



DRAFT

URCA ANNUAL PLAN 2024

URCA 02/2023

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1. Introduction

1.1 Structure of the Annual Plan

The Utilities Regulation and Competition Authority ('URCA'), in compliance with Section 41 of the Utilities Regulation and Competition Authority Act, 2009 ('URCA Act'), is pleased to present the Draft 2024 Annual Plan. This plan outlines URCA's strategy for meeting the objectives of the Communications Act, 2009 (Comms Act) and the Electricity Act, 2015 ('Electricity Act').

- Section 2 of the plan outlines URCA's strategy for achieving the objectives of the Comms Act and the Electricity Act and details the key focus areas that URCA will prioritise in 2024.
- Section 3 outlines URCA's broad priorities for 2024 and 2025. These priorities support achieving URCA's overall objectives and will help guide the organisation's activities over the next few years.
- Section 4 identifies a series of key performance indicators (KPIs) against which URCA will measure its performance during 2024. These KPIs are designed to provide a clear understanding of URCA's progress towards achieving its objectives and will be used to inform decision-making and resource allocation.
- Section 5 outlines URCA's proposed budget for the 2024 financial year. This includes details of the level of remuneration to be received by staff and non-executive and executive members of the Board. The proposed budget has been developed to ensure that URCA has the resources to achieve its objectives while maintaining financial sustainability.
- Finally, Section 6 describes all the 2024 projects, including a brief progress update for all projects carried over from the 2023 work plan.

Overall, URCA's Draft 2024 Annual Plan provides a clear and comprehensive overview of the organisation's plans for the upcoming year. The plan is designed to support URCA's ongoing efforts to regulate and promote competition in the utilities sector in a manner that benefits consumers and supports economic growth.

1.2 Responding to this Draft Plan

URCA invites comments and submissions from members of the public, licensees, and other interested parties on the matters contained in this Draft Annual Plan. The Consultation will have two rounds of responses. The timeline and steps for responses are as follows:

- The deadline for the first round of submissions is 5:00 p.m. on 2 February 2024.
- URCA will publish the first round of responses on or before 1 March 2024.
- Comments on the published first round of responses are due no later than 5:00 p.m. on 15 March 2024.
- URCA will publish the final version of its Annual Plan by 30 April 2024.

Before the finalisation of the Annual Plan, URCA will hold at least one stakeholder forum during the consultation period to present the Draft Annual Plan and allow key stakeholders (licensees, government agencies, and civil society) to provide input. URCA has tentatively scheduled the forum for 25 March 2024.

Respondents should address written submissions or comments on the Draft Annual Plan to URCA's Chief Executive Officer with the subject line "URCA Draft Annual Plan." Submissions can be made by:

- hand to URCA's office at Frederick House, Frederick Street, Nassau;
- mail to PO Box N-4860, Nassau, Bahamas;
- fax to 242 393 0237; or
- email to info@urcabahamas.bs.

2. Strategic Outlook for 2024

In 2024, URCA will further crystallise its vision of becoming a globally respected regulator, championing the interests of the people in The Bahamas and the sectors it regulates. This vision contemplates the creation of a digitally inclusive society and envisages an archipelagic nation with a renewed commitment to national development. This vision will catalyse URCA's development of a new five-year Strategic Plan, which will articulate strategic objectives, ensure alignment with Government policies and the national development vision, embrace URCA's knowledge acquired through international conferences and engagements, and establish an approach to execute the plan and measure progress.

In pursuit of those objectives, URCA will embark on a journey to adhere to the provisions of the URCA Act, Comms Act, Electricity Act, the Electronic Communications Sector (ECS) Policy 2024 - 2027, National Energy Policy 2013-2033, and other relevant documents. The aim is to align URCA's strategic priorities with these policies, ensuring regulatory actions are coordinated with the policy goals and objectives set by the Government of The Bahamas in any regulated sector under the terms of these laws. This approach will enhance the transparency and accountability in URCA's decision-making processes while maintaining its independence and prioritising the long-term needs of the Bahamian public and economy.

Furthermore, URCA will balance industry stakeholders' needs with those of consumers when setting its priorities. URCA aims to keep its strategic priorities responsive to evolving societal needs and expectations by adopting a proactive stance towards public engagement and stakeholder consultation. URCA will also commit to achieving operational excellence and driving digital transformation in 2024. Operational excellence will be pursued through continuous improvement of internal processes, ensuring efficiency and effectiveness in all aspects of URCA's work. This will involve implementing best practices, fostering a culture of innovation, and leveraging data to make informed decisions.

As for digital transformation, URCA aims to leverage innovative technology to enhance its regulatory functions. This includes modernising its IT infrastructure, adopting digital tools for better data management and analysis, and leveraging digital platforms for improved stakeholder engagement. Through this digital transformation, URCA aims to become a more agile and responsive regulator, capable of meeting the evolving needs of the Bahamian public and economy in the digital age.

Moreover, URCA will periodically review its strategic priorities to stay relevant and align with changing societal needs and expectations. This approach involves monitoring emerging trends and issues, engaging with external experts and thought leaders, and conducting research and analysis to inform decision-making.

3. Priorities for 2024-2025

In this section, URCA sets out the priorities of URCA for 2024 and 2025. The priorities in this section reflect and advance the ECS Policy and the National Energy Policy. Therefore, if necessary, URCA may adjust these priorities to remain in step with any sector policy published by the Government of The Bahamas in any regulated sector under the terms of the Comms Act, the Electricity Act, or any relevant law.

3.1 Projects Carried Over from 2023

Reflecting upon the commitments outlined in our 2023 Annual Plan, URCA takes great pride in our significant progress. We have made substantial headway with an ambitious agenda of diverse projects. Our team's dedication and commitment have been instrumental in completing two out of our three general projects.

For the ECS, URCA made commendable progress on most of the projects launched in 2023 that were scheduled for completion in 2024. The Review of the Universal Service Framework was unable to begin since it was contingent on the publication of the new ECS Policy 2024 – 2027, the publication of which is outside of URCA's remit. Although this project was listed in the 2023 Annual Plan, it is now listed as a project with a 2024 start date. It is not included as a carryover project due to the aforementioned circumstances beyond URCA's control.

For the Electricity Sector (ES), URCA has marked a milestone by accomplishing five of the six projects targeted for completion in 2023 (with the sixth project being substantially complete), underscoring our unwavering commitment to driving energy sector reforms. For the ECS, URCA is on track to complete three of the four projects slated for completion within the year.

As an organisation, URCA will transition three unplanned (meaning they were originally scheduled for completion in 2023) and eight planned (meaning they were originally scheduled for completion in 2024) carry-over projects into 2024. Table 3.1A and Table 3.1B list the

unplanned and planned carryover general, ECS, and ES projects that will transition to the 2024 Annual Plan.

Table 3.1A: Unplanned Carryover Projects from the 2023 Workplan

General Projects Carried Over to 2024	Electronic Communication Sector Projects Carried Over to 2024	Electricity Sector Projects Carried Over to 2024
Website Re-Development	Review of the Electronic Communication Sector Policy	Accounting Separation Guidelines

Table 3.1B: Planned Carryover Projects from the 2023 Workplan

General Projects Carried Over to 2024	Electronic Communication Sector Projects Carried Over to 2024	Electricity Sector Projects Carried Over to 2024
None	Review of Licences Due to expire	Efficiency Study of BPL
	Review of the Quality of Service Framework	Competition Guidelines for the ES
	Review of Fixed Services, including Pay TV	
	Spectrum Management Project	
	ICTs for persons with Disabilities	
	National Spectrum Plan 2024-2027	

URCA remains confident that its team, backed by strategic planning, will successfully bring these projects to fruition in the coming year. URCA is unyielding in its dedication to ensuring reliable, affordable, and sustainable energy and electronic communications for all Bahamians.

3.2 URCA General Priorities for 2024-2025

As URCA approaches its 15th anniversary, it reflects on the tremendous strides it has made since its inception. Initially acting only as the regulator of the ECS, URCA evolved into a multi-sector regulator with the assignment of the ES. This evolution was a testament to URCA's adaptability, a vital quality as it navigates the post-COVID-19 landscape.

URCA is taking proactive steps toward enhancing its strategic priorities by conducting an organisational review. The review highlighted the significance of strategic adaptability and identified that the 2017 Strategic Plan's core principles remain relevant. However, the plan can be improved by incorporating lessons learned during the pandemic. In 2024, URCA will focus on developing a revised Strategic Plan that builds on the existing foundation and establishes new, purpose-driven priorities aligned with the organisation's vision and mission.

Capacity building remains a priority for URCA. We continue to invest in developing our human resource capital, focusing on building capacity through an intentional and structured learning and growth initiative. We are committed to developing career utility regulators and employing an intentional approach to employee retention through a revised recruitment process and structured succession planning.

URCA also recognises the importance of international collaboration. We continue to expose our employees to international meetings and conferences and support the country's representation in various organisations such as the International Telecommunication Union ('ITU'), Inter-American Telecommunication Commission ('CITEL'), Caribbean Telecommunications Union ('CTU'), Canada's Energy and Utility Regulators ('CAMPUT'), Organization of Caribbean Utility Regulators ('OOCUR'), and National Association of Regulatory Commissioners ('NARUC'). We also encourage telecommunications and electricity operators to participate in these international gatherings where appropriate.

We are committed to prioritising the needs of residents in unserved and underserved communities throughout the Family Islands in the electronic communications and electricity sectors. To this end, we have expanded URCA's collaborative regulatory approach, which was initiated in 2021. We aim to have broader engagement with a wide array of stakeholders to explore diverse perspectives on critical issues.

Regarding performance measurement, we have fully implemented URCA's Organizational Performance Index (OPI). This tool effectively measures URCA's impact on the regulated sectors, providing invaluable insights for continuous improvement.

Looking ahead to 2024, URCA is focused on the theme “Towards a Digital Bahamas.” This requires a proactive, collaborative, and engaging approach to foster the evolution of new, digitally integrated societies across the archipelago. This vision for the new Bahamas is informed by Government policies and supported by the regulated sectors. It positions The Bahamas to demonstrate its global leadership among Small Island Developing States (SIDS). Table 3.2 provides a detailed list of general projects that URCA's leadership team will undertake or progress in 2024, addressing the abovementioned general priorities. The year is divided into four-month periods, i.e., trimesters 1, 2, and 3, referred to as T1, T2, and T3.

Table 3.2: List of 2024 General Projects

Project	Proposed Start Period	Proposed End Period	Consultation Publication Date	Final Decision Publication
The digitalisation of Operational Processes	T1-2024	T3-2024	N/A	N/A
Implementation of Integrated Electronic Document Management Tool	T1- 2024	T3-2024	N/A	N/A
Redevelopment of URCA’s website	T3-2023	T2-2024	N/A	N/A
Draft Annual Plan 2025	T2-2024	T1-2024	T3-2024	T1-2025

3.3 Government and International Relations Priorities for 2024-2025

As URCA continues to evolve as a regulator within the dynamic telecommunications and energy sectors, maintaining and enhancing government and international relationships is a strategic imperative. Currently positioned as a fourth generation (G4) regulator, URCA actively represents the Government of The Bahamas in several inter-government organisations, including the ITU, OAS-CITEL, CTU, CAMPUT, OOCUR, and NARUC. The work of these organisations and other regulators informs the continual evolution of the legal and regulatory frameworks of the sectors URCA regulates. Thus, cultivating robust partnerships with international entities and the government is essential for URCA's effective regulation of these sectors.

The synergy between URCA and the Government of The Bahamas is particularly critical. It ensures that URCA's regulatory measures are in concordance with the government's strategic direction for the electronic communications and energy sectors, leading to more impactful regulation and policy execution. A strong alliance is also instrumental in facilitating the enactment of new laws or the modification of existing ones, thereby bolstering URCA's regulatory authority. Additionally, the liberalisation of the electronic communications sector in The Bahamas hinges on governmental backing through requisite legislative support and market reforms. In this light, a solid rapport with the government is indispensable.

As we look towards 2024-2025, URCA is gearing up to transition into an effective fifth generation (G5) regulator. This forward-looking approach underscores the importance of collaboration with specialised international bodies to regulate these sectors adeptly. Engagement with intergovernmental organisations is crucial for ensuring that The Bahamas' telecommunications and energy sectors conform to international standards, fostering interoperability and mitigating technical barriers. International organisations also offer policy guidance, capacity-building programs, avenues for international representation, and technical aid to their affiliates. Utilising these resources empowers URCA to refine its regulatory capabilities, remain abreast of sectorial advancements, and advocate for The Bahamas' interests on the global stage.

Hence, sustaining productive relationships with international organisations and the government is fundamental for URCA's successful oversight of the sectors under its purview. As URCA transitions into a G5 regulator, collaboration with these bodies and our key stakeholders will be pivotal in ensuring that The Bahamas' telecommunications and energy sectors are competitive, inclusive, and aligned with international standards and emerging best practices.

3.4 Human Resource and Learning Priorities for 2024-2025

For 2024, the Human Resource and Learning Department (HRL) of URCA has established a set of objectives to drive the organisation towards its strategic goals. These objectives include aligning HR strategies with the broader business plan to boost employee satisfaction and productivity, thus enabling teams to contribute effectively towards the company's strategic goals. This alignment also aims to enhance their influence and decision-making power within the organisation.

Key objectives include further strengthening leader-employee relationships to optimise outcomes, reassessing the organisational culture to establish an efficient workflow aligned with the strategic plan, and re-evaluating external recruitment strategies and internal career development pathways to attract and retain essential talent. To actualise these objectives, URCA has identified five key priorities centred around fostering a positive work environment and nurturing employee development.

- Priority one is to enhance the effectiveness of leaders and managers by equipping them with necessary training, resources, and support, thereby directly influencing team performance, employee satisfaction, and overall business success.
- Priority two focuses on organisational culture, a critical factor in success. The HRL department will strive to create and maintain a positive, inclusive, and productive culture that aligns with URCA's values and goals, boosting employee engagement, productivity, and retention.
- Priority three is talent management, which encompasses attracting, retaining, and developing top talent within the organisation. This will be achieved through improved

recruitment processes, competitive benefits and compensation packages, professional development opportunities, and a positive work environment.

- Priority four is change management. With organisations continuously evolving, HRL will prepare, support, and guide individuals and teams within URCA to understand and adapt to these changes, which will involve technological, process, or organisational structure shifts.
- Priority five is employee engagement. HRL will concentrate on strategies that increase employee engagement since engaged employees are more productive, more stakeholder-centric, and less likely to leave the organisation. These strategies will include recognition programs, feedback mechanisms, and growth opportunities.

These five HRL priorities are crucial for URCA's success in 2024 and beyond. By focusing on developing effective leaders and managers, cultivating a positive organisational culture, managing talent effectively, adapting to change efficiently, and enhancing employee engagement, HRL will ensure that URCA is well-positioned for future success.

3.5 Corporate and Consumer Relations Priorities for 2024-2025

URCA is committed to fostering a competitive environment for utility services, protecting the interests of consumers, and supporting The Bahamas' economic development. This commitment forms the foundation of our 2024 Annual Plan, designed to enhance stakeholder engagement, improve communication, and streamline our operations while upholding the highest standards of transparency and accountability.

Stakeholder engagement is the cornerstone of our plan. Open dialogue and collaboration are essential for achieving our goals. To this end, we will continue to host Stakeholder Forums and Oral Hearings. These platforms allow us to listen to our stakeholders, understand their concerns, and work collaboratively towards solutions. Transparency is another key element of our corporate and consumer relations strategy. Our commitment to this principle will be reflected in our comprehensive Annual Report. This document will explain our past year's activities, achievements, and challenges. It will also serve as a roadmap for the future, outlining our plans

and priorities for the coming year. Communication is at the heart of our operations. We will launch monthly podcasts and quarterly public newsletters to enhance communication. These platforms will allow us to share important updates, industry insights, and consumer education materials with a wider audience. Internally, we will reimagine the quarterly newsletters for our staff to keep them informed and engaged.

Consumer education is another priority for us. We plan to expand our digital consumer education initiatives and continue supporting the Girls in Information and Communication Technologies (ICT) initiative. These efforts aim to empower consumers and promote diversity in the ICT sector. We will also host a major Digital Transformation Forum every trimester to discuss emerging digital trends and their implications for the regulated sectors and our operations. Efficiency is crucial for our operations. We plan to restructure our complaints handling and financial processes to improve efficiency and enhance stakeholder experience when engaging with us. Continuous learning is essential in our industry. To foster this, we will organise bi-monthly webinars on industry topics. We will also conduct engagements in the Family Islands to develop tailored solutions that meet the unique needs of these communities. As we celebrate our 15th anniversary in August 2024, we will launch a new marketing campaign and organise special events. This milestone allows us to reflect on our journey and look ahead. We will also explore website redevelopment options and assess the need for a refreshed brand identity.

In conclusion, our 2024-2025 corporate and consumer relations priorities reflect URCA's unwavering commitment to stakeholder engagement, transparency, communication, consumer education, and operational efficiency. We are confident these initiatives will help us achieve our mission and contribute significantly to The Bahamas' economic development.

3.6 Electronic Communications Sector Priorities for 2024-2025

The priorities of the ECS have been aligned with those set out in the ECS Policy. A major priority is facilitating the adoption of emerging technologies and enhancing connectivity throughout The Bahamas. One way in which URCA hopes to facilitate this is by administering the

Communications Licence Fee reduction mechanism, where licensees can apply for a reduction in their annual Comms Licence fee once qualifying investments are made. URCA will also explore supply side issues impacting infrastructure deployment. Another priority objective is reducing the digital divide by improving access to basic communications services, reviewing the Universal Service Obligations (USO), assessing the merits of a Universal Service Fund (USF), and establishing the fund per the Government's Comms Fee reduction mandate.

URCA will continue to prioritise consumer protection in the sector by promoting the revised Consumer Protection Regulations, implementing measures to improve access to ICTs for Persons with Disabilities and examining sector-specific issues as they arise. Additionally, quality of service remains an ongoing priority as URCA will continue to monitor service providers to ensure they deliver high-quality services to customers. Table 3.3 contains the list of 2024 ECS projects and proposed publication dates for consultations and final decisions.

Table 3.3: The List of 2024 Electronic Communication Sector Projects and Anticipated Key Publication Dates

Project	Proposed Start Period	Proposed End Period	Consultation Publication Date	Final Decision Publication Date
Electronic Communication Sector Policy	T1-2023	T1-2024	T3-2023	T1-2024
Review/Consultation of Licences due to expire in 2024	T3 -2023	T3-2024	T1-2024	T2-2024
Consultation on 5G - Focus on Supply Side Issues	T1-2024	T3-2024	T3-2024	T3-2024
Review of the Quality of Service Regulations for Electronic Communications Networks and Services in The Bahamas (ECS 42/2016)	T1-2024	T3-2024	T3-2024	T3-2024
Consultation on Universal Service Obligations (USO) and process for	T2-2024	T2-2025	T1-2025	T2-2025

designation of USP process for designation of USP				
Review of Fixed Market Services and Pay Television	T3-2022	T3-2024	T3-2024	T3-2024
National Spectrum Plan 2024-27	T2-2023	T2-2024	T2-2024	T2-2024
ICTs for Persons with Disabilities	T2-2018	T3-2024	T3-2024	T3-2024
Consultation on the Code of Practice for Content Regulation	T1-2022	T3-2024	T2-2024	T3-2024

N.P. The description of each of the 2024 projects is set out in Section 6.2 of this Plan.

These projects are essential in achieving the ECS policy's objectives and ensuring the growth and development of a robust and inclusive ECS in The Bahamas.

3.7 Electricity Sector Priorities for 2024-2025

The ES 2024 priorities and projects have been designed to align with the objectives of the Electricity Act and the NEP. The ES priorities focus on strengthening the regulatory frameworks, with projects like the Bahamas Power and Light (BPL) fuel tariff review/audit to ensure compliance with the law. ES priorities also promote competition within the electricity sector, in line with the Electricity Act's emphasis on fostering competition. Additionally, the priorities address the need for safe, reliable, and affordable energy, ensuring consumers receive value for money. The focus on sustainable, efficient, and environmentally friendly energy further aligns with the goals of the NEP, focusing on increasing energy efficiency and demand-side management within the sector. Consumer protection measures are enhanced through projects like developing consumer protection plans for all licensees. Furthermore, the strategy advances the NEP's goal of promoting renewable energy by analysing cost and performance data for existing renewable energy projects to determine the return on investment and assess the effectiveness of renewable energy frameworks in incentivising uptake. Overall, the ES 2024 Priorities and Projects aim to push forward the vision for a robust and sustainable energy sector in The Bahamas. Table 3.4 includes the list of 2024 ES projects and publication dates for consultations and final decisions.

Table 3.4: The List of 2024 Electricity Sector Projects and Anticipated Key Publication Dates

Project	Start Period	End Period	Consultation Publication Date	Final Decision Publication Date
Accounting Separation Guidelines	T3-2023	T2-2024	T1-2024	T2-2024
BPL Fuel Tariff Review/Audit	T1-2024	T3-2024	T2-2024	T3-2024
Analysis of RE Cost and performance data for Existing Projects	T1-2024	T3-2024	T2-2024	T3-2024
Energy Efficiency and demand side management	T1-2024	T3-2024	T2-2024	T3-2024
APESL Consumer Protection Plans	T1-2024	T3-2024	T2-2024	T3-2024
Review of BPL Consumer Protection Plan and Customer Contract Documents	T1-2024	T3-2024	T2-2024	T3-2024
Revision (consolidation and updating) of RE Frameworks	T1-2024	T3-2024	T2-2024	T3-2024
Review and Revision of the Licensing Process	T1-2024	T3-2024	T2-2024	T3-2024
Review and revision of the Licensee Reporting Requirements	T1-2024	T3-2024	T2-2024	T3-2024
Competition Law Guidelines	T3-2023	T2-2024	T1-2024	T2-2024
BPL Efficiency Audit	T2-2023	T1-2024	T3-2023	T1-2024

N.P. The description of each of the 2024 projects is set out in Section 6.3 of this Plan.

Table 3.4 outlines a series of projects that align with the objectives of the Bahamas Electricity Act 2015 and the following goals of the Bahamas National Energy Plan 2013-2033:

- Goal 1: Bahamians will become aware of the importance of energy conservation, use energy wisely, and continuously pursue opportunities for improving energy efficiency, with key economic sectors embracing eco-efficiency.
- Goal 2: The Bahamas will have a modern energy infrastructure that enhances energy generation capacity and ensures that energy supplies are safely, reliably, and affordably transmitted and distributed to homes, communities and the productive sectors sustainably.
- Goal 3: The Bahamas will become a world leader in the development and implementation of sustainable energy opportunities and continuously pursue a diverse range of well-researched and regulated, environmentally sensitive, and sustainable energy programmes built upon our geographical, climatic, and traditional economic strengths.
- Goal 4: The Bahamas will develop a dynamic and appropriate governance, institutional, legal and regulatory framework advancing future developments in the energy sector underpinned by high levels of consultation, citizen participation, and public-private sector partnerships.

Each project listed in Table 3.4 advances specific policy goals and promotes efficiency, sustainability, fairness, and consumer protection in the energy sector.

4. Key Performance Indicators for 2024

Section 41 of the URCA Act requires URCA to publish a series of key performance indicators (KPIs) against which it shall measure its performance during the forthcoming year in the Annual Plan. Tables 4.1-4.5 in this section identify the KPIs that URCA will use to measure its performance in 2024.

Table 4.1: URCA’s 2023 Statutory/Regulatory KPIs

Statutory/Regulatory
Was the Draft Annual Plan & Strategy published before the end of the financial year? YES/NO
Was the Annual Report and final Annual Plan published within four months of year-end? YES/NO
Were Final Determinations published within one month from closing for comments on Preliminary Determination? YES/NO
Percentage of public consultations started within the period stated in the Annual Plan.
Time to publish results, decisions, and other regulatory measures after the close of consultation: 45-60 days 60-90 days >90 days
Consumer Complaints
Number of complaints received
Percentage of total complaints resolved.
Complaints unresolved for >60 days and
Average time taken to resolve complaints.
Licenses issued within:
30 days - individual licences
45 days - class licences
The volume of claims processed in the year

Table 4.2: URCA's 2023 Finance KPIs

Finance
Cost of the Finance function as a percentage of total operating expenditure
Period-end cycle time (working days to close)
Year-end cycle time (working days to complete)
Forecasting accuracy
Cost of Licensee invoicing
Debtor Days
Number and Value of Creditor Notes and Adjustments
Long outstanding debt (>90 days) as a percentage of total debt

Table 4.3: URCA's 2023 HR KPIs

HR
Cost of HR function (as a % of total operating expense)
Cost of HR function per employee
The ratio of employees to HR staff
Annual average learning and development days per employee
Cost of learning and development per employee
Annual employee sick days per year
Average tenure
Average recruitment cost
% of employees receiving an annual performance appraisal

Table 4.4: URCA's IT 2023 KPIs

IT
The cost of IT functions as a percentage of total expenditure.
Organisational ICT spending (investment in ICT infrastructure hardware across the organisation)
Percentage who can access the network and system remotely

Table 4.5: 2023 URCA OPIs

URCA OPI
Strategic Development OPI
Governance of Regulations OPI
External Engagement and Organization Efficiency OPI

As shown in Tables 4.1-4.5, URCA will continue to evaluate its effectiveness the same as in previous years through (1) identification and adoption of appropriate KPIs based on statutory requirements and regulatory and management best practices; (2) measurement and monitoring of those KPIs; and (3) publication of the results in the Annual Report on its operations and performance. In 2024, URCA will track its performance using the URCA OPIs and include them in URCA's 2024 Annual Report, which URCA will publish by the end of April 2025.

5. Budget for Fiscal Year 2024

This section sets out URCA's budget based on its target activities for the fiscal year 2024. It includes the level of remuneration to be received by the staff and non-executive and executive members of the Board in 2024.

5.1 Overview

URCA will ensure that it has sufficient finances to meet its regulatory mandate and will ensure that it delivers the best possible service to its stakeholders. In so doing, URCA will also ensure that it fully accounts for its activities as required by Section 41(1)(b) of the URCA Act.

URCA’s draft 2024 Budget is separated into discrete budgets for the ECS and the ES in accordance with section 39 of the URCA Act. These budgets have anticipated the level of expenditure necessary to provide regulatory supervision of both sectors. As such, the budget seeks to recover the same through the imposition of fees on licensees in the ECS and the ES in accordance with section 92 of the Communications Act 2009 and section 54 of the Electricity Act 2015.

In line with URCA’s Indirect Cost Allocation Policies and Procedures, any costs that cannot be directly attributable to either ECS or ES have been allocated using URCA’s Activity Based Costing (ABC) model to ensure a ‘reasonable and transparent’ split of costs between ECS and ES, as required by Section 39 of the URCA Act.

The combined draft budget for URCA’s activities (including both ECS and ES regulation) is set out in Table 5.1 below, as compared with budgeted expenditure for the two preceding years.

Table 5.1 - URCA Draft Budget 2024

Category	2022	2023	2024
Staff Costs	3,117,637	3,195,457	3,614,937
Non-Executive Compensation	184,000	408,000	349,000

Executive Compensation	473,773	486,100	532,363
Professional Services	640,000	967,900	1,251,600
Conferences, Training, and Travel	72,521	572,900	487,323
Field Operations	24,000	78,000	85,200
Premises Costs and Utilities	212,200	313,500	563,200
Consumer Education and Public Relations	276,000	173,000	147,500
Office Services	182,700	264,000	219,000
Information Technology	210,500	271,500	330,700
General and Administrative Expenses	857,000	962,100	1,639,900
Total Operations Expenditure (OPEX)	6,250,331	7,692,457	9,220,723
Depreciation	447,670	274,100	296,350
Total Operating Budget Recovered through URCA fees	6,698,001	7,966,557	9,517,073
Capital Expenditure	532,400	2,861,500	3,085,935

Overall, URCA proposes an increase to its 2023 operating budget (excluding depreciation) by approximately 20% compared to 2023. Some of the key changes are explained below:

- Notwithstanding an increase in URCA’s staff count (1) anticipated for Budget Year (BY) 2024, increases in base pay and the attendant increases in benefits (health insurance, pension and gratuity costs) are the main drivers for the increase of 13% in staff costs. Non-Executive compensation decreased in BY 2024 due to the settlement of legal action brought by the former Non-Executive Director in the previous year. In BY 2024, there is budgetary provision for the settlement to two (2) Non-Executive Directors. Executive compensation increased by 10% due to the confirmation of the Executive Director, a nominal increase in base pay and associated benefits.
- Budgeted spending on Professional Services in 2024 will increase by 29% year over year due to new regulatory projects (specifically in the Electricity Sector) and continuation to completion of 2023 projects. Regulatory projects, including various surveys, reviews, market assessments, and continued litigation before the Utilities Appeal Tribunal (UAT) and Court for adjudication.

- Spending on Conferences, Training and Travel will decrease by 15%, notwithstanding the resumption of participation at international and regional regulatory forums and allocation for hosting two (2) regulatory conferences during the year. In this budget year, there is a decrease in the training budget year over year due to positive results of past years' training initiatives and the plans in BY 2024 to assess future training requirements based on employee development plans and identified knowledge and performance gaps.
- Field Operations (previously included in travel) increased by 9% due to increased monitoring of sector activities to ensure regulatory compliance by licensees. The operations which previously concentrated primarily on the ECS, with the ES initiating its monitoring activities in 2023, will receive greater organisational focus as a vital aspect of the regulatory process.
- Premises costs and utilities increased significantly by 80% year over year due to repairs planned for Frederick House, budgeting for an anticipated increase in utility rates, and continued preventative maintenance projects.
- Consumer Education and Public Relations budgetary allocation will be reduced by 15% due to major campaign activities and public relations initiatives embarked upon in 2023, which resulted in scaled-down activities for 2024.
- Office services decreased by 17% due to reduced finance costs and employee engagement activities.
- Information Technology is budgeted to increase by 22% due to acquiring additional productivity enhancement software licences and increased costs associated with external IT support.
- General and administrative expenses increased by 71% due to increased bad debt due to continued non-payment of major licensees; in the prior year, bad debt was under budget, thereby requiring recovery of the deficit in the current year.
- URCA's Capital Expenditure budget is anticipated to increase year over year as major capital projects. Specifically, Frederick House Infrastructure Improvement and smaller projects, such as replacing the elevator and generator, are deferred from 2023 to 2024.

5.2 Electronic Communications Sector Budget 2024

Table 5.2 summarises URCA’s draft 2024 budget for its regulatory activities in the ECS compared to its budget for the preceding two years.

Table 5.2 - ECS Draft Budget 2024

Category	2022	2023	2024
Staff Costs	1,793,176	1,903,185	2,211,981
Non-Executive Compensation	110,400	249,600	204,723
Executive Compensation	226,788	262,500	283,435
Professional Services	601,200	567,920	547,545
Conferences, Training, and Travel	40,834	404,600	366,469
Field Operations	-	35,000	73,200
Premises Costs and Utilities	144,330	225,275	336,941
Consumer Education and Public Relations	78,000	86,500	87,800
Office Services	137,700	200,875	137,358
Information Technology	168,400	217,200	199,054
General and Administrative Expenses	465,984	457,860	691,917
Total Operations Expenditure (OPEX)	3,766,812	4,610,515	5,140,423
Depreciation	380,520	232,985	174,589
Total Operating Budget Recovered through URCA fees	4,147,332	4,843,500	5,315,013
Capital Expenditure	452,540	2,368,525	2,863,225

Further explanation of each expense category in the ECS budget is set out below:

- Total operating expenditure (OPEX), exclusive of depreciation, is anticipated to increase in 2024 by 12% compared to the previous year due to continued efforts to promote the policy objectives of the ECS.
- Overall staff costs for the ECS have increased by 16% due to the increased base pay and associated staff benefits. There is no provision for an increase in staffing levels expected

in the ECS during 2024; however, effective succession planning and continued efforts are being made to cross-train professional staff in both sectors.

- Professional services expenditure is anticipated to decrease by 4% over the previous year’s budget allocation due to the effects of carryover regulatory projects continuing into 2024, including scheduled market assessments, surveys, reviews, and litigation related to the ECS.
- Conferences, training, and travel have decreased by 9%, notwithstanding continued in-person attendance at conferences, hosting high-level and cross-sector regulatory forums, and staff participating in training opportunities. With the advent of virtual participation, the intention is to increase the utilisation of that option.
- Field Operations (previously included in travel) increased significantly due to the resumption of monitoring activities of spectrum licensees through on-site visits and utilisation of fixed tower apparatus.
- General and administrative expenses, which include regulatory membership and related activities, are budgeted to increase due to the additional bad debt charged for a major licensee that has not paid the assessed fee due to litigation.

5.3 Electricity Sector Budget 2024

Table 5.3 summarises URCA’s draft 2024 budget for its regulatory activities in the ES compared with its budget for the preceding two years.

Table 5.3 - ES Draft Budget 2024

Category	2022	2023	2024
Staff Costs	1,324,461	1,277,473	1,402,956
Non-Executive Compensation	73,600	163,200	144,277
Executive Compensation	246,985	233,600	248,928
Professional Services	38,800	399,980	704,055
Conferences, Training, and Travel	31,687	168,300	120,854
Field Operations	24,000	43,000	12,000

Premises Costs and Utilities	67,870	88,225	226,259
Consumer Education and Public Relations	138,000	86,500	59,700
Office Services	45,000	63,125	81,642
Information Technology	42,100	54,300	131,646
General and Administrative Expenses	451,015	504,240	947,983
Total Operations Expenditure (OPEX)	2,483,518	3,081,943	4,080,299
Depreciation	67,151	41,115	121,761
Total Operating Budget Recovered through URCA fees	2,550,669	3,123,058	4,202,060
Capital Expenditure	79,860	462,975	222,710

Explanations of changes in the major expense categories are as follows:

- Total operating expenditure (OPEX), exclusive of depreciation, is anticipated to increase in 2023 by 32% when compared to the prior year, notwithstanding continued efforts to contain costs whilst ensuring the regulatory mandate of the Utilities and Energy sector is adequately addressed.
- Staff Costs are anticipated to decrease by 10% in the Utilities and Energy Department due to the rebalancing of indirect staff costs.
- Professional services expenditures are anticipated to increase significantly by 76% due to four (4) major regulatory projects planned, continuation of 2023 projects and budget allocations for continued litigation.
- Conferences, training, and travel costs are budgeted to decrease due to the previous years’ participation in upskilling staff through participation in training and conference opportunities to meet and align with long-term sector strategies.
- General and administrative expenses are budgeted to increase due to the additional bad debt charged for a major licensee who has not paid the assessed fee due to litigation.

6. Project Descriptions and Progress Updates

6.1 Descriptions of the 2024 General Projects

In our 2023 Annual Plan, URCA committed to working on three General Projects. Those projects were:

- Implementation of URCA OPIs
- Allocation of Indirect Costs
- Redevelopment of URCA's Website

We completed the Implementation of the OPIs and Allocation of Indirect Costs for the ECS and ES and made significant progress with the redevelopment of our website.

In 2024, URCA will complete the redevelopment of its website and add three new projects to the list of general projects. The new projects aim to digitally transform the organisation's operations and formulate the work plan for 2025. The list of 2024 projects includes:

- Digitalisation of Operational Processes;
- Implementation of Integrated Electronic Document Management Tool;
- Redevelopment of URCA's website; and
- Draft Annual Plan 2025.

A description of those projects is provided below.

Implementation of Integrated Electronic Document Management Tool

URCA has announced plans to undergo a digital transformation process in 2024. The first phase of this process will involve the implementation of an Integrated Electronic Document Management Tool. With this tool, URCA can centralise document storage, retrieval, and collaboration, improving document management and increasing productivity.

Digitalisation of Operational Processes

URCA's Digital Transformation process is currently in Phase 2, which involves digitalising several operational processes. The project aims to leverage technology to enhance efficiency, streamline

workflows, and improve overall operations within URCA. Digitalising operational processes will involve automating manual tasks, reducing paperwork, and optimising workflows using digital tools and technologies. By doing so, URCA can enhance its operational efficiency, improve service delivery, and adapt to the evolving digital landscape.

Redevelopment of URCA's Website

URCA will complete the redevelopment of its website in 2024. In doing so, we aim to take several actions to improve the user experience, update the technology and design, add new features and functionalities such as a digital payment component, make it more accessible and mobile-friendly, align it with the latest web standards and best practices, and regularly update its content and information to ensure its relevance and usefulness to stakeholders and the public. URCA aims to provide effective utility regulation and improve lives in The Bahamas by taking these actions.

URCA 2025 Annual Plan

Section 41 of the URCA Act instructs URCA to publish an Annual Plan. The publication of the Draft Annual Plan marks the fulfilment of the requirement. URCA intends to publish the final version of its 2025 Annual Plan and the 2024 Annual Report by the end of April 2025.

6.2 Descriptions of the 2024 Electronic Communications Sector

Projects

In the 2023 Annual Plan, URCA committed to several projects, including the Review of Licenses Due to Expire, Consumer Protection Regulations, the ECS Policy, Quality of Service Obligations Framework, Universal Service Framework and Implementation, Market Review of Retail Fixed Services (including Pay Television), Spectrum Management, Public Service Broadcasting Framework, Public Consultation on 5G, and ICTs for Persons with Disabilities. URCA added a review of the Revised Code of Practice for Content Regulation to the 2023 work plan after the publication of the Annual Plan to address changes due to the evolution of the broadcasting industry and the emergence of the online content industry. In 2023, URCA completed the review

of consumer protection regulations, quality of service framework, and public consultation on 5G (demand side). The draft ECS Policy was also submitted to the government for approval and publication in the National Gazette after being drafted and consulted on by URCA. The remaining projects in the ECS 2024 work plan include planned and unplanned carryover projects initially described in the 2023 Annual Plan. URCA progressed these projects in 2023 and now provides revised descriptions below.

Review of Licences Due to Expire in 2024

By the second trimester of 2024, URCA will thoroughly review all licenses issued in 2009. This review aims to determine whether the existing conditions in the licenses are still relevant. After the internal review, URCA will conduct a public consultation to gather feedback on any proposed license amendments or modifications. Following the consultation process, URCA will issue new licenses to qualified parties in the third trimester of 2024.

Review of the Electronic Communications Sector Policy

The existing ECS Policy expired in March 2023. The Comms Act requires the Minister to publish a sector policy in the Gazette setting out the government's strategic aims for meeting the electronic communications policy objectives. URCA launched a public consultation on the Draft ECS Policy in September 2023. Following that consultation, URCA submitted the ECS Policy to the Government for approval and publication in the Bahamas National Gazette. It is anticipated that the document will be published by the end of the first trimester of 2024.

Review of the Network Quality of Service Regulations

In 2024, URCA will commence its review of the Quality of Service Regulations for Electronic Communications Networks and Services in The Bahamas (ECS 42/2016) as another workstream within the scope of URCA's review of the Quality of Service Framework for the electronic communications sector. URCA considers reviewing the regulations appropriate due to the passage of time since its application in 2016 and the evolution of networks and services in The Bahamas and globally.

Review of Universal Service Obligations and Universal Service Fund

This workstream was listed in URCA's 2023 Annual Plan and has been revised in the Draft ECS Policy 2024-27. This workstream addresses the inequities in access to basic communications services in The Bahamas. This is in recognition of the importance of electronic communications services as a crucial enabler for participation in the digital economy and society. URCA, after consultation, will determine the details of the USO implementation and access to the USF. As there are multiple components to the workstream, URCA considers it appropriate to conduct more than one consultation exercise.

Market Review of Retail Fixed Services (including Pay Television)

Since the last retail fixed market review was completed in 2014, there is a need to review the retail fixed markets, which include retail fixed voice, broadband and pay television services. The review will assess the state of competition in those markets and whether existing regulations are fit for purpose. The project commenced in the third trimester of 2023 and is expected to be completed in 2024. The project requires significant data from The Bahamas Telecommunications Company Limited ('BTC') and Cable Bahamas Limited ('CBL'). Because of this, the project has been hampered by numerous delays due to both operators asking for extensions to submit the required data and the need to clarify submissions. There have also been challenges with the reliability and accuracy of some of the operator data. Following a review of the fixed market, URCA may deem specific market remedies or regulations necessary. The implementation of the possible remedies would form a separate workstream.

Spectrum Management Project: National Spectrum Plan 2024-27

Pursuant to Part V of the Comms Act, URCA is set to revise the National Spectrum Plan, a comprehensive framework governing spectrum use in The Bahamas. The plan is vital and addresses regulation, technical, financial, and geographic issues.

Public Consultation on 5G – Focus on the Supply Side

URCA will commence Phase II of its Public Consultation on 5G. URCA’s objective is to engage with licensees and the Government of The Bahamas to (i) identify and address the regulatory and supply side issues relevant to the rollout of 5G in The Bahamas and (ii) develop a regulatory framework to facilitate the rollout of 5G in The Bahamas.

ICTs for Persons with Disabilities

Following several delays due to resource constraints, URCA has restarted the ICTs for Persons with Disabilities project. To date, a comprehensive survey of the members of the differently abled community has been conducted, and preparations have started to issue a public consultation in 2024. In line with the sector policy objectives, URCA intends to implement regulations and other measures to make ICTs more accessible for persons with disabilities.

Consultation on the Code of Practice for Content Regulation

In 2023, URCA and the Content Regulation Industry Group (CRIG) representatives completed a review of the existing Code of Practice for Content Regulation. In 2024, following the review, URCA will conduct a consultative process with stakeholders and interested parties to develop a Code that is fit for purpose, taking into account the changes and or evolution of the broadcasting industry and the emergence of the online content industry that has evolved during the past three decades.

6.3 Descriptions of the 2024 Electricity Sector Projects

In the 2023 Annual Plan, URCA committed to undertaking six ES-related projects. The regulatory team in the electricity sector completed five of the projects scheduled for completion in 2023. In 2024, the ES Team will include 11 projects in its work plan. These include:

The BPL Fuel Tariff Review/Audit

This project aims to determine how the BPL fuel tariff is calculated and whether charges to customers since 2021 comply with the law and regulatory frameworks. This project aligns with

URCA's mandate to ensure efficiently incurred costs, consumer protection, and efficient operation, per the Electricity Act sections 37(2) (k) and (m) and sections 38(1) (a), (d), (i), (j), and (k). By reviewing and auditing fuel tariffs, URCA can ensure that energy prices reflect reasonably incurred costs and are fair to consumers, supporting Goal 2 of the NEP.

The Analysis of Renewable Energy Cost and Performance Data for Existing Projects

This project involves selecting representative renewable energy projects to determine the return on investment being achieved. By analysing these projects' cost and performance data, URCA can identify successful strategies and areas for improvement, helping to guide future sustainable energy development. This project advances Goal 3 of the NEP to make The Bahamas a world leader in sustainable energy opportunities.

Energy Efficiency and Demand Side Management

This project aims to identify activities and develop a time-bound plan to establish and promote energy efficiency and demand-side management programs by licensees. By managing demand and promoting energy efficiency, URCA can help reduce energy consumption and promote more sustainable use of resources. This project aligns with Goal 1 of the NEP, which aims to make Bahamians aware of the importance of energy conservation and efficiency.

Consumer Protection Plans for Authorized Public Electricity Suppliers

This project aligns with Goal 2 of the NEP by ensuring that energy supplies are safely and reliably transported to consumers. By protecting consumers, URCA can ensure that the energy sector operates fairly and transparently.

The Review of BPL Consumer Protection Plan and Customer Contract Documents

This project involves reviewing BPL's consumer protection plan to ensure it is fit for purpose and amending it where necessary. Similarly, the contracts signed between BPL and its customers will be reviewed to ensure they represent the interests of both parties fairly. Compliance with Electricity Act section 40, Consumer Protection and Electricity Act sections 37(2)(k), 38, and 9(1)

(j) will be ensured. This project aligns with Goal 2 of the NEP by ensuring consumer protection within the energy sector.

The Revision (consolidation and updating) of Renewable Energy Frameworks

This project aims to produce a cohesive framework for renewable energy projects that are not utility-scale. By updating and consolidating renewable energy frameworks, URCA can ensure that The Bahamas continues to pursue diverse, well-researched, and environmentally sensitive sustainable energy programs. This project advances Goal 3 of the NEP by supporting sustainable energy development.

Review and Revision of the Licensing Process

This project aims to improve the current process for persons applying to participate in the electricity sector. It will take advantage of lessons learned since the first licenses were issued five years ago. The revised process will provide greater clarity on the requirements and approval criteria and standards, among other things.

Review and Revision of the Licensee Reporting Requirements

The project involves reviewing and amending (where necessary) the licensee reporting requirements to ensure they add value to the sector by providing information to aid decision-making without being burdensome. URCA can promote a dynamic and appropriate governance, institutional, legal, and regulatory framework in the energy sector by ensuring all stakeholders are held accountable through reviewing and revising reporting requirements, supporting Goal 4 of the NEP.

Competition Law Guidelines

This project aims to establish the regulatory framework to assess and enforce anti-competitive agreements and practices per Part XI of the Electricity Act 2015. It also assesses and accommodates a change in control of a licensee as per Part XII of the Electricity Act 2015. This project supports Goal 4 of the NEP by promoting a fair and competitive energy sector.

The BPL Efficiency Audit

This project assesses the performance of Bahamas Power and Light (BPL) using financial, operational, and quality of service indicators. By identifying areas where BPL can improve its energy efficiency, promoting conservation and wise use of energy resources, this project supports Goal 1 of the NEP.

The Review of Legislation and National Energy Policy

In addition to the projects set for 2024, URCA is aware that in accordance with the requirements of the Electricity Act, the NEP is presently overdue for revision. As the regulatory body for the ES, URCA considers that it has valuable contributions to the development of the NEP. URCA accordingly has made provisions in determining its 2024 Annual Plan for providing assistance and contribution to the Government of The Bahamas, as appropriate, in relation to any review of the ES legislation and NEP. This project directly supports all four goals by ensuring that the legislation and policy align with The Bahamas' energy sector's current needs and future goals.