



PUBLIC NOTICE

URCA is the new regulator for the Electricity Sector (ES)

Background

The Utilities Regulation and Competition Authority (URCA) advises that effective January 28, 2016, the Electricity Act, 2015 (EA), the Electricity Rate Reduction Bond Act, 2015 and the URCA (Amendment) Act, 2015 (all of which were passed on December 30, 2015) came into effect, establishing URCA as the regulatory body with responsibility for the Electricity Sector (ES) in The Bahamas.

What does this mean?

The establishment of URCA as the regulator of this important sector of the economy means that URCA will be assuming responsibility for setting up and implementing a regulatory framework that ensures the sector operates in an effective and efficient manner and in the best interests of all persons in The Bahamas.

It also means that URCA will become the agency responsible for ensuring that consumers receive better quality of service from their electricity supplier, at prices that are fair. Therefore, URCA will aim to ensure that consumers increasingly benefit from efficient operations by suppliers.

What is the timeframe for the changes?

The year 2016 will be a period of transition for URCA and the ES. During this transition, URCA will make organizational changes, which are necessary to:

- i. regulate the new sector;
- ii. create the regulatory framework that will apply to operators in the sector;
- iii. issue licences to the existing operators within the sector; and
- iv. transition those operators to the new regime.

It should be noted that the EA provides transitional provisions, including some that limit and prescribe URCA's regulatory jurisdiction for a period after the coming into effect of the EA. URCA will provide details of these and other key aspects of the legislation in its consumer education efforts moving forward.

Organisational Changes in 2016

In addition, during 2016 URCA will embark upon various organizational restructuring, and human resource capacity building to ensure that URCA has available to it, all of the necessary skills and competencies that will be required to ensure effective stewardship of the ES. This will involve recruitment of a Director of Utilities and Energy (DUE) and other new team members, training of URCA's existing staff, and restructuring of the organization to ensure that URCA makes the best use of its new and existing resources. It is to be noted that the DUE will be an executive member of the URCA Board. The DUE will be responsible for developing and implementing policy and regulation of the ES and will be accountable to the Board for the regulation of the new sector.

URCA has adopted an open and transparent approach to recruitment. Therefore, the public can expect to see advertisements for new positions within URCA being featured in local newspapers. We encourage suitably qualified members of the public to consider joining us as we adapt to this new challenge.

What will URCA be doing as ES Regulator in 2016?

The EA sets out URCA's powers and responsibilities as regulator of the ES, and the various obligations on the providers of electricity in The Bahamas, pursuant to the National Energy Policy and the Electricity Policy objectives.

Some of the key regulatory matters that will be addressed by URCA in the coming months include:

- establishing a licensing regime for the ES;
- granting a public electricity supplier licence to Bahamas Power and Light Company Limited (BPL) to allow it to continue to provide generation, transmission, distribution and supply (GTDS) of electricity throughout The Bahamas;
- granting a public electricity supplier licence to the Grand Bahama Power Company Ltd. (GBPC) to allow it to continue to provide GTDS in Grand Bahama;
- granting licences to electricity suppliers other than BPL and GBPC, such as the current franchised providers of electricity in various family islands and entities authorized to supply electricity in private areas of The Bahamas;
- establishing the regulatory framework necessary to ensure the protection of the rights of consumers of electricity in The Bahamas;
- promoting the establishment and continuation of energy efficiency programs;
- promoting the use of renewal energy sources and the generation of electricity from renewable energy sources to supplement the available capacity of the electricity grid;
- determination and collection of fees and charges that will be applicable for regulatory activities; and,
- addressing any urgent matters which require regulatory action or intervention.

Perhaps most critically, later this year URCA will be conducting extensive consumer and stakeholder education and publicity campaigns to ensure that you, our stakeholders, are fully aware of the new regime and how it will impact your lives and your businesses!

As URCA prepares to embrace this new role, we ask for your cooperation and flexibility as we take on these new challenges. URCA is excited and engaged about this new opportunity for us to make a difference in this very important sector in the current and future development of The Bahamas, and we are confident that the Bahamian public will soon experience positive effects of our efforts.

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