



## **Generation Licence**

ES 12/2023

Publication Date: 21 December 2023



**NAME OF LICENCEE:**

**ADDRESS OF LICENCEE:**

## **Generation Licence**

**Commencement Date: \_\_\_\_\_, 20\_\_\_\_\_**

**Licence Number: GL – \_\_\_\_\_**

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## PART A

### 1. GRANT OF THE LICENCE

1.1 The Utilities Regulation and Competition Authority (URCA):

- (a) having reviewed the approval issued by [name of the relevant Approving Authority] in accordance with section 45(1) of the Electricity Act, 2015, and other relevant information for the purpose of granting this Licence;
- (b) after consultation with [name of the relevant Approving Authority] in accordance with section 46(2) of the Electricity Act, 2015; and
- (c) in exercise of its powers conferred by Section 46(1) of the Electricity Act, 2015,

**HEREBY GRANTS** to [name, description and registered address of Generation Licence applicant] and [name, description, and registered address of any Subsidiary Undertaking] (hereinafter called the Licensee) a Generation Licence authorizing the Licensee to generate electricity to [state relevant geographical area or private facility to which electricity is to be supplied] on the terms and conditions set out in this Licence.

1.2 This Licence shall be cited as the Generation Licence.

1.3 This Licence shall come into effect on the [DD/MM/, 20\_\_ ] (the Commencement Date) and shall continue in full force and effect until termination or expiry unless amended, revoked or terminated pursuant to the terms and conditions set out herein.

1.4 The Conditions of this Licence are subject to amendment or modification in accordance with their terms or in accordance with the Electricity Act, 2015.

1.5 This Licence shall be governed by and construed, enforced and performed in accordance with the laws of the Commonwealth of The Bahamas.

Executed and sealed for and on behalf of the Utilities Regulation and Competition Authority on the \_day of [DD/MM, 20\_\_]

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Chief Executive Officer

## 2. ACCEPTANCE OF TERMS AND CONDITIONS OF LICENCE

2.1 We, \_\_\_\_\_, the named Licencee hereby accept the terms and conditions of this Licence.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature \_\_\_\_\_

[Name of  
Authorised  
Officer] [Title of  
Authorised  
Officer]

## 3. ENDORSEMENT OF AUTHORISED SUBSIDIARIES

3.1 URCA grants this Licence jointly to the following Subsidiary Undertakings of the Licencee named in paragraph 1.1 that have been notified to URCA in accordance with section 47 of the EA: [name and description of Subsidiary Undertakings].

3.2 Notwithstanding the inclusion of its name on this Licence, such Subsidiary Undertaking shall cease to be Licenced for the purposes of paragraph 1.1 in the following circumstances:

- (a) fourteen days after URCA receives notice in writing from the named Licencee or the relevant Subsidiary Undertaking excluding the Subsidiary Undertaking from the Licence; or
- (b) immediately subsequent to a determination by URCA excluding the Subsidiary Undertaking from the Licence.

## PART B – GENERAL CONDITIONS

### 4. DEFINITIONS AND INTERPRETATION

4.1 In this Licence, except in so far as the context otherwise requires:

**“Act”** means the Electricity Act, 2015;

**“Affiliate”** or **“affiliated company”** includes, in relation to another company, a company that directly or indirectly controls, is control by, or is under common control with, such other company and is considered to be a member of the same group of companies;

**“Approving Authority”** means BPL or the Grand Bahama Port Authority, Limited as the context requires;

**“Authorised Generating Facilities”** means the Licencee’s generating facilities as set out in the Appendix to this Licence;

**“Authorised Supplier”** means the holder of Public Electricity Supplier Licence other than BPL and GBPC;

**“Capacity”** means the electric power (measured in megawatts) supplied or available to be supplied from the Licencee’s Generating Facility to the Grid;

**“Catastrophic Failure”** means a sudden and unexpected failure of any part of the Electricity Supply System which renders the Electricity Supply System in whole or in part economically or technically unfit to operate;

**“Commencement Date”** means the prescribed date in the Licence for which the actions and conditions pertaining to the Licence become effective;

**“Company”** means [NAME OF LICENCEE];

**“Companies Act”** means the Companies Act, Chapter 308 and any amendments thereto;

**“Electricity Supply System”** means the property or premises of the Licencee including any cables, wires, poles raceways or other electrical appurtenance necessary for the supply of electricity under the exclusive operational control of the Licencee.

**“Financial Year”** means the twelve-month period at the end of which the Licencee’s annual accounts are closed;

**“Force Majeure”** means an event or circumstance which prevents the Licencee from performing its obligations under this Licence, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the Licencee, and which the Licencee is unable to overcome or avoid or cause to be avoided through the exercise of due diligence. Events of Force Majeure may include, but are not limited to, acts of God; pandemic, fire including fire resulting from an earthquake; flood including flood caused by an earthquake; volcanic eruption; earthquake; hurricane; cyclone; tornado; windstorm; overflow of the sea caused by the elements listed above; war; riots; acts of terrorism; strikes; walkouts; lockouts and other labour disputes; requirements, actions or failure to act on the part of governmental authorities; adoption or change in any law, regulation, statute, rule or regulation imposed by

governmental bodies, including, without limitation, a change in the interpretation thereof; or any lawful order by any court or administrative agency (so long as the Licencee has not applied for or assisted in the application for such court or governmental action);

**“Fuel Costs”** means the actual cost of fuel, lubricants, and additives used by the Licencee in the generation of electricity;

**“Generating Facility/Facilities”** means any power plant(s) and associated equipment owned, controlled, or rented by the Licencee and used for the production of electricity pursuant to a Licence issued by URCA;

**“Generation Licence”** means a Licence granted under the Act authorizing a Licencee to carry out the generation of electricity for supply to the Electricity Supply System;

**“Generation Licencee”** means the holder of a Generation Licence granted by URCA under the Act;

**“Generation Set”** means any plant or apparatus used for the production of electricity; **“Government”** means the Government of the Commonwealth of The Bahamas; **“Grid”** means

(a) any BPL power system, inclusive of transmission and distribution, wherever located in The Bahamas;

(b) the power system, inclusive of transmission and distribution, of any public electricity supplier within The Bahamas other than BPL;

**“Grid Code”** means the technical specification for the connection and use of the Grid;

**“Licenced Business”** means the business of the Licencee utilizing the electricity Generating Facilities;

**“Licencee”** means [Name of Company] and includes any entity exercising step-in rights on a named Licencee;

**“Person”** includes

(d) the Government or any public body;

(e) a natural person, corporation, company, trust, partnership;

(f) an unincorporated association or body;

**“Regulatory Accounts”** means the reports on the financial and operating performance of the Licencee in such detail and format as designated by URCA;

**“Step-in-Event”** has the meaning specified in Condition 14;

**“Subsidiary”** shall have the meaning specified in the Companies Act. **“Subsidiary Undertaking”** shall the meaning specified under the Act.

**“System”** means the network and equipment necessary to provide electricity for self-consumption

- 4.2 For the purpose of interpreting the Conditions in this Licence:
- 4.2.1 except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:
- (a) the Licence, and otherwise;
  - (b) the Electricity Act, 2015, and otherwise;
  - (c) the URCA Act, and otherwise;
  - (d) the UAT Act;
- 4.2.2 for ease of reference, terms defined in the Electricity Act and in this Licence have been capitalized;
- 4.2.3 subject to Condition 2.2.1 above, where there is any conflict between the provisions of this Licence and the Electricity Act, 2015, the provisions of the Electricity Act, 2015 shall prevail;
- 4.2.4 references to Conditions, paragraphs, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to the Licence, as modified from time to time in accordance with this Licence and the Electricity Act, 2015;
- 4.2.5 a Document will be incorporated into and form part of the Licence if it is referred to in this Licence and a reference to a Document is to a Document as modified from time to time;
- 4.2.6 headings and titles used in this Licence are for reference only and shall not affect its interpretation or construction;
- 4.2.7 references to any law or statutory instrument include any modification re-enactment or legislative provisions substituted for the same;
- 4.2.8 use of the word “include” or “including” is to be construed as being without limitation;
- 4.2.9 expressions cognate with those referred to in this Licence shall be construed accordingly;
- 4.2.10 words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders.

## **5. ROLE AND DUTIES OF URCA**

- 5.1 The Licencee shall be subject to the regulatory supervision of URCA. URCA shall perform its functions and carry out its duties pursuant to the URCA Act, the Electricity Act and any other relevant laws, this Licence and with regard to relevant Government policy.
- 5.2 In carrying out its functions URCA shall act proportionately and non-discriminately.



## **6. NATURE AND SCOPE OF THE LICENCE**

- 6.1 This Licence authorizes and gives the Licencee the right to generate electricity solely for his own private use and self-supply in the event of a temporary failure of the electrical grid, subject to the Licence conditions, the Act and any other relevant law for the time being in force.
- 6.2 The Licencee shall not, unless through an exemption or other Licence granted by URCA:
- (a) sell electricity or supply electricity to any person outside of the geographical extent of his premises;
  - (b) purchase or otherwise acquire electricity in The Bahamas for the purpose of sale or other disposition to third parties;
  - (c) transmit electricity or otherwise convey electricity by any other means, except to the extent necessary to deliver electricity to its own System within the geographical area described in the Licence; and
  - (d) engage in the distribution or supply of electricity to any premises except its own within the geographical area described in the Licence.

## **7. DURATION AND RENEWAL OF LICENCE**

- 7.1 Subject to the provisions herein contained, the duration of this Licence shall be for a period not exceeding Fifteen (15) years from the Commencement Date.
- 7.2 The Licencee may at any time apply for an extension of the duration of this Licence having regard to any approved investment programme established by the Licencee for a period which extends beyond the remaining life of the Licence.
- 7.3 This Licence shall be renewed by URCA in accordance with the procedure prescribed under section 45 of the Act.

## **8. CHANGE IN CONTROL**

- 8.1 The Licencee shall inform URCA's of any proposed change in control of the Named Licencee or any Notified Licencee prior to the change in control occurring.

## **9. ASSIGNMENT OR TRANSFER OF LICENCE**

- 9.1 The Licencee shall not, without the prior written consent of URCA, transfer, sub-Licence, assign or grant any right, interest or entitlement in the Licence to any person or transfer or dispose of any of its assets that are necessary to provide the Licenced Business that the Licencee is obliged to provide under this Licence. Such consent

shall not be unreasonably withheld.

- 9.2 URCA shall consent to an application for the assignment or transfer of the Licence where URCA is satisfied that the proposed assignee or transferee satisfies the criteria set out under section 45(2) of the Act and any other criteria established by URCA pursuant to the electricity sector policy and objectives under the Act.
- 9.3 Should the Licencee wish to assign or transfer the Licence, it shall request, in writing, the consent of URCA and URCA shall reply in writing within sixty (60) calendar days of the receipt of such request informing of its decision on the application.
- 9.4 URCA shall publish its decision regarding a request to assign or transfer the Licence and its decision on its website and in the public media.
- 9.5 Where URCA refuses to give its consent, it shall give reasons in writing for such refusal to the Licencee.
- 9.6 The Licencee may apply to URCA for a reconsideration of its decision not to assign or transfer its Licence and may appeal any decision made by URCA to the UAT following any such reconsideration in accordance with Condition 19 herein.

## **10. AMENDMENT, MODIFICATION AND REVOCATION OF LICENCE**

- 10.1 URCA may revoke or modify this Licence in accordance with the procedures set out in Section 49 of the Act.

## **11. COMMUNICATION NOTICES**

- 11.1.1 Notices, orders and other documents under this Licence may be in writing or in print or in electronic format (permitting confirmation of receipt) and shall, if served on:
- (a) URCA be addressed to:
    - the Chief Executive Officer; and
  - (b) the Licencee, be
    - addressed to: the
    - Chief Executive
    - Officer.
- 11.2 Any notice, order or document required or authorized to be served upon a body or person under this Licence may be served by the same being addressed to such body or person and being left at or transmitted by electronic mail or facsimile or by registered post to the address of such body or to the usual or last known place of abode of such person. If served by post it shall be deemed to have been served at the time when the containing letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that such letter was properly addressed, registered and put into the post. If served by electronic mail or facsimile it

shall be deemed to have been served when the electronic mail or facsimile shall have been transmitted by the sender.

- 11.3 Notwithstanding the above, the Licencee shall designate a person that will act as a primary contact with URCA on matters related to this Licence and shall notify URCA promptly should the contact details change.
- 11.4 URCA may designate the Director of Utilities and Energy as the primary contact on matters related to this Licence.

## **PART C - GENERAL OBLIGATION**

### **12. OBLIGATIONS TO COMPLY WITH LAWS, REGULATION AND LICENCE CONDITIONS**

- 12.1 The Licencee shall 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.
- 12.2 The Licencee shall comply with regulatory and other measures including any directive, order, rule, decision or approval issued, made or granted by URCA in accordance with its duties and functions under the Act or this Licence.

### **13. BREACH OF OBLIGATION TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS**

- 13.1 Where URCA has reason to believe that the Licencee has failed to comply with any relevant law, regulation or condition of this Licence, URCA may exercise all such powers and duties as are afforded to or required 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 Licencee or its Subsidiary Undertaking.
- 13.2 The Licencee shall be liable for all the acts and omissions of each of its Subsidiary Undertakings in respect of its obligations under this Licence.
- 13.3 Without prejudice to the Licencee's other obligations under this Licence, where its Subsidiary Undertaking has done something which would if done by the Licencee:
- (a) be prohibited or not authorised by any relevant law, regulation and condition of this Licence; or
  - (b) require the Licencee to take or refrain from taking a particular action under any relevant law, regulation and condition of this Licence and that no Licencee, including the Licencee, has met that further requirement,

then, where URCA is not satisfied that the Licencee has taken all reasonable steps to prevent its Subsidiary Undertaking from acting in that manner, URCA may direct the Licencee to take such steps as URCA deems appropriate for the purpose of remedying the matter, including restraining the defaulting Subsidiary Undertaking from carrying on with such activities connected with the Licenced Business as URCA may determine.

### **14. FORCE MAJEURE**

- 14.1 The Licencee shall give notice and details of Force Majeure events to URCA as soon as reasonably practicable. URCA may issue a notice excusing the Licencee from its

performance obligations during the period of Force Majeure.

## **15. EARLY RETIREMENT OF ASSETS**

15.1 The Licencee shall notify URCA of its intent to retire Authorized Generating Facilities prior to doing so.

## **16. CATASTROPHIC FAILURE**

16.1 In the event of Catastrophic failure the Licencee may replace the failing installation or facility with written approval from URCA. Such approval shall not be unreasonably withheld.

## **17. INSURANCE**

17.1 The Licencee shall obtain and maintain insurance for:

- (a) physical damage to the Electricity Supply System; and,
- (b) third-party liabilities.

17.2 The Licencee must ensure that the insurance policy guarantees the insurer will notify URCA of lapses, cancellation, or changes to the policy 30 days prior to the changes taking effect.

17.3 URCA shall notify the Licencee of required modifications to the insurance policy and the Licencee should ensure that such modifications are made no later than 60 days from the notice date, or any date agreed with URCA.

17.4 The Licencee may have reduced obligations to maintain insurance policies, if the following alternatives are approved by URCA:

- (a) self-insurance, where the Licencee has the financial capacity to meet any liabilities to a third party; and

## **18. APPEALS TO UAT**

18.1 Appeals of regulatory or other measures taken by URCA in relation to this Licence shall be made to the Utilities Appeal Tribunal as provided for in the Act and the URCA Act.

## **19. PAYMENT OF FEES AND CONTRIBUTIONS**

19.1 The Licencee shall pay to URCA the following fees and contributions as notified by URCA from time to time in accordance with the Act:

- (a) annual URCA Fee pursuant to section 54(2)(d) of the Act;
- (b) the Tribunal Fee payable pursuant to Schedule 3 of the Utilities Appeal Tribunal Act, 2009;
- (c) Licensing Processing Fee as determined by URCA pursuant to section 54 (2)(b) of the Act, and;
- (d) any other applicable fees and charges.

19.2 Without prejudice to Condition 13 herein, in the event of a default by the Licencee in the payment of any fees when due under this Licence:

- (a) the Licencee shall pay to URCA interest under section 54(5) of the Act; and
- (b) URCA may revoke this Licence in accordance with Condition 10 herein.

19.3 Interest on outstanding fees due to URCA under section 54 of the Act is not recoverable in tariffs to customers.

## **20. REPORTS AND AUDITED STATEMENTS**

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

20.2 The Licencee shall submit an annual report at the end of each calendar year, within 30 calendar days following the year end. The report shall include, but limited to, the following:

- (a) A list of the generating and fuel storage assets, their type, capacity, and condition.
- (b) electricity produced (in kWh) for each month by the Generating Facility;
- (c) the electricity consumed (in kWh) for each month by the Electricity Supply System.
- (d) peak demand (in kW) for each month imposed by the Licencee on the Grid;
- (e) Dates and durations of interruptions in supply by incident leading to self-supply conditions by the Licencee.
- (f) spent lubricant (by volume metric units) disposed of or recycled; and
- (g) safety and environmental incident reports.
- (h) the volume and type of fuel purchased;
- (i) the volume and type of lubricant purchased.

## **21. ENGAGING IN OTHER BUSINESS**

21.1 The Licencee may engage in other business activities and shall keep separate accounts for its different activities.

- 21.2 At URCA's approval, the Licencee may allow third parties to have access to and use its facilities on an arm's length basis where such access and use allow the Licencee to operate more efficiently.
- 21.3 The Licencee may charge a third party a fee for access and use of its Authorised Generating Facilities.
- 21.4 Subject to prior written agreement between a PES or APES and the Licencee, the Licencee may operate its generation facilities in parallel with those of the PES or APES for the sole purpose of transitioning from self-supply to utility supply and/or vice versa.

## **22. INFORMATION, AUDIT, INSPECTION AND ACCESS OBLIGATIONS**

- 22.1 URCA may require:
- (a) an inspection and/or audit of any aspect of the business of the Licencee and the Licencee shall assist or shall procure assistance to URCA as it may reasonably require;
  - (b) the Licencee or any of its Subsidiary Undertakings to provide URCA with such information, documents, accounts, returns, estimates, reports or other information required by URCA in the manner and at the times specified by URCA. URCA may use this information for, but not limited to, purposes of compiling statistics and publishing periodical reviews of the Electricity Sector, and as required or permitted by the Act or other laws or legal process;
  - (c) the Licencee to notify URCA of the details of all Subsidiary Undertakings providing a Licenced Business under this Licence; and
  - (d) the Licencee to permit a person authorised by URCA to carry out such inspection and/or audit;
- 22.2 The Licencee shall maintain the data necessary to measure service and other electricity sector standards regulated by URCA and shall update this information annually or as required by URCA
- 22.3 The Licencee shall at the request of URCA furnish URCA, at the Licencee's expense, with copies (in such format as URCA may specify) of any book, register, record or accounts as URCA may reasonably require.

## **23. USE OF APPROPRIATE STAFF**

- 23.1 The Licencee shall, in connection with the conduct of its business of generating, transmitting, distributing and supplying electricity under the Licence, ensure that its employees are appropriately trained and qualified.

## **24. OUTSOURCING**

- 24.1 The Licencee may utilize the services of third parties on an ongoing basis in the provision of Generation and/or Transmission and Distribution (including supply) services. Procurement of such outsourced services shall be subject to URCA approval if they represent core and ongoing Generation and/or Transmission and Distribution (including supply) functions.
- 24.2 An approval granted by URCA shall be based on the cost effectiveness of the outsourced services, benefits to the economy of The Bahamas overall, to consumers in general and the fitness and propriety of the relevant third parties and shall not be unreasonably withheld.



## **PART D – TRANSITIONAL CONDITION**

- 26.1 On the Commencement Date, in order to enable a smooth transition to the full force and effect of this Licence, all codes and standards applicable to the Licencee existing and in force prior and up to the grant of this Licence which would normally have effect under the Act shall remain in effect and force until such time as they are logically and practically superseded by the actions taken by URCA under this Licence, the Act or any other relevant law.

# Appendix

The Authorised Generating Facilities are as follows:

Unit Name and Number	Technology	Nameplate Capacity (MW)	Net Output Rating (MW)	In-Service Date (DD/MM/YY)	Estimated Retirement Date* (DD/MM/YY)

\*Retirement date must be estimated based on the economic life of the unit as of the signing date of this Licence or must be equal to the term of the Licence, whichever is sooner.

The Authorised Fuel Storage Facilities are as follows:

Tank Name and Number	Type of Fuel Stored	Tank Capacity (Gal)	Tank Type (Vertical/horizontal)	In-Service Date (DD/MM/YY)	Estimated Retirement Date* (DD/MM/YY)