA to the contrary at any time during the assessment of the application) during the course of processing the application.

### Stage 2

Before moving an application into stage 2, URCA will (where appropriate) ask the applicant for an explanation or missing/copy documents. If this provides a satisfactory answer to the issues which have arisen, the applicant will remain in stage 1. If either the information/copy documentation is not provided (in whole or part), or issues/concerns remain, the applicant will, given the higher assessment of risk, be requested to provide the following additional details.

### Stage 3

Applicants that are moved to stage 3 will be requested to provide original identification documents and may be required to attend an interview with URCA. They may also be asked to bring the originals of copy documents previously provided (or if still outstanding, those requested).

### Granting of Licence

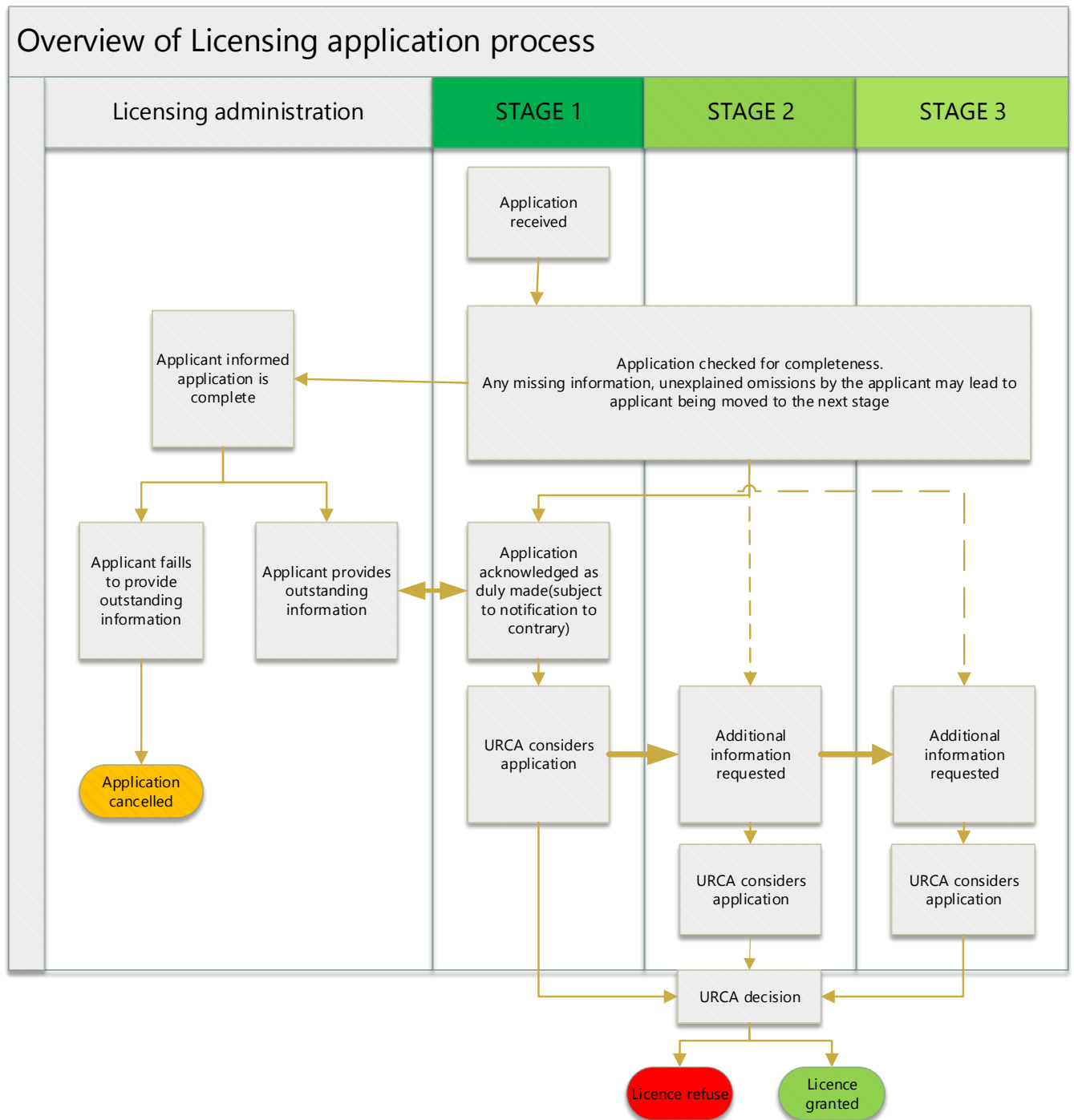
Provided that the results of URCA's checks at each stage are satisfactory, the applicant has paid relevant fees, the applicant has provided URCA with satisfactory clarifications to all enquiries, and the public notice<sup>5</sup> period has expired (and no outstanding questions have arisen as a result of representations received) URCA will proceed to grant a licence. An overview of the licensing process is outlined in Figure 1 below.

Figure 1 below give a schematic overview of the three stage application process.

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<sup>5</sup>See Section 7.3. On receipt of the formal licence application, URCA will publish a notice in a daily newspapers circulating generally in the Bahamas (e.g., The Tribune and Guardian) inviting the public to obtain a copy of the application and to make submissions. A copy of the application will also be published on URCA's website.

Figure 1: Overview of application process



### **7.3 Will there be Publication of the licence application?**

Section 43 of the EA requires publication of the application. On receipt of the formal licence application, URCA will publish a notice in a daily newspapers circulating generally in the Bahamas (e.g., The Tribune and Guardian) inviting the public to obtain a copy of the application and to make submissions. A copy of the application will also be published on URCA's website. Stakeholders registered (including all other licensees) will be individually notified of the application by way of e-mail.

The closing date for submissions is usually a minimum of 4 weeks and a maximum of 6 weeks after the application is advertised, although this period may vary depending upon the application.

### **7.4 How will Commercial Confidential information be treated?**

While it is URCA's preference to provide as much detail as possible to the public (to assist with the submission process), URCA acknowledges that an application may include **confidential** information. Applicants should clearly mark any confidential information on each relevant page and place it in a stand-alone section of the application (see Schedule 1). All such information should be clearly cross-referenced to the relevant section of the application. Only information that is in fact confidential should be marked as such (this may include marketing strategies, contractual agreements, financial data and projections), as the public must have sufficient information to be able to make meaningful submissions to URCA regarding the licence application. No party will be provided information that URCA agrees is confidential. If URCA does not agree with an applicant's designation of information as "**confidential**", URCA will generally notify the applicant, although it has no obligation to do so, that it does not agree with designation of the information as being "confidential" prior to making the information available to the public.

### **7.5 Submissions**

URCA will accept submissions in relation to an application from all persons with sufficient interest. Such persons may include other industry bodies, regulators, private sector operators and community or consumer groups. This process provides the wider community with the opportunity to comment on the scope and possible issues arising from an application and forms an integral part of the process for considering an application. This is consistent with section 41 of the EA. All submissions received, except those that are marked confidential or that are not in accordance with the terms and conditions of publication, are published on URCA's website under Utilities & Energy (see [www.urbahamas.bs](http://www.urbahamas.bs)).

Once the closing date for submissions has passed, URCA will notify the applicant in writing of any submissions that have been made and provide the applicant with copies of any published submissions and summaries of any unpublished submissions as determined by URCA. This will provide the applicant with an opportunity to comment on the submissions and to clarify or respond to any issues raised.

URCA will take into account all submissions in its assessment of a particular application and may contact the interested party or stakeholder to discuss any submission. All enquiries regarding submissions should be directed in writing to [info@urbahamas.bs](mailto:info@urbahamas.bs).



## **7.6 Final decision**

Following completion of the submission process, URCA will undertake a review of the application and any other information provided or obtained in relation to the application. In reviewing the accuracy and reliability of the information given by the applicant, URCA may use external information such as the views of consultants appointed by URCA. An applicant is given an opportunity to respond to any adverse comments made by such consultants or information derived from external sources.

URCA considers all material relevant to an application, including all the material lodged in support of an application by an applicant, submissions made by interested persons during the consultation process and any other information including responses to that information by the applicant.

Applicants will be notified of URCA's decision in writing (see section 48 (9) of the EA) and the decision will be posted on URCA's website. URCA's published final decision on the application may include specific comment on the submissions. URCA is also required by legislation to have its decision Gazetted. Those who have provided submissions in relation to the application will be notified of URCA's final decision.

In the event of a refusal to grant a licence, URCA will provide to the applicant reasons for the refusal (see section 45(3)(b) of the EA). In the event URCA refuses to grant a licence, the applicant may have rights of review and should consider obtaining legal advice in respect of such. URCA will publish its decision, but would not generally publish its reasons for refusing an application.

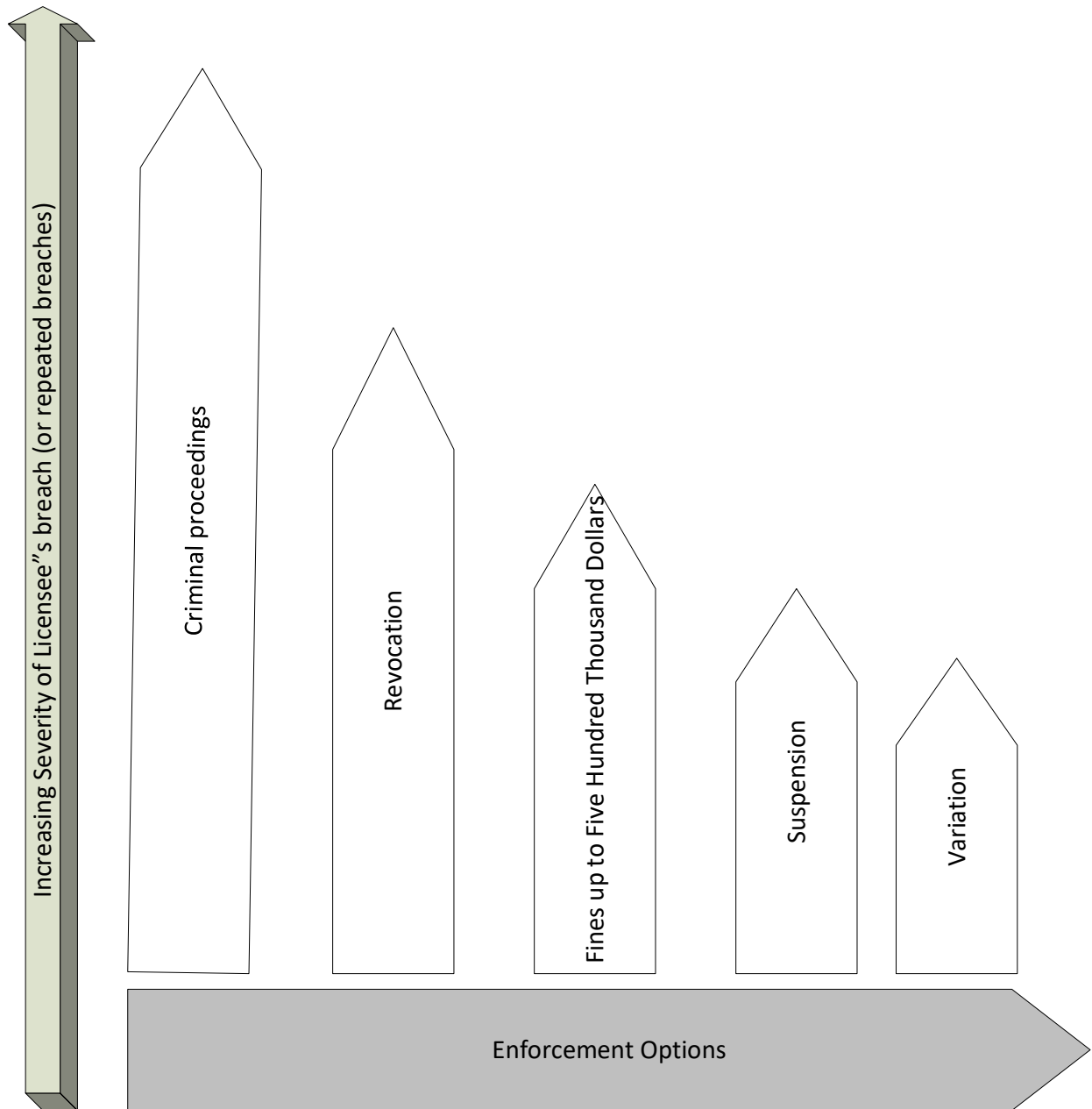
As set out in Chapter 2, URCA has the power to impose specific licence conditions as it sees fit (see section 48 of the EA).

## 8 ENFORCEMENT OF LICENCE CONDITIONS

### 8.1 URCA's powers of enforcement against licensees

The EA gives URCA wide powers of enforcement against licensees that breach the EA or their licences. The enforcement powers are set out in the scale below. Generally the powers to the right side of the scale will be reserved for more serious or repeated breaches by a licensee.

Figure 2: Enforcement Options



This range of enforcement options means that URCA can ensure that its enforcement actions are proportionate to the breach. In particular, URCA has wide powers to fine licensees. URCA can fine

licensees up to Five Hundred Thousand Dollars in the case of continuing offence, although it would only do this in exceptional cases.

Under the EA, URCA can commence criminal proceedings against licensees and non-licensees for breach of the EA. It may be necessary for URCA to institute criminal proceedings where a person repeatedly breaches the EA or where an injunction is required (e.g., to stop a person/entity supplying electricity illegally).

Prior to taking enforcement action against a licensee, URCA will issue a preliminary determination or adjudication, informing the licensee which provisions of the licence or EA the licensee appears to have breached, the enforcement action that URCA proposes to take and the period during which the licensee can respond to the preliminary determination or adjudication. URCA will then consider the representations made by the licensee before considering whether to impose a sanction.

## **8.2 Appealing against URCA's regulatory measures**

Licensees have the right to appeal against any adjudication, determination, order or other regulatory measure that affects them by lodging an appeal before the Tribunal. The procedures shall be in accordance with sections 67 and 68 of the EA.

## 9 APPLICATION AND SERVICE FEES

This section sets out the various fees payable to URCA for licence applications, and other services provided by URCA under the EA. As noted in section 6.3, once a licence is granted, Licensees are also required to pay URCA Annual Fees calculated in accordance with URCA’s Fee Schedule.

### 9.1 Application Fees

URCA charges fees for the following types of application:

- Application for a new Licence (New Licence Application fees);
- Application for renewal of an existing Licence (Renewal Application fees);
- Applications for Change in Control of an Existing Licence (Change of Control Application fees);
- Applications for SSRG Authorisation.

#### 9.1.1 New Licence Application fees

URCA charges a fee for processing applications for each type of licences that it grants, namely:

- Public Electricity Supplier Licence;
- Transmission and Distribution Licence;
- Electricity generation licences, including:
  - Large Self-Generation Licence;
  - Independent Power Producer Licence;
  - Temporary Licence;
  - Subsidiary Licence.

URCA has adopted a differentiated approach. The amount for each type is based on URCA’s anticipated average costs to process an application. Table 9.1 lists the fees for licence applications. The highest fee is to be charged to the Public Electricity Supplier Licence applicants, as this licence allows the applicant to participate in all stages of the electricity supply chain (GTDS).

Table 9.1: New Licence Application Fees

Type of electricity service for which form is submitted	Application fee
Public Electricity Supplier Licence	B\$5,000
Transmission and Distribution Licence	B\$3,500
Subsidiary Licence	B\$3,500
Large Self-Generation Licence (more than 25kW)	B\$3,000
Independent Power Producer Licence (more than 25kW)	B\$2,000
Temporary Generation Licence	B\$1,000

### 9.1.2 Renewal Application fees

Fees for licence renewals are lower than that for the original application, since the licence has already been thoroughly vetted. Table 9.2 lists the fees for renewing licences.

Table 9.2: Renewal Application Fees

Type of electricity service for which form is submitted	Renewal application fee
Public Electricity Supplier Licence	B\$1,670
Transmission and Distribution Licence	B\$1,170
Subsidiary Licence	B\$1,170
Large Self-Generation Licence	B\$1,000
Independent Power Producer Licence	B\$670
Temporary Generation Licence	B\$330

### 9.1.3 Change in Control Application fees

Section 58 of the EA states that a change in control of a licence happens in three cases:

- A person or an affiliated company acquires control (including voting shares) by memo or regulation, and that person pursues strategic decisions that follow its wishes;
- A person or an affiliated company becomes beneficial owner or controls more than 30 percent of voting shares;
- A person or an affiliated company becomes beneficial owner or controls between 15 percent and 30 percent, with exceptions.

For changes in control of licences, the following fees will be charged:

Table 9.3: Fees for Review of Change in Control

Combined relevant turnover of acquiring parties and target Licensee	Fee
Less than or equal to \$5 million	B\$5,000
Greater than \$5 million and less than or equal to \$10 million	B\$10,000
Greater than \$10 million and less than or equal to \$50 million	B\$15,000
Greater than \$50 million and less than or equal to \$100 million	B\$25,000
Greater than \$100 million	B\$35,000

### 9.1.4 SSRG Application fees

URCA charges \$150 for each SSRG application processed for authorisation.

## 9.2 Other Service Fees

URCA also charges a fee for issuance of printed copies of URCA documents, currently \$5 per copy.

## 10 GLOSSARY

Following is a glossary of the terms and phrases used in these Guidelines.

The EA	means the Electricity Act, 2015
Adjudication	A document issued by URCA under section 65 of the EA following an investigation of a breach or alleged breach of the enforcement provisions in Part XIII IF THE Electricity Act, 2015.
Assets	mean the material assets and facilities owned, operated or leased by the Licensee, including real estate and resources of economic value that the Licensee owns or controls with the expectation of future benefit
Capacity	means the electric power (measured in megawatts) supplied or available to be supplied from the Licensee's Generating Facility to the Grid
Companies Act	means the Companies Act, Chapter 308 and any amendments thereto
Distribution Line	means any electric power line that delivers power to consumers
Distribution Electricity Supply System	Means the network, including substations, distribution lines, transformers and other apparatus that receives electricity from the transmission electricity supply system and delivers it to customers.
Fair Market Value	means the market value of the Licensee when evaluated as an ongoing business concern including this Licence and all lands, buildings, works, materials, plant and property of all kinds whatsoever suitable to or intended for the purposes of the undertaking and shall be determined in a manner that complies with the term Fair Market Value as defined by the American Society of Appraisers, that is the price, expressed in cash equivalents, at which the Shares would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open unrestricted market when neither is under any compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. Fair market value shall be the average value as determined by a panel of three (3) independent valuation experts, one to be selected by the Minister, one by the Licensee and one, who shall be Chairman of the panel, to be selected by the two other members. In the event that the nominees cannot agree on the selection, the Chairman shall at the written request of the parties, be appointed by URCA
Financial Year	Means the twelve month period at the end of which the Licensee's annual accounts are closed.

Generating Facility/Facilities	means any power plant(s) and associated equipment owned , controlled or rented by the Licensee and used for the production of electricity pursuant to a licence issued by URCA
Generation Licence	means a licence granted under the Act authorising a Licensee to carry out the generation of electricity for supply to the electricity supply system
Generation Licensee	mean the holder of a generation licence granted by URCA under the Act.
Generation Set	means any plant or apparatus used for the production of electricity
Government	Means the Government of the Commonwealth of The Bahamas.
Governmental Authority	mean any (a) national, municipal, central or local government, department, central bank, court, council, commission, board, bureau, tribunal, agency or instrumentality of the Commonwealth of The Bahamas or (b) any subdivision, agent, commission, board or authority of any of the foregoing.
Grid	means (a) any BPL power system, inclusive of transmission and distribution, wherever located in The Bahamas; (b) the power system, inclusive of transmission and distribution, of any public electricity supplier within The Bahamas other than BPL
Grid Code	means the technical specification for the connection and use of the Grid.
GTDS	means generation, transmission, distribution and supply
Independent Power Producer (IPP)	means a person who – (a) is approved by an approving authority or a public electricity supplier, and licenced by URCA, to generate additional electrical energy to a grid; (b) generates additional energy to the grid pursuant to a negotiated power purchase and grid interconnection agreement entered into with the public electricity supplier or with both the public electricity supplier and the approving authority;
Licence	means a licence granted by URCA pursuant to the EA.
Licensee	means the person authorised under a Licence.
Net Output	means the amount of electricity that is generated by Generating Facilities that is transmitted and distributed to the Grid.

Shares	Shares.
Subsidiary	shall have the meaning specified in the Companies Act
Subsidiary Undertaking	shall have the meaning specified under the Act
Transmission Line	means any electric power line that is used for the bulk transfer of electrical energy from generating facilities for delivery to the distribution electricity supply electricity supply system
Transmission Electricity Supply System	means the electrical power lines and associated apparatus that are used for the bulk transfer of electrical energy from generating facilities for delivery to the distribution electricity supply electricity supply system
Tribunal	The Utilities Appeal Tribunal, established under the UAT Act.
Tribunal fee	A fee payable to the Tribunal under Sch. 3 of the UAT Act. This fee is billed and collected by URCA on behalf of the Tribunal.
URCA Fees	mean the Fees prescribed by URCA pursuant to the Act
URCA Fees	mean the Fees prescribed by URCA pursuant to the Act
UAT Act	The Utilities Appeal Tribunal Act, 2009.
URCA	The Utilities Regulation and Competition Authority, established under the URCA Act. URCA is an independent regulator for utilities.
URCA Act	The Utilities Regulation and Competition Authority (Amendment) Act, 2015