



**DEFINITION AND INTERPRETATION OF A MAJOR OUTAGE IN
PUBLIC ELECTRICITY SUPPLIER AND AUTHORIZED PUBLIC
ELECTRICITY SUPPLIER LICENSES.**

STATEMENT OF RESULTS AND FINAL DECISION

ES 01/2023

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1. Introduction

The Utilities Regulation and Competition Authority (“URCA”) is the independent regulator of the electricity sector (“ES”) in The Bahamas. Under Part II of the Electricity Act (“EA”), URCA has regulatory responsibility for the generation, transmission, distribution and supply (“GTDS”) of electricity within, into, from or through The Bahamas. The electricity sector policy and objectives, as set out in the EA, mandate that the production of electricity be subject to a regime that ensures the supply of safe, least cost, reliable and environmentally sustainable electricity throughout The Bahamas.

One of the main goals and objectives of the electricity sector policy is the creation of a regime for the supply of inter alia reliable electricity throughout The Bahamas. In this regard, URCA in its licensing regime has implemented an obligation on holders of the Public Electricity Supplier License and the Authorized Public Electricity Supplier License to report ‘major outages’. This reporting obligation contributes to URCA’s ability to regulate the energy sector by facilitating data gathering as it relates to disruptions in the supply of electricity. Particularly, the lack of clarity may lead to outages not being reported that should be reported. Such a condition will result in an incorrect representation of the state of the electricity sector which may negatively impact regulatory decision making.

URCA notes that the term major outage is defined in the definitions page of the licenses for a Public Electricity Supplier License (“PESL”) and an Authorized Public Electricity Supplier License (“APESL”), but that term lacks the specificity necessary to provide guidance to licensees to respond to queries from URCA and within which URCA can provide the necessary regulatory oversight. Specifically, URCA considers that there is potential ambiguity when interpreting this term consequential to the following key elements of the term in the license not being defined: (i) outage; (ii) customer; (iii) customer base; (iv) significant customer base; (v) geographic area; and (vi) island-wide black out (“the Ancillary Terms”). To remove this potential ambiguity for the purpose of interpreting what is a major outage, URCA has engaged in a consultation procedure to define these terms.

URCA therefore seeks to remove any ambiguity as it relates the reporting of major outages by defining the respective Ancillary Terms.

1.1 Background

URCA issues this Statement of Results and Final Decision on its Consultation on “Definition and Interpretation of a Major Outage in Public Electricity Supplier and Authorized Public Electricity Supplier Licenses – ES 02/2022” document (“the Consultation Document”) in exercise of its powers under section 38(c) of the EA.

URCA published the Consultation document on 1st November 2022 and established 1st December 2022 as the closing date for submission of responses. At the close of the deadline for responses, URCA received one written response which was from Mr. Vincent Wallace Whitfield, and therefore thanks Mr. Wallace Whitfield his comments and observations in response to the Consultation Document.

This Statement of Results and Final Decision now sets out URCA’s response to the submissions received during the consultation process and presents URCA’s final decision as it relates to the appropriate definition of a “major outage” as used in the PESL and APESL.

1.2 Structure of the remainder of this document

The structure of the remainder of this document is as follows:

Section 2: Purpose of this Statement of Results and Final Decision

Section 3: Stakeholder comments and URCA's response

Section 4: Conclusion and Next Steps

2. Purpose of this Statement of Results and Final Decision

The purpose of this Statement of Results and Final Decision is to:

- Present the written submission received in response to the Consultation Document;
- Provide URCA's analysis of and comments on the submissions received in response to the Consultation Document;
- Set out URCA's reasons and reasoning for its decisions to the responses to the Consultation Document; and
- Publicize URCA's final decision as it relates the Definition and Interpretation of a Major Outage In Public Electricity Supplier And Authorized Public Electricity Supplier Licenses.

3. Stakeholder Comments and URCA's Response

URCA initiated the consultation process with the publication of the Consultation Document on, which provided members of the public and interested parties the formal means to make written submissions on the subject matter of the Consultation Document. URCA is now pleased to publish such responses to the Consultation Document, its analysis of and comments on the responses, and its Final Decision in relation thereto.

URCA's high level overview of the submissions by Mr. Wallace-Whitfield, as the sole respondent, is that they were generally constructive, insightful, and useful. URCA has duly considered all written submissions; however, URCA has not included every consideration in this Statement of Result and Final Decision. The absence of a response by URCA to any comment raised by a Respondent does not indicate URCA's agreement in whole or in part with the comment, nor does it suggest URCA's lack of consideration or finding that the comment was without merit.

3.1 Responses received to Specific Consultation Questions

Question 1:

Do you agree with the definition for “Customer”? If not, please state your objections and proposed amendments with justification(s) for the same.

URCA’s proposed definition of “Customer” as contained in the Consultation Document is as follows: “Customer” means a metered electrical service point for which an active bill account is established at a specific location within the geographic area.”

SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of a Customer in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed an alternative definition which sought to make it abundantly clear who is a customer and where.</p> <p>c) Mr. Wallace-Whitfield’s proposed definition of a Customer follows: <i>“Customer means an</i></p>	<p>URCA notes Mr. Wallace-Whitfield’s comments regarding the definition of a customer.</p> <p>URCA has no objection to the insertion of language to link the definition of a customer to licensee. Apart from this insertion, URCA does not feel that the reformulation and proposed insertions provide any further clarity.</p>	<p>No change required.</p> <p>URCA will include the following definition of a Customer: Customer means a metered electrical service point for which an active bill account is established with the licensee at a specific location within the geographic area.”</p> <p>No change required.</p>

<p><i>active billing account for metered electrical service provided by the licensee at a specific location or premises within the licensee’s geographic area.”</i></p>		
<p>Question 2: Do you agree with the definition for “Customer base”? If not, please state your objections and proposed amendments with justification(s) for the same.</p> <p>URCA’s proposed definition of “Customer” as contained in the Consultation Document is as follows: “Customer base” means all the customers within the geographic area.</p>		
SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of a Customer Base in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed an alternative definition which sought to make it abundantly clear who and where the definition of a customer would apply.</p> <p>c) Mr. Wallace-Whitfield’s proposed definition of a Customer follows: <i>“Customer base” means</i></p>	<p>URCA notes Mr. Wallace-Whitfield’s comments regarding the definition of a customer base.</p> <p>URCA notes the similarity between the original definition of a Customer Base and the proposed reformulation. URCA considers that the reformulation does not provide any additional clarity in this specific context.</p>	<p>No change required.</p> <p>No change required.</p> <p>No change required.</p>

<p><i>all the licensee's customers within the licensee's geographic area"</i></p>		
<p>Question 3: Do you agree with the definition for "Geographic area"? If not, please state your objections and proposed amendments with justification(s) for the same.</p> <p>URCA's proposed definition of a Geographic area as contained in the Consultation Document is as follows: "Geographic area" means the physical area which contains the customers being supplied with an electrical service by the licensee. This service territory is defined in the license Part A, Grant of the License, Condition 1.1. Where a licensee's territory spans more than one island or cay, for major outage reporting purposes each island or cay shall be considered individually.</p>		
<p>SUMMARY OF RESPONSE</p>	<p>URCA'S ANALYSIS AND COMMENT</p>	<p>FINAL DECISION</p>
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of a Geographic area in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed an alternative definition which sought to make it abundantly clear who and where the definition would apply.</p> <p>c) Mr. Wallace-Whitfield's proposed definition of a Geographic area follows:</p>	<p>URCA notes Mr. Wallace-Whitfield's comments regarding the definition of a geographic area.</p> <p>URCA notes the similarity between the original definition of a geographic area and the definition proposed by Mr. Wallace-Whitfield. URCA considers that the simplification of the definition proposed by Mr. Wallace-Whitfield leaves a lacuna in the definition as it does not address in its definition licenses who's territory covers more than one island in The Bahamas.</p>	<p>No change required.</p> <p>URCA will include the following definition of a Geographic area: Geographic area means the island or cay (or any part thereof) within The Bahamas defined in the license at Part A, Grant of License, Condition 1.1, containing the licensee's customers. When the licensee's geographic area spans more than one island or cay, for the purpose of reporting major outages, each island or cay shall be considered individually.</p>

<p><i>Geographic area” means the island, cay or other physical area within The Bahamas defined in the license at Part A, Grant of the License, Condition 1.1, containing the customers served by the licensee.</i></p>		
<p>Question 4: Do you agree with the definition for “Island-wide black out”? If not, please state your objections and proposed amendments with justification(s) for the same.</p> <p>URCA’s proposed definition of and Island-wide black out as contained in the Consultation Document is as follows: “Island-wide black out” means the loss of service, of any duration, to all the customers served by the licensee in its geographic area.</p>		
SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of an Island-wide black out in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed the total deletion of the inclusion of a definition for an island-wide blackout as being redundant, duplicitous and new-providence centric.</p>	<p>URCA notes Mr. Wallace-Whitfield’s comments in relation to the definition of an island-wide blackout.</p> <p>URCA does not agree that the proposed definition is redundant or duplicitous nor is it intended to be New Providence-centric. Just the opposite. When considered in its totality, the definition of the components of major outage serve to include those licences whose</p>	<p>No change required.</p> <p>No change required.</p>

	territories are comprised of a part of a single island, consists of a single island or includes multiple islands.	
<p>Question #5: Do you agree with the definition for “Outage”? If not, please state your objections and proposed amendments with justification(s) for the same.</p> <p>URCA’s proposed definition of an outage as contained in the Consultation Document is as follows: “Outage” means the loss of the ability of a component to deliver power. For example, a generator or transformer failure that prevents it from producing or transferring power, respectively.</p>		
SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of a Outage in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed an alternative definition which sought to make it abundantly clear who and where the definition would apply.</p> <p>c) Mr. Wallace-Whitfield’s proposed definition of an Outage follows: <i>“Outage” means the licensee’s loss of the ability to deliver power</i></p>	<p>URCA notes Mr. Wallace-Whitfield’s comments regarding the definition of an Outage.</p> <p>URCA considers that the reformulated definition provided by Mr. Wallace-Whitfield additional clarity with respect to the potential causes of outages, URCA feels that, as worded, the VWW proposed reformulation could lead to confusion regarding whether a report should be prepared because of a component that was omitted from the description.</p> <p>In order to avoid this, URCA will include a definition for what is a ‘component.’</p>	<p>No change required.</p> <p>URCA will simplify the definition of an outage and consequently include an additional definition to clarify what is a component.</p> <p>The definitions are as follows:</p> <p>An outage means the loss of the ability of a component to deliver power.</p> <p>A component is in the case of the generation of electrical power, any equipment, device or appurtenance that produces, generates, transmits or transforms electrical energy including necessary associated parts that ensures operability.</p>

<p><i>via its electricity network to customers, which may include faults at the licensee's power stations, damage to the licensee's electric transmission lines, substations or other parts of the distribution system, or a short circuit, cascading failure, fuse or circuit breaker operation.</i></p>		<p>For the avoidance of doubt, a component is any part of the electrical circuit between the generating plant and the point of connection to the customer.</p>
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Question 6: Do you agree with the definition for “Interruption”? If not, please state your objections and proposed amendments with justification(s) for the same.

URCA’s proposed definition of an Interruption as contained in the Consultation Document is as follows: “Interruption” means the total loss of electric power on one or more normally energized conductors to one or more customers connected to the distribution portion of the system.

SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of an Interruption in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed that the additional definition of an interruption was unnecessary and</p>	<p>URCA notes Mr. Wallace-Whitfield’s comments regarding the definition of an Interruption.</p> <p>URCA agrees that the definition of an interruption is captured within the ambit of a definition outage; notwithstanding, URCA considers that the distinction between an interruption and an outage is</p>	<p>No change required.</p> <p>No change required.</p>

<p>proposed an alternative definition of an outage.</p> <p>c) Mr. Wallace-Whitfield’s proposed definition of an Outage follows: <i>“Outage” (which includes an interruption in service) means the licensee’s loss of the ability to deliver power via its electricity network to customers, which may include faults at the licensee’s power stations, damage to the licensee’s electric transmission lines, substations or other parts of the distribution system, or a short circuit, cascading failure, fuse or circuit breaker operation.</i></p>	<p>necessary for the purpose of reporting, especially having regard to the definition of a major outage.</p>	
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Question 7: Do you agree with the definition for “Significant customer base”? If not, please state your objections and proposed amendments with justification(s) for the same.

URCA’s proposed definition of a significant customer base as contained in the Consultation Document is as follows: “Significant customer base” means three (3000) thousand customers or, where the customer base is less than three thousand, the customer base.

SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of a Significant Customer Base in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed an alternative definition using different language.</p> <p>c) Mr. Wallace-Whitfield’s proposed definition of a Significant Customer Base follows: <i>“Significant customer base” means ten (10%) percent or one (1,000) thousand customers of the licensee’s customers,</i></p>	<p>URCA notes Mr. Wallace-Whitfield’s comments regarding the definition of a Significant Customer Base.</p> <p>URCA does not consider that the reformulation provides any additional clarity in this specific context. URCA considers that the reformulated definition places an undue regulatory burden on its large licensees.</p>	<p>No change required.</p> <p>No change required.</p>

<p><i>whichever is the lesser number of customers.</i></p>		
<p>Question #8: Do you agree a “major outage” means an outage which affects a significant customer base within the geographic area and lasts longer than two (2) consecutive hours or any island-wide black out. If not, please state your objections and proposed amendments with justification(s) for the same.</p>		
SUMMARY OF RESPONSE	URCA’S ANALYSIS AND COMMENT	FINAL DECISION
<p>a) Mr. Wallace-Whitfield did not agree with the proposed definition of a Major Outage Base in the Consultation Document.</p> <p>b) Mr. Wallace-Whitfield proposed an alternative definition using different language.</p> <p>c) Mr. Wallace-Whitfield’s proposed definition of a Significant Customer Base follows: <i>A major outage mean (sic) – (a) an outage which affects a significant customer base being without electricity service on an island, cay or other physical</i></p>	<p>URCA notes Mr. Wallace-Whitfield’s comments regarding the definition of a Major Outage.</p> <p>URCA considers that the reformulation does not provide any additional clarity in this specific context. Additionally, as it relates to the reformulation of Part A, URCA considers that a timeframe of 30 minutes would provide too much of a regulatory burden on its licensees.</p>	<p>No change required.</p> <p>No change required.</p>

<p><i>area within a licensee's geographic area for a duration of thirty (30) consecutive minutes or more; and/or</i></p> <p><i>(b) an interruption in electricity service which affects the customer base on an island, cay or other physical area within a licensee's geographic area for any duration.</i></p>		
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3.3 Additional Comments on the Consultation Document

Comments on the General Purpose of the Consultation on the Definition of a Major Outage

Mr. Wallace-Whitfield's Comments

Mr. Wallace-Whitfield questioned the rationale for the consultation on the definition of a major outage. Mr. Wallace-Whitfield suggests that the actual purpose of the Consultation Document is to amend the definition of a 'major outage' in the PESL and APESL and suggested that condition 24.5 and 23.5 of the PESL and APESL respectively be amended. Mr. Wallace-Whitfield also queried the practicality of licensee being mandated to submit major outage reports to URCA within 24-hours after a major outage and queried URCA's intention anent the data collected from outage reports.

URCA's response

URCA notes Mr. Wallace-Whitfield's comments and concerns with thanks. URCA does not agree that the actual purpose of the Consultation Document is to amend the definition of a major outage. As indicated in the Consultation Document, the purpose of the consultation is to provide definitions as it relates to Ancillary Terms which provides clarity as it relates to the licensee's reporting obligations.

URCA notes that the other issues raised by Mr. Wallace-Whitfield are outside the scope of this consultation process, the same being germane to URCA's completed consultation on the Public Electricity Supply Licensees Reporting Obligations Procedures and Guidelines – ES10/2010.

Comments on the use of regional or international comparators

Mr. Wallace-Whitfield's Comments

Mr. Wallace-Whitfield asserted that there was nothing in the Consultation Document that indicated URCA's consideration of regional or international comparators on how the issue of major outages are regulated.

URCA's response

URCA notes Mr. Wallace-Whitfield's comment with thanks. URCA notes that the consultation document does not substantively address the regulation of major outages, but rather clarifies an ambiguity in the definitions. Notwithstanding, URCA is mindful of methods used by regional and international counterparts; These comparators were of limited utility in informing the preparation of the consultation document, due to the narrow focus of the major outage definition.

4. Conclusion and Next Steps

With the publication of this Statement of Results and Final Decision, URCA concludes the Public Consultation on the Definition and Interpretation of A Major Outage In Public Electricity Supplier And Authorized Public Electricity Supplier Licenses. URCA considers this regulatory measure to be in accordance with the policy objectives of the EA.

URCA again thanks all Respondents for participating in the consultation process, taking the time to submit valuable comments and recommendations, which supports URCA in achieving effective regulation.

With regards to the next steps, URCA outlines below a schedule of definitions in relation to the issue of major outages consequent on the completion of this consultation.

4.1 Schedule of Definitions

Definitions:

Customer means a metered electrical service point for which an active bill account is established with the licensee at a specific location within the geographic area.

Customer base means all of the customers within the geographic area.

Geographic area means the island or cay (or any part thereof) within The Bahamas defined in the license at Part A, Grant of License, Condition 1.1, containing the licensee's customers. When the licensee's geographic area spans more than one island or cay, for the purpose of reporting major outages, each island or cay shall be considered individually.

Island-wide blackout means the loss of service, of any duration, to all the customers by the licensee in its geographic area.

Outage means the loss of the ability of a component to deliver power.

Component means in the case of the generation of electrical power, any equipment, device or appurtenance that produces, generates, transmits or transforms electrical energy including necessary associated parts that ensure operability of the equipment, device or appurtenance.

For the avoidance of doubt, a component is any part of the electrical circuit between the generating plant and the point of connection to the customer.

Interruption means the total loss of electric power on one or more normally energized conductors to one or more customers connected to the distribution portion of the system.

Significant customer base means three (3000) thousand customers or, where the customer base is less than three thousand, the customer base.

Major outage means (a) the loss of the ability of a component to deliver power which results in the total loss of electric power on one or more normally energized conductors to a significant customer base, for a duration of two consecutive hours or more; and/or (b) the loss of the ability of a component to deliver power which results in the total loss of electric power on one or more normally energized conductors to the customer base, for any duration.