



PRELIMINARY DETERMINATION AND DRAFT ORDER

**Issued to: Bahamas Power and Light
Company Limited (BPL)**

**In the matter of: Suspected Breach of Licence
Conditions 9, and 17.2 and Sections 25 and 26
under the Electricity Act, 2015**

ES: 05/2018

Issue Date: 16 May 2018

Response Date: 21 June 2018

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1 Introduction

The Utilities Regulation and Competition Authority (URCA) issues this Preliminary Determination and Draft Order to the Bahamas Power and Light Company Limited (BPL) in exercise of URCA's powers under sections 63 and 64 of the Electricity Act, 2015 (EA) and Condition 10.1 of the Bahamas Power and Light Company Limited's (BPL) Public Electricity Supplier Licence.

This Preliminary Determination and Draft Order seeks to address BPL's failure or refusal to comply with its obligations under sections 25 and 26 of the Electricity Act, 2015 and Conditions 9 and 17.2 of BPL's Public Electricity Supplier Licence (the PELS). The specific obligations in question are the responsibility for BPL to formulate and submit to URCA for approval, a plan for the introduction of sustainable renewable energy technologies into the electricity supply system (i.e., a Renewable Energy Plan or REP).

URCA considers that BPL's REP submission dated 28 April 2016¹, did not comply with the requirements of the relevant provisions of the EA, and BPL has subsequently failed to meet the timelines set out by URCA for the submission of revisions to its REP, as required by section 74 of the EA. URCA is concerned that BPL's failure to formulate and submit a REP in accordance with the requirements of the EA, compromises the achievement of the policy objectives regarding introduction of sustainable renewable energy in The Bahamas in the shortest timeframe possible.

In this Preliminary Determination and Draft Order, URCA discusses the suspected breaches committed by BPL and sets out the regulatory measures that URCA proposes to impose on BPL to remedy or rectify such breaches, or to prevent further contraventions of the same or a similar kind from being committed.

1.1 Background

URCA responded to BPL's Initial REP submission by letter dated **28 August 2017** (ES 05/2017)² URCA notified BPL of various changes BPL was required to make to both the format and content of the utility-scale component of the REP to ensure compliance with the statutory framework of the EA.

In its above response letter, URCA required BPL to revise its REP, and in accordance with section 74 of the EA resubmit same to URCA no later than **22 November 2017**. In the revised REP, BPL was advised to:

- develop an action plan to incorporate utility-scale renewables to the system;
- include actions that can be implemented within the 3-year timeframe envisaged by the Government RE Policy; and that the actions should be clear, easy-to-implement, and measurable; and
- identify specific utility-scale projects that BPL will develop over the life of the Plan, or detailed processes it will pursue to identify viable projects.

¹ www.urcabahamas.bs

² URCA's Response to BPL's Utility Scale Renewable Energy Plan, Document ES: 05/2017

URCA advised BPL that the utility-scale component of the Plan should be specific about how BPL will develop and finance new renewable energy projects.

Further details of URCA's 22 August 2017 response letter to BPL's initial REP submissions and URCA's recommended changes in respect of same are set out in Annex 1 to this document.

1.2 How to Respond

Consistent with the procedure set out in section 64 of the EA, BPL is hereby notified as follows:

- (a) BPL may make representations or objections on any matter contained in this Preliminary Determination and Draft Order and may do so in writing to URCA. Such representations or objections must be received by URCA within forty-five (45) calendar days from service of this Preliminary Determination and Draft Order;
- (b) Representation or objections should be submitted to URCA either:
 - (i) by hand to: the Director of Utilities and Energy, Utilities Regulation and Competition Authority, Frederick House, Frederick Street; or
 - (ii) by email to: info@urcabahamas.bs; or
 - (iii) by mail to: P.O. Box N-4860, Nassau, Bahamas or
 - (iv) by facsimile to: (242) 393-0237.
- (c) URCA shall consider all representations or objections made by BPL and shall make its Final Determination and Order within thirty (30) calendar days of the date on which such representations or objections are due;
- (d) URCA may request from BPL such additional information as is reasonably required to make a Final Determination and Order; and
- (e) BPL may exercise such other rights and remedies to which it may be entitled under any other law.

1.3 Structure of the Remainder of this Document

The remainder of this document is set out as follows:

- Section 2: Regulatory Framework – sets out the legal framework under which URCA has exercised its powers to issue this Preliminary Determination and Draft Order;
- Section 3: URCA's Analysis of BPL's compliance – sets out URCA's preliminary analysis regarding BPL's compliance or lack thereof with relevant licence conditions, the EA and regulatory and measures;
- Section 4: Remedies – sets out the remedies URCA proposes to impose consequential to a determination that BPL failed or refused to comply with the Electricity Act, relevant licence conditions and regulatory and other measures;

Section 5: Preliminary Determination; and

Section 6: Draft Order.

2 Regulatory Framework

2.1 BPL's Licence

On 15 August 2016, URCA issued BPL with a **Public Electricity Supplier Licence** (the "Initial PESL") under the terms of section 45 of the Electricity Act, 2015. The Initial PESL was for a period not exceeding one (1) year from its 15 August 2016 commencement date but was extended to 30 April 2018, under the procedures at section 45 of the EA.

Following a public consultation process commenced with "Consultation on: Types of Licences and Exemptions for The Electricity Sector in The Bahamas – ES 05/2017"³ document ("the Consultation Document") in exercise of its powers under section 38(3)(c) of the Electricity Act, 2015 ("EA"). URCA published the Consultation Document on 16 August 2017, and established 31 October 2017 as the extended closing date for the submission of responses.

After providing all persons having interest in the subject matter of the Consultation Document a reasonable opportunity to make submissions URCA prepared and publish the Statement of Results and Final Decision and on 1 May 2018, URCA issued a Public Electricity Supplier Licence (PESL) to BPL for a period of twenty-five (25) years.

For the purposes of this Preliminary Determination and Order, it should be noted that all relevant provisions are contained in the Initial PESL and the PESL, without material amendment, and URCA refers herein to the provisions as contained in the PESL.

The PESL confers on BPL *"the right to generate, transmit, distribute and supply electricity for sale to the public in the Service Territory, and to operate, construct, reconstruct, modify or replace the generation, transmission, distribution and supply facilities for these purposes subject to the Licence conditions, the Act and any other relevant law for the time being in force."* (Condition 3.1)

Pursuant to Condition 9 of the PESL, BPL is required to:

"9.1 comply with the Act and any other Act of the Commonwealth of The Bahamas that has application to it in the discharge of its performance under this Licence.

9.2 comply with regulatory and other measures including any directive, order, rule, "decision, or approval issued by URCA in accordance with its duties and functions under the Act or this Licence."

Condition 10.1 of the PESL provides:

³ www.urcabahamas.bs

“Where URCA has reasons to believe that the Licensee has failed to comply with any relevant law, regulation or condition of this licence, URCA may exercise all such powers and duties as afforded to or of it under the Act or any other relevant law and may take all such action as is permitted to it thereunder against either the Licensee or its subsidiary undertaking.”

Pursuant to Condition 16 of the PESL, BPL Reporting Obligations:

“16.3 The licensee shall furnish to URCA without undue delay such information, documents and details related to the Licensed Business, as URCA may reasonably require in order for it to fulfil its functions and discharge its obligations under the Act.”

“16.4 A request for information by URCA under this licence shall be in accordance with section 74 of the Act.

Condition 20.2 of the PESL provides:

“The licensee shall at the request of URCA furnish with copies (in such format as URCA may specify) of any book, record or accounts as URCA may reasonably require.”

2.2 The Electricity Act 2015

2.2.1 Submission and Consideration of the Renewable Energy Plan

The regulatory obligations under consideration by URCA’s in this Preliminary Determination and draft Order stem from section 25 of the EA, subsection (2) of which provides:

“A public electricity supplier shall develop and submit in writing for URCA’s approval –

- (a) subject to subsection (4), within six months of the coming into operation of this Act a time-bound plan for the introduction of sustainable renewable energy technologies into the electricity supply system; and*
- (b) an annual report on the accomplishments made against the approved plan.”*

Subsection 25(3)(a) provides clear and unambiguous details about the scope and contents of the plan submitted under section 25, as follows:

“The plan referred to in subsection (2) shall be revised, updated and submitted to URCA for approval every three years after the date of its initial submission and shall include, as determined by URCA –

- (a) provision for facilitating persons, including other public electricity suppliers, to apply to URCA to be licensed as independent power producers to participate in utility electricity generation to the relevant grid using renewable resources and technologies;*

- (b) *a policy statement giving preference to renewable electricity resources in all procurement actions in the absence of compelling reliability or cost considerations;*
- (c) *a plan to procure increasing specified minimum percentages of electricity products from eligible renewable electricity resources by a specified date, thereby allowing the phased increase in renewable generations;*
- (d) *provisions to ensure the reliability of intermittent resources, taking into account the availability of cost effective storage technologies;*
- (e) *provision for facilitating residential renewable energy generation to the grid and renewable energy self-generation projects;*
- (f) *an annual requirement for reporting the progress by the public electricity supplier with respect to its renewable electricity plan; and*
- (g) *a mechanism for formal review by URCA of the renewable electricity plan once every three years, which review will result in the public electricity supplier updating the plan to reflect developments in renewable electricity resources."*

Subsection 25(5) establishes the key parameters for URCA's regulatory consideration in relation to the plan, and provides:

"URCA shall -

- (a) *publish for public information purposes only a summary of the proposed renewable energy plan proposed by BPL or any other public electricity supplier; and*
- (b) *after publication of the plan, determine whether to approve the plan as consistent with sector policy objectives and the national energy policy."*

Also relevant to the conduct by BPL which gives rise to this Preliminary Determination is section 74 of the EA which provides:

"(1) In order to carry out the duties assigned to it under this Act URCA may by request in writing require a licensee, consumer, acquirer, or any other person to provide all necessary information."

"(3) A person requested by URCA to provide information pursuant to subsection (1) –

- (a) *Shall provide the information within the time period requested by URCA; and*
- (b) *Commits an offence where such person fails to provide the information in accordance with paragraph (a)."*

2.2.2 The National Energy Policy

Subsection 5(3) of the EA sets out the timeline of the national energy policy, and provides:

“The national energy policy, and every revision thereof, shall be published in the Gazette and have effect from the date of such publication”

Subsection 38(1)(c) require URCA to implement, and provides:

“The functions and powers of URCA are to –

Establish rules and approve competitive process for procurement of power generation resources conducted by BPL, or any other public electricity supplier, and ensure such rules are fair, consistent and compatible with the objectives and principles of the electricity sector and national energy policy”

The current national energy policy established in September 2014 for the period from 2013 to 2033) (the “NEP”), has as its core objective the increasing inclusion of sustainable renewable energy sources into the generation mix in The Bahamas. The NEP focuses on the development of indigenous energy resources with the goal of increasing the percentage of renewables in the energy mix to about 30% by 2033. The NEP acknowledges that renewables resources such as wind, solar, waste-to-energy and biomass are indigenous to The Bahamas and if developed adequately, can provide cleaner, and in the long term, affordable alternatives to fossil fuels

2.2.3 URCA’s Enforcement Powers

Part XIII of the EA sets out URCA’s enforcement powers in respect of the matters which URCA regulates pursuant to the EA. Where URCA is of the view that a licensee has contravened a provision of the EA or a Licence or regulatory measure made pursuant to the EA, section 64 establishes the power for URCA to make a determination to that effect, as follows:

Section 64(1) provides:

“ URCA may upon application in writing by a person having an interest in the subject matter of the determination, or upon its own motion where URCA has reason to believe that a determination is necessary, make determination relating to –

(a) *A contravention of a provision of this Act, or an obligation on a licence relating to the terms or conditions of a licence, including obligations in licence conditions, regulatory and other measures, standards or technical rules; and*

(b) *...”*

Section 63 of the EA establishes URCA enforcement power as it relates to licensees. In particular, URCA may “...issue an order to enforce a determination ... made by URCA ...” under the EA. Sub-section (2) states that an enforcement order may be issued concurrently with a determination and may -

“require a licensee or any person that contravenes a provision of this Act, regulatory or other measures, or a licence condition, to do or refrain from doing such things as are specified in the order to remedy, prevent or rectify the breach or anticipated breach which is the subject matter of the determination; and

- (a) impose an objectively justified and non-discriminatory regulatory penalty on a licence and notify the licensee that the licence may be revoked if the licensee fails to comply with the determination or pay the regulatory penalty or both.”*

Sub-section 63(3) provides for where a licensee fails to comply with an order or part of an order within the time determined by URCA, URCA may-

“

- (a) impose a penalty or additional penalties for a continuous breach of the order; and*
- (b) Revoke the licence with immediate effect, where the licence was notified in the order that non-compliance could result in a penalty or licence revocation or both “*

Sub-sections 64(7) through (10), provide the process which URCA must follow in making determinations. Subsection 64(7) requires the making and notification of a preliminary determination, as follows:

- “(7) Prior to issuing a determination under subsection (1), URCA shall give a notice of preliminary determination to the proposed addressee or addressees specifying –*
- (a) the determination to be made;*
- (b) the obligations the compliances or contravention of which are the subject of the determination;*
- (c) in accordance with sub-section 64(9), the period during which the addressees have an opportunity to –*
 - (i) make representation about the matters in the preliminary determination;*
 - (ii) comply with the obligations referred to in the preliminary determination of which they are in contravention, where applicable; and*
 - (iii) remedy the consequence of contraventions notified in the preliminary determination, where applicable.”*

Sub-section 64(8) requires URCA to enclose with the notice of preliminary determination a copy of any Order that URCA proposes to issue with the final determination.

Sub-section 64(9) addresses the period of notice which URCA must give when making a determination, as follows:

- “(9) the period specified under subsection (7)(c) in a notice of preliminary determination –*
- (a) shall be no less than one month, commencing on the day after which notice of the preliminary determination was given; or*

- (b) *may be a shorter period where the preliminary determination relates to a contravention and URCA has reasonable grounds for believing the contravention is a repeated contravention.*"

Sub-section 64(10) requires URCA to consider representations made in response to a notice of preliminary determination in reaching its final determination, and sets out the timeline within which URCA shall issue its Final Determination, and the matters which URCA shall include in its Final Determination.

Pursuant to sub-section 64(12) a Determination made by URCA is legally binding upon the parties to the Determination unless suspended by order of the Utilities Appeals Tribunal.

URCA is required when making a determination to give notice to and allow the intended addressee of the determination to make representations. URCA is also required to consult with *"persons of sufficient interest in the subject matter of the determination..."* (see EA sub-section 64(3)), and to consult with the public where a regulatory or other measure is of *"public significance"* (EA, section 41).

Finally, section 63 of the EA confers on URCA the power to make orders to enforce determinations. Sub-section 63(1) provides:

"URCA may issue an order to enforce a determination ... made by URCA under this Act."

Sub-section 63(2) provides:

"An enforcement order ... may be issued concurrently with a determination ... and may –

- (a) *require a licensee or any person that contravenes a provision of this Act, regulatory or other measures, or a licence condition, to do or refrain from doing such things as are specified in the order to remedy, prevent or rectify the breach or anticipated breach which is the subject matter of the determination; and*
- (b) *impose an objectively justified and non-discriminatory regulatory penalty on a licence and notify the licensee that the licence may be revoked if the licensee fails to comply with the determination or pay the regulatory penalty or both."*

Sub-section 63(3) provides the consequences for failure to comply with an Order issued by URCA as follows:

"Where a licensee fails to comply with an order or part of an order within the time determined by URCA, URCA may –

- (a) *impose a penalty or additional penalties for a continuous breach of the order; and*
- (b) *revoke the licence with immediate effect, where the licence was notified in the order that non-compliance could result in a penalty or licence revocation or both "*

3 Review of BPL's Compliance with URCA's response

This section sets out URCA's preliminary findings regarding BPL's compliance with the EA, relevant licence conditions and regulatory and other measures.

3.1 BPL's REP Submission

On **28 April 2016** BPL submitted its Renewable Energy Plan ("REP" or the "Plan") to URCA seeking to fulfil the requirements of section 25(2) of the EA which required BPL, as a Public Electricity Supplier, to submit to URCA within six months of the coming into force of the EA, a *"time-bound plan for the introduction of sustainable renewable energy technologies into the electricity supply system"*, for URCA's consideration and approval.

Upon its assessment of the Plan, URCA concluded that BPL's initial REP submission did not satisfy section 25 and 26 of the EA and other measures relating to the introduction of renewables in The Bahamas. In view of this, URCA considered that BPL's REP would not promote the goal of the National Energy Policy (NEP) and the electricity sector policy objectives. Nevertheless, URCA saw merit in BPL segmenting the REP into two components, "small-scale" and "utility-scale" generation. This approach would allow BPL additional time to develop a comprehensive and fit for purpose REP for the introduction of utility-scale generation as required under the EA, while ensuring implementation of plans relating to the implementation of small scale renewable generation in an accelerated timeframe.

The Small Scale component of BPL's REP submission has formed the basis for the Small-Scale Renewable Generation (SSRG) programme implemented by BPL under URCA's direction in April 2017. The SSRG Plan allows residential and commercial customers generating between 0 to 100 kW of RE for self-use to sell any surplus energy to BPL.

URCA responded to BPL's Initial REP submission by letter dated **28 August 2017** (ES 05/2017)⁴ URCA notified BPL of various changes BPL was required to make to both the format and content of the utility-scale component of the REP to ensure compliance with the statutory framework of the EA. URCA considered that the initial REP was vague and did not provide concrete proposals for several components of renewable energy implementation expressly required by section 25 of the EA. URCA further advised BPL that it considered the REP submission failed to meet the underlying purpose, which is to provide time-bound strategies and actions to introduce renewable energy sources tailored to ensure achievement of the National Energy Policy objectives regarding renewable energy implementation. URCA presented BPL with specific guidance on the nature of the revisions required to the REP to meet the requirements of the relevant provisions of the EA.

⁴ URCA's Response to BPL's Utility Scale Renewable Energy Plan, Document ES: 05/2017

From URCA's standpoint, the main shortcomings in BPL's initial REP submission was the absence of an outline of internal planning processes or any provisions for additional energy to the grid by third party providers (i.e. Independent Power Producers (IPPs)).

In its above response letter, URCA required BPL to revise its REP, and in accordance with section 74 of the EA resubmit same to URCA no later than **22 November 2017**. In the revised REP, BPL was advised to:

- develop an action plan to incorporate utility-scale renewables to the system;
- include actions that can be implemented within the 3-year timeframe envisaged by the Government RE Policy; and that the actions should be clear, easy-to-implement, and measurable; and
- identify specific utility-scale projects that BPL will develop over the life of the Plan, or detailed processes it will pursue to identify viable projects.

URCA advised BPL that the utility-scale component of the Plan should be specific about how BPL will develop and finance new renewable energy projects. URCA further advised that BPL could introduce renewable energy technologies into the electricity system by:

- Identifying and developing utility-scale renewable energy projects on its own (Mode 1);
- Identifying projects and issue a tender for purchasing power from IPPs (Mode 2); and
- Identifying capacity and issue a tender for purchasing power from IPPs (Mode 3).

URCA considered that the first option might not be feasible for BPL. URCA, however, advised that BPL strongly considers Mode 2 and/or Mode 3, noting that both options involve purchasing renewable energy from IPPs. IPPs could help address possible barriers to quickly adding renewable capacity in light of:

- BPL's limited ability to obtain financing for utility-scale projects; and
- lack of suitable utility-scale renewable projects that have already been identified.

Overall, while the EA requires BPL to facilitate IPPs in renewable energy, BPL's initial REP submission did not achieve this objective.

Further details of URCA's 22 August 2017 response letter to BPL's initial REP submissions and URCA's recommended changes in respect of same are set out in Annex 1 to this document.

3.2 URCA response to BPL's request

By way of letter dated 22 November 2017 URCA expressed its concerns regarding BPL's requested extension in the context of BPL's obligation to submit a REP to URCA which adequately reflects the requirements of the NEP and sections 25 and 26 of the EA. It was URCA's view that the expressed government targets on renewable energy generation in The Bahamas requires that meaningful Renewable Energy (RE) initiatives be implemented in a timely efficient manner, and URCA was concerned that BPL's approach appears to lend itself to a lack of action in the short to medium term. URCA advised

BPL that it considered that delaying even the discussion of RE initiatives for a further six (6) months would have been unsatisfactory.

In that letter, URCA indicated to BPL that it would be prepared to grant the extension **only** in the context of BPL taking immediate steps to accommodate the introduction of a reasonable quantity of RE capacity from RE self-generation customers to BPL's grid during the period required by BPL to obtain the necessary advice for its own RE planning. URCA considered that its proposed approach was efficient and proportionate having regard to the statutory and policy objectives set out in section 28(1)(a)(ii) of the EA and the NEP which is the increasing inclusion of sustainable renewable energy sources into the generation mix in The Bahamas. The goal is one of increasing the percentage of renewables in the energy mix to about 30% by 2033.

URCA went further to advise BPL that URCA was aware of enquiries by several commercial entities which were seeking to pursue RE self-generation projects of capacity between 1MW and 2.5MW, confirming to BPL that there was already significant interest from existing commercial entities in The Bahamas who are desirous of generating energy for their own use using RE sources, and selling excess energy to BPL for use in its system. The proposed production of electricity by these commercial customers would be beyond the threshold (100 kW) established for "small-scale" generation, but below the minimum threshold for utility-scale projects being considered by URCA. In the context of BPL's request, URCA advised BPL that it considered it appropriate for BPL to take steps to implement interconnection arrangements for this class of commercial customers forthwith, subject to overall guidelines approved by URCA that address any relevant and reasonable technical and economic considerations.

3.3 Potential Breaches by BPL

In the circumstances outlined above, URCA is of the preliminary view that BPL has committed the following contraventions of the EA and the PESL:

3.3.1 Contravention of section 25 of the EA

URCA considers that BPL has contravened section 25 of the EA in that BPL failed to submit to URCA a time-bound plan for the introduction of sustainable renewable energy technologies into the electricity supply system within six months of the coming into being of the EA.

Particulars of BPL's contravention

- BPL's submission on 28 April 2016 failed to meet the requirements of section 25 in that it:
 - failed to comply with the requirements of the NEP in that it did not provide adequate or any proposals for introduction of renewable generation which were reasonably capable of achieving the renewable energy targets set out in the NEP;
 - failed to provide detailed processes it will pursue to identify feasible renewable projects.
- BPL failed to remedy the deficiencies in its plan by the submission of a revised plan, within the period specified by URCA or at all.

- As envisaged under section 25 of the EA, BPL failed to make provision for facilitating persons, including other public electricity suppliers, to apply to URCA to be license as independent power producers (IPP) to participate in utility electricity generation using renewable resources and technologies.

3.3.2 Contravention of section 74 of the EA

URCA considers that BPL has contravened the provisions of section 74 of the EA in that:

Particulars of Contravention

- BPL failed to provide a revised REP, with all necessary information requested and, within the time period requested for 22 November 2017. The requested information is contained in URCA's Response to BP's Renewable Energy Plan –28 August 2017⁵.
- BPL failed to provide the requested information contained in URCA's letter of 22 November 2017 within the time period requested for 22 December 2017⁶.

3.3.3 Breach of Conditions of PESL

URCA has reached a preliminary finding that BPL has breached the following conditions of its PESL, as follows:

Breach of Condition 9.1

- BPL, by its failure or refusal to comply with sections 25 and 74 of the EA, has breached condition 9.1 of the PESL.

Breach of Condition 9.2

- BPL, by its failure or refusal to comply with sections 25 and 74 of the EA, has breached condition 9.2 of the PESL.

Breach of Condition 20.2

- BPL, by its failure or refusal to comply with sections 74 of the EA, has breached condition 20.2 of the PESL.

⁵ Letter captioned Response to BPL's REP with the attached information document is attached as an Annex

⁶ Letter captioned BPL Renewable Energy Plan is attached as an Annex

4 Remedies

In this section URCA considers the remedies it proposes to impose on BPL consequential to a finding of breaches or contraventions identified in Section 3 above.

4.1 Behavioural/Structural Remedies

URCA may, under section 63(2)(a) of the EA, issue an order concurrently with a determination ordering BPL to do or refrain from doing such things as are specified in the order to remedy, prevent or rectify the breach or anticipated breach which is the subject matter of the determination. Such remedies are referred to by URCA as “behavioural or structural remedies”. In this regard, URCA is particularly concerned to ensure that, where there is a finding of a breach by BPL, going forward BPL takes all reasonably practicable steps to achieve, to the greatest extent possible full compliance with the EA and regulatory and other measures, and to rectify the impact of any prior contravention.

Under Section 3 above, URCA provided its reasoning and preliminary positions regarding BPL’s compliance or lack thereof with its RE obligations. The most significant impact of BPL’s possible contraventions is the threat to the achievement of the NEP in relation to the introduction of renewable energy generation sources in The Bahamas in the shortest possible timeframe, and URCA considers that behavioural/structural remedies would be appropriate and if properly and promptly implemented, adequate to address the impact of the breaches.

4.1.1 Types of Behavioural Remedies Proposed

URCA therefore considers that consequential to a determination of a breach of the EA and regulatory and other measures by BPL, the behavioural remedies imposed must seek to address that impact in an effective and urgent way. URCA considers that a combination of the following two types of behavioural remedies would be the most appropriate and proportionate approach:

- I. Behavioural remedies which require and ensure that BPL complies in the shortest possible timeframe with the obligation to provide a plan which complies fully with the requirements of section 25 of the EA; and
- II. Behavioural remedies which require BPL to commence accelerated incorporation of renewable energy generation into BPL’s system.

URCA deals with each of the proposed categories of remedy in the remainder of this section.

4.1.2 Remedy to achieve Compliance with section 25

In this regard, URCA notes that in its letter of 22 August 2017 it made recommendations to BPL of the changes which URCA considered BPL should make to its REP to achieve compliance with section 25 of the

EA. URCA therefore proposes, should it find BPL to have contravened section 25 of the EA, to require BPL by way of a remedy, to implement the changes set out in that letter with a specified timeframe.

Accordingly, URCA proposes to require BPL to submit to URCA a revision of the plan which BPL submitted on 28 April 2016 pursuant to section 25 of the EA, in which BPL addresses the following issues:

- Provide the appropriate mix of renewable energy sources — BPL is required to specify in the revised plan what new renewable projects are planned by BPL, when will they be built, and whether BPL intends to complete the projects itself, through Independent Power Producers, or any other model.
- Outline grid improvements — BPL must, if the incorporation of renewable energy sources will require additional investments in the grid, specify the improvements which BPL will undertake and within what are the proposed timeframes.
- Provide BPL's financing plans for any planned renewable energy projects — BPL should outline proposed financing methods under consideration, and the criteria which BPL will use to choose between available alternatives.
- Provide tariffs and bill impacts — BPL must indicate to URCA how the incorporation of renewable energy sources is expected to impact customers.
- Describe the reliability and resilience of the system — BPL should describe any operational measures that are necessary to ensure customers will have a reliable electricity supply following the implementation of BPL's proposed renewable energy projects.
- Progress made in comparison with previous REPs and the NEP — BPL must clearly demonstrate how does the current REP builds on previous REPs (if relevant), demonstrate the extent to which the REP will further achievement of the NEP, and lay out a broad plan for long term achievement of the NEP objectives for renewable integration.

URCA proposes that BPL should submit the revised REP incorporating the Utility Scale component of its REP to URCA within 30 days of URCA's issuance of a Final Determination by URCA. URCA is of the view that BPL's REP should seek to ensure the implementation of at least one Utility Scale Renewable Energy Project (i.e. a project of at least 2.5 MW generation capacity) operational within eighteen (18) months of its implementation. It should be noted that URCA anticipates a six (6) month process for additional consultation with BPL and approval of the REP, once submitted.

4.1.3 Behavioural Remedy to Accelerate Introduction of Renewable Energy

URCA has noted earlier that the most disturbing impact of BPL's contravention of section 25 of the EA is the delay to the introduction of large scale renewable energy projects in The Bahamas. Accordingly, URCA proposes as an additional remedy to require BPL to, within a period not exceeding six (6) months following the issuance of any finding of a contravention of section 25 by BPL, implement a programme for the interconnection and implementation of larger scale renewable projects connected to BPL's system, in accordance with the following:

- The programme would introduce no less than 20 MW of renewable energy generation capacity on New Providence (and such capacities on other populated islands in The Bahamas as BPL considers feasible).
- The programme would permit renewable energy generation installations with total installed capacities between 1.0MW and 2.5MW.
- All installations must be grid-tied.
- Installations may be constructed by commercial customers installing renewable energy generation capacity primarily for their own use, but connecting to the grid for transfer and sale to BPL of any excess capacity for utilisation by the grid. The customer would be required to use at least half of the generated capacity itself.
- The customer will be billed by BPL, and shall pay BPL for, all electricity used by the customer's installation (whether self-generated or generated by BPL) at the customary contractual tariffs (i.e. inclusive of the electricity tariff and the fuel charge).
- BPL would credit the customer's monthly bills for all electricity produced by the customer's renewable energy installation at the applicable monthly fuel charge per kWh during the period when the electricity was produced.

Should URCA determine that BPL has contravened the relevant provisions, URCA proposes in its Order to require BPL to submit to URCA a full technical proposal for the above detailed programme, containing at least the following:

- (a) The total capacity to be introduced through the programme on each island in The Bahamas covered by BPL's system, which must, on New Providence, be no less than 20MW.
- (b) Proposals for technical parameters for the renewable energy generation facilities, and their interconnection to the grid, including terms and conditions for the applicable interconnection agreement, for approval by URCA, in consultation with BPL.
- (c) The locations on BPL's grid at which it would propose to interconnect commercial customers under the programme, and any applicable limitations at such locations for the integration of renewable energy generation.
- (d) Timeframes for implementation of the programme (include at each location) which must ensure that the full mandated capacity of the programme on New Providence (i.e. 20MW) can be interconnected within (at the latest) the following timelines from the issuance of a Final Determination by URCA:

- a. a determination and/or plan with regards to the utility's capacity to accommodate renewables within the jurisdiction of its respective primary substations within three (3) months;
- b. an integration plan inclusive of functional testing and monitoring procedures to support potential RE generators within six months;
- c. a listing of all primary substations or T&D jurisdictions available to RE subscribers, and the relevant interconnection protocols within twelve (12) months.

4.2 Fines and Penalties

Except in the case of repeated breaches, URCA shall not issue an order under section 63(2)(b) where in the opinion of URCA BPL has-

- (a) Complied with the obligations referred to in Section 4 of this preliminary determination and,
- (b) Remedied the consequences of contraventions notified in this preliminary determination.

URCA may impose a regulatory fine or other penalty determined by URCA, not exceeding ten percent of the licensee's relevant turnover in accordance with section 72 of the EA. Additionally, URCA may, under section 63(2)(b) of the EA, issue an order concurrently with a determination imposing on BPL an objectively justified and non-discriminatory regulatory penalty and notify BPL that the licence may be revoked if BPL fails to comply with the determination or pay the regulatory penalty of fee.

URCA believes that a failure by BPL to take all reasonably practicable steps to maintain, to the greatest extent possible its regulatory obligations and continue to be in breach of section 25 and 26(2) of the EA, if so determined, would be sufficiently serious to warrant consideration of the imposition of a fine. However, URCA considers that in the event that URCA determines that BPL has contravened the provisions identified above and implemented the remedies outlined above, fully and expeditiously, URCA would not impose any financial penalty on BPL.

While the level of fine URCA may impose is at its discretion, it must be objectively justified and non-discriminatory in its approach to the imposition of such fine. Should URCA decide that the imposition of a fine is an appropriate remedy to a determination that BPL breached section 25 and 74 of the EA, URCA will consider:

- (i) a basic amount; and
- (ii) make adjustments to that amount upwards or downwards according to the following specific factors, namely:
 - (a) the gravity of the breach
 - (b) any further aggravating or mitigating factors; and
 - (c) other policy objectives (e.g. deterrent value).

4.2.1 Basic amount of fine

Having regard to the timelines envisioned for the implementation of the REP, it is URCA's view that the expressed government policy regarding the introduction of renewable energy generation in The Bahamas requires that meaningful RE initiatives be implemented in The Bahamas as a matter of urgency, and URCA is concerned that BPL's approach appears to lend itself to a lack of action in the short to medium term. URCA believes that the appropriate starting point of a fine consequential to a determination of breach by BPL of section 25 and 26(2) of the EA would be one percent (1%) of the relevant turnover earned by BPL during the period from the day following the URCA's issuance of a Final Determination and Order imposing a fine, to the time BPL takes the necessary steps to remedy the breach.

URCA requests from BPL the necessary information as it relates to BPL's relevant turnover to assist with calculating an objectively justified and non-discriminatory fine.

4.2.2 Adjustment for gravity of breach

When gauging the gravity of the breach, URCA would assess a number of factors including the nature and scope of the breach and the impact on consumers and the Bahamian public. URCA would also consider the impact of the breach on the relevant objectives of the NEP.

In this regard, URCA notes that the timely implementation of the REP could have beneficial impact on the price of electricity and rebound to the positive stimulation of the Bahamian economy.

However, URCA considers that it has adequately addressed the gravity of the breach in URCA's proposal for the base percentage, and that no further adjustment is necessary.

4.2.3 Adjustment for aggravating circumstances

URCA may adjust the basic amount where it finds that there are aggravating circumstances. Such aggravating circumstances may include, but is not limited to:

- (i) repeated breach of section of the EA after URCA made its previous finding that section(s) of the EA had been breached; and
- (ii) the level of co-operation with and/or obstruction by BPL to URCA in advancing its regulatory remit.

In this regard URCA notes the following regarding BPL's conduct in respect of the contraventions outlined above:

- BPL's submission on 28 April 2016 failed to meet the requirements of section 25 in that it:

- failed to comply with the requirements of the NEP in that it did not provide adequate or any proposals for introduction of renewable generation which were reasonably capable of achieving the renewable energy targets set out in the NEP;
 - failed to provide detailed processes it will pursue to identify feasible renewable projects.
- BPL failed to remedy the deficiencies in its plan by the submission of a revised plan, within the period specified by URCA or at all.
 - As envisaged under section 25 of the EA, BPL failed to make provision for facilitating persons, including other public electricity suppliers, to apply to URCA to be license as independent power producers (IPP) to participate in utility electricity generation using renewable resources and technologies.
 - URCA considers that BPL’s failures to provide information in a timely and complete manner constitutes multiple material breaches of BPL’s regulatory obligations under the EA, BPL’s Public Electricity Supplier Licence, and the URCA Act.
 - URCA is particularly concerned that it considers BPL repeated lack of response or adequate response to URCA’s regulatory communications and requirements in respect of RE, to be indicative of lack of due regard for the regulatory obligations to which BPL is subject under the EA.

Accordingly, should URCA find that BPL has contravened relevant provisions by its conduct outlined in this Preliminary Determination, URCA proposes an upward adjustment to a fine of up to 50% of the basic amount, for aggravating circumstances?

4.2.4 Adjustment for mitigating circumstances

URCA may make a downward adjustment to the basic amount of a fine where it finds mitigating circumstances exist such as, but not limited to:

- (i) evidence that BPL took all reasonable steps to remedy, rectify or prevent any future breach as soon as URCA intervened;
- (ii) any remedy provided by BPL consequential to the breach; and
- (iii) cooperation by BPL with URCA, beyond its legal obligation to do so, to enable the enforcement process to be concluded more effectively and speedily.

URCA notes that it has already addressed BPL’s conduct regarding the possible breaches and lack of cooperation with URCA above as an aggravating factor, and that therefore to date no mitigating factors are evident which would justify an adjustment of the base fine. However, should BPL’s conduct following the issuance of this Preliminary Determination warrant it, and should URCA determine a breach of

sections 25 and 26(2) by BPL, it may consider a downward adjustment to a fine by up to 25% of the basic amount.

4.2.5 Adjustment for policy objectives

URCA, when determining whether to impose a fine or to make an adjustment thereto, may consider the policy objective of deterring BPL from committing a future breach of the EA.

URCA has the mandate to support changes in the NEP as articulated by the Government, and as such URCA may therefore consider an upward adjustment of 15% to the basic amount of a fine if it determine a breach of section 25 of the EA.

5 Preliminary Determination

This Preliminary Determination is issued to the Bahamas Power and Light Company Limited (the Licensee) by the Utilities Regulation and Competition Authority ("URCA") pursuant to section 64(7) of the Electricity Act, 2015 (EA). This Preliminary Determination hereby gives notice to the Licensee that URCA proposes to issue a Final Determination pursuant to section 64(10) of the EA.

"WHEREAS:

- (1) On 5 August 2016, URCA issued the Licensee a Public Electricity Supplier Licence (the PESL) authorising the Licensee to generate, transmit, distribute and supply electricity for public and private purposes within, into, from and through the Commonwealth of The Bahamas save and except for in the Port Area of Grand Bahama;
- (2) Under Condition 9 of BPL's PESL, the Licensee shall:
 - "9.1 comply with the Act and any other Act of the Commonwealth of The Bahamas that has application to it in the discharge of its performance under this Licence.
 - 9.2 comply with regulatory and other measures including any directive, order, rule, "decision, or approval issued by URCA in accordance with its duties and functions under the Act or this Licence."
- (3) Condition 10.1 of BPL's PESL states:

"Where URCA has reasons to believe that the Licensee has failed to comply with any relevant law, regulation or condition of this licence, URCA may exercise all such powers and duties as afforded to or of it under the Act or any other relevant law and may take all such action as is permitted to it thereunder against either the Licensee or its subsidiary undertaking."
- (4) Conditions 17.2:

"The Licensee shall, if requested by URCA, submit its procedures for procurement to URCA."
- (5) Both the Electricity Act, 2015 and the National Energy Policy establish the legal framework for the formulation of a time bound plan by the Licensee for the introduction of sustainable renewable energy technologies into the electricity supply system of The Bahamas. In particular, such a plan must have regard to the goal of the National Energy Policy and the electricity sector policy objectives as per sections 5 and 6 of the EA, respectively.
- (6) The **National Energy Policy (NEP)** has as its objective the increasing inclusion of sustainable renewable energy sources into the generation mix in The Bahamas. One goal of the NEP focuses on the development of indigenous energy resources with the goal of increasing the percentage of renewables in the energy mix to about 30% by 2033. The NEP acknowledges that renewables resources such as wind, solar, waste-to-energy and biomass are indigenous to The Bahamas and

if developed adequately, can provide cleaner, and in the long term, affordable alternatives to fossil fuels

- (7) Under the terms of section 25(2) of the EA, *“A public electricity supplier shall develop and submit in writing for URCA’s approval –*
- (a) subject to subsection (4), within six months of the coming into operation of this Act a time-bound plan for the introduction of sustainable renewable energy technologies into the electricity supply system; and*
 - (b) an annual report on the accomplishment made against the approved plan.”*
- (8) Under subsection 25(3)(a) of the EA, the plan must include:
- “(a) provision for facilitating persons, including other public electricity suppliers, to apply to URCA to be licensed as independent power producers to participate in utility electricity generation to the relevant grid using renewable resources and technologies;”*
- (9) Section 25(3)(a) to (g) of the EA specifies the provisions to be included in the time-bound plan.
- (10) Section 25(3) of the EA states:
- “The plan referred to in subsection (2) shall be revised, updated and submitted to URCA for approval every three years after the date of its initial submission and shall include, as determined by URCA –*
 - (b) a policy statement giving preference to renewable electricity resources in all procurement actions in the absence of compelling reliability or cost considerations;*
 - (c) a plan to procure increasing specified minimum percentages of electricity products from eligible renewable electricity resources by a specified date, thereby allowing the phased increase in renewable generations;*
 - (g) a mechanism for formal review by URCA of the renewable electricity plan once every three years, which review will result in the public electricity supplier updating the plan to reflect developments in renewable electricity resources.”*
- (11) Subsection 25(5) states that URCA shall –
- “(a) publish for public information purposes only a summary of the proposed renewable energy plan proposed by BPL or any other public electricity supplier; and*
 - (b) after publication of the plan, determine whether to approve the plan as consistent with sector policy objectives and the national energy policy.”*
- (12) Section 26 of the EA outlines the procurement procedures for utility scale renewable electricity generation.
- (13) Section 63 of the EA defines URCA enforcement power as it relates to licensees. In particular, URCA may *“...issue an order to enforce a determination ... made by URCA ...”* under the EA. Sub-

section (2) states that an enforcement order may be issued concurrently with the determination and may -

- (b) *“require a licensee or any person that contravenes a provision of this Act, regulatory or other measures, or a licence condition, to do or refrain from doing such things as are specified in the order to remedy, prevent or rectify the breach or anticipated breach which is the subject matter of the determination; and*
- (c) *impose an objectively justified and non-discriminatory regulatory penalty on a licence and notify the licensee that the licence may be revoked if the licensee fails to comply with the determination or pay the regulatory penalty or both.”*

(14) Sub-section 63(3) provides for where a licensee fails to comply with an order or part of an order within the time determined by URCA, URCA may-

- (c) *“impose a penalty or additional penalties for a continuous breach of the order; and*
- (d) *Revoke the licence with immediate effect, where the licence was notified in the order that non-compliance could result in a penalty or licence revocation or both “*

(15) section 64(1) states that *“URCA may upon application in writing by a person having an interest in the subject matter of the determination, or upon its own motion where URCA has reason to believe that a determination is necessary, make determination relating to –*

- (a) *A contravention of a provision of this Act, or an obligation on a licence relating to the terms or conditions of a licence, including obligations in licence conditions, regulatory and other measures, standards or technical rules; and*
- (b) *Any matter in respect of which this act provides for URCA to ‘determine’ or to make ‘determinations’ “*

(16) Sub-section 64(7) provides for URCA to make determinations relating to–

- *“the determination to be;*
- *the obligations the compliances or contravention of which are the subject of the determination;*
- *in accordance with sub-section 64(9), the period during which the addressees have an opportunity to –*
 - *make representation about the matters in the preliminary determination;*
 - *comply with the obligations referred to in the preliminary determination of which they are in contravention, where applicable; and*
 - *remedy the consequence of contravention notified in the preliminary determination, where applicable.*

(17) Sub-section 64(8) states that URCA shall enclose with the notice of preliminary determination a copy of any order that URCA proposes to issue with the final determination.

- (18) Sub-section 64(9) states that *“the period specified under subsection (7)(c) in a notice of preliminary determination –*
- (a) *shall be no less than one month, commencing on the day after which notice of the preliminary determination was given; or*
 - (b) *may be a shorter period where the preliminary determination relates to a contravention and URCA has reasonable grounds for believing the contravention is a repeated contravention”.*
- (19) In accordance with the provisions of section 25(2) of the Electricity Act, 2015 (“the EA”), on 28 April 2016 BPL submitted a Renewable Energy Plan (REP) to URCA for its consideration and approval. URCA’s assessment concluded that the initial REP submission did not satisfy the aforementioned statutory requirements; however, in an effort to expedite access to renewable for the residential and small commercial consumer communities, BPL was allowed to segment the plan into two components, “small-scale” and “utility-scale” generation.
- (20) URCA set out its detailed response to BPL’s Utility Scale REP and provided to BPL with cover letter dated 28 August 2017
- (21) On 22 November 2017, BPL submitted a letter to URCA dated 13 November 2017 seeking a six (6) month extension for the submission of a revised REP requested by URCA.
- (22) On 22 November 2017 URCA responded to BPL’s request for six month extension to revise the Utility Scale REP. URCA expressed its concerns and provided detailed analysis on the implications of accommodating BPL’s request.
- (23) Having reviewed the BPL revised documents and letters received in relation to the Utility-scale REP, URCA now considers it appropriate to make this preliminary determinations regarding BPL’s Utility-scale REP.

URCA hereby notifies BPL of the alleged breaches under section 25 and 26 of the EA.

In the circumstances outlined herein, URCA is of the preliminary view that BPL has contravened:

- **Section 25 of the EA** requiring BPL to submit a comprehensive time-bound RE Plan within six (6) months of the coming into being of the EA. This plan was to enact the government’s policy initiative to give preference to renewable technologies with regards to the country’s energy needs going forward. URCA notes that more than 27 months have elapsed since the commencement date of the EA and BPL is yet to fulfill its obligation as envisaged under section 25 of the EA.
- **Section 26 of the EA** requiring BPL to provide the procurement procedures for utility scale renewable electricity generation. As mentioned above, the BPL initial REP was deficient and did not include the procurement procedures for utility scale renewables. URCA restates that more than 27 months have elapsed since the commencement of the EA and BPL is yet to fulfill its obligation as envisaged under section 26 of the EA. URCA is of the view that BPL’s failure or refusal

to submit a comprehensive time-bound REP in line with the requirements of the EA may render the NEP policy goal of achieving thirty percent (30%) RE penetration by 2030 unattainable.

- Condition 9.1 of BPL's PES that the Licensee shall comply with the provisions of the EA that has application to BPL's obligation to formulate a comprehensive time-bound REP to URCA for approval.
- Condition 9.2 of BPL's PES requiring the Licensee to comply with regulatory and other measures, including the EA and the NEP.
- Condition 17.2 of BPL's PES requiring the Licensee to submit its procedures for procurement of utility-scale renewables to URCA for consideration and approval.

BPL IS HEREBY INVITED to, by no later than 21 June 2018:

- (i) make such representations to URCA as it wishes about the matters set out in this Preliminary Determination;
- (ii) comply with any provisions in respect of which a contravention has been committed as set out in this Preliminary Determination; and/or
- (iii) remedy the consequence of such contraventions capable of remedy.

Representations or objections must be made to URCA by and of the following methods:

- by hand to: the Director of Utilities and Energy, Utilities Regulation and Competition Authority, Frederick House, Frederick Street; or
- by email to: info@urcabahamas.bs; or
- by mail to: P.O. Box N-4860, Nassau, Bahamas or
- by facsimile to: (242) 393-0237.

THE LICENSEE IS HEREBY NOTIFIED that failure or refusal by the Licensee to submit such representations or objections to URCA in accordance with this Preliminary Determination and Draft Order shall result in URCA issuing a Final Determination and Order in this matter without further notice to the Licensee.



Stephen Bereaux
Chief Executive Officer

6 Draft Order

This section sets out a draft of the Order which URCA proposes to issue concurrent with a Final Determination made based on this Preliminary Determination.

ORDER

This Order is made by the Utilities Regulation and Competition Authority (URCA) pursuant to Section 64 of the Electricity Act, 2015 (EA) that URCA would issue pursuant to Section 63 of the EA in conjunction with the Final Determination in this matter.

This Order is addressed to the Bahamas Power and Light Company Limited (BPL), the holder of a Public Electricity Supplier Licence (the PESL) issued by URCA on 5 August 2016.

WHEREAS by Final Determination made on (xx, xxxx, 2018), URCA has determined that the Bahamas Power & Light Company Limited (“BPL”) has breached section 25 and 26(2) of the EA as the Renewable Energy Plan (REP) submitted by BPL on 28 April 2016 did not satisfy the aforementioned statutory requirements

WHEREAS by Final Determination made on (xx, xxxx, 2018) having failed to fully comply with the requirements of the EA and URCA’s responses and recommendations issued on 28 August 2017 and 22 November 2017 to the BPL REP submission of 28 April 2017 and BPL’s letter of request for extension on 22 November 2017.

WHEREAS by Final Determination made on (xx, xxxx, 2018), URCA has determined that the BPL has breached:

- *section 25 of the EA* requiring BPL to submit a comprehensive time-bound RE Plan within six (6) months of the coming into being of the EA. This plan was to enact the government’s policy initiative to give preference to renewable technologies with regards to the country’s energy needs going forward. URCA notes that more than 27 months have elapsed since the commencement date of the EA and BPL is yet to fulfill its obligation as envisaged under section 25 of the EA.
- *section 26 of the EA* requiring BPL to provide the Procurement procedures for utility scale renewable electricity generation. As mentioned above, the BPL initial REP was deficient and did not include the procurement procedures for utility scale renewables. URCA restates that more than 27 months have elapsed since the commencement of the EA and BPL is yet to fulfill its obligation as envisaged under section 26 of the EA. URCA is of the view that BPL’s failure or refusal to submit a comprehensive time-bound REP in line with the requirements of the EA may render the NEP policy goal of achieving thirty percent (30%) RE penetration by 2030 unattainable.

- Condition 9.1 of BPL's PESL that the Licensee shall comply with the provisions of the EA that has application to BPL's obligation to formulate a comprehensive time-bound REP and submit same to URCA for approval.
- Condition 9.2 of BPL's PES requiring the Licensee to comply with regulatory and other measures including the EA and the NEP.
- Condition 17.2 of BPL's PES requiring the Licensee to submit its procedures for procurement of utility-scale RE to URCA for consideration and approval.

URCA HEREBY ORDERS, that the Licensee shall:

1. Comply expeditiously with URCA's 22 August 2017 recommendations⁷ and in a revised REP;
 - a. Provide the appropriate mix of renewable energy sources—what new renewable projects are planned, and when will they be built
 - b. Outline grid improvements—if the incorporation of renewable energy sources will require additional investments in the grid, either to extend the transmission network to reach new generation sources, or to improve existing grid infrastructure to integrate more intermittent renewables
 - c. Provide financing plan for new renewable energy projects
 - d. Provide tariffs and bill impacts—how the incorporation of renewable energy sources will impact customers
 - e. Describe the reliability and resilience of the system —what operational measures are necessary to ensure customers will have reliable electricity supply
 - f. Progress made in comparison with previous REPs—how does the current REP build on previous REPs. This would allow the utility to assess how likely it is to meet its targets and objectives. It will also help the utility manage expectations for the future.
2. URCA orders that BPL should submit the revised Utility Scale component of its REP to URCA no later than 21 July 2018 and reflective of the indicative timelines for the procurement modes as follows:
 - July 2018: BPL submits revised REP, and begins immediately implementing after URCA approves by August 2018.

URCA considers that this approach is imperative to comply with the statutory and policy objectives, and therefore necessary under section 28(1)(a)(ii) of the Electricity Act, 2015 (EA) in light of the delay that will be occasioned by BPL's request.

Pursuant to Section 72(5) of the EA, failure by the Licensee to comply with this Order or any part thereof by the dates specified above will result in the Licensee being liable to pay:

⁷ Attached as an Annex 1 for ease of reference

- (a) In respect of the fine, an additional fine of one hundredth of one percent (0.01%) of the Licensee's relevant turnover per day until such time as the fine is paid; and
- (b) In respect of the behavioural remedies, an additional fine of one hundredth of one percent (0.01%) of the Licensee's relevant turnover per day until such time as the required information is submitted to URCA.

Stephen Bereaux

Chief Executive Officer