



# **Draft Licenses, Regulations and Codes for the Natural Gas sector**

## **Statement of Results and Final Decision**

**URCA 02/2024**

**Issue Date: 1 October 2024**

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# 1 Introduction

In this document, the Utilities Regulation and Competition Authority (“URCA”) issues its Statement of Results and Next Steps with respect to URCA’s Public Consultation on the Draft Licenses, Regulations and Codes for the Natural Gas sector.

URCA published its Consultation Document on the proposed Draft Licenses, Regulations and Codes for the Natural Gas sector (“Consultation Document”).<sup>1</sup> The Consultation Document set out, *inter alia*, the following:

- A review of the main functions assigned to URCA under the Natural Gas Act, 2024;
- a summary overview of the Licenses, Regulations and Codes for the Natural Gas sector:
  - **Licenses:** that have the aim to authorize the holder to develop the corresponding activity under the terms and conditions established therein.
    - Gas Importer License;
    - Gas Transporter License;
    - Gas Shipper License;
    - Terminal Operator License; and
    - Gas Retailer License.
  - **Regulations:** that implement and enforce the Natural Gas Act, 2024 by detailing the requirements to ensure a safe and efficient natural gas system. Under the Natural Gas Act, 2014 regulations issued by URCA under this Act shall have the force of law.
    - Natural Gas Supply Regulations;
    - Liquefied Natural Gas Facilities Application for Authorization;
    - Natural Gas Metering Regulations;
    - Liquefied Natural Gas Road Transport Regulations;
    - Natural Gas Pipeline Safety Regulations;
    - Liquefied Natural Gas Facilities Safety Regulations;
    - Liquefied Natural Gas Waterfront Facilities Safety Regulations; and
    - Liquefied Natural Gas Ship-to-Ship Handling Operations Regulations.
  - **Codes:** which are binding, define the practice guidelines to ensure the safe, environmental, efficient and reliable operation of LNG and are based on standardize practices in LNG operations.
    - Natural Gas Network Code;
    - Natural Gas Supply Code;
    - Liquefied Natural Gas Import Code; and
    - Natural Gas Retail Code of Conduct.

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<sup>1</sup> URCA 03/2023 available at <https://urcabahamas.bs/consultations/ngs-01-2024-public-consultation-on-natural-gas-sector-framework/>

- to invite comments from stakeholders on the matters set out in the Consultation Document.

URCA also conducted on 8<sup>th</sup> August 2024 a workshop streamed by zoom that was attended by involved stakeholders and members of the general public.

The responses to the Consultation Document were due on 31<sup>st</sup> August 2024.

In addition to seeking general comments and/or views on the Consultation Document, URCA also sought respondents' views on the following questions ("Consultation Questions"):

- **Consultation Question 1:** Do you have any comments on the overall proposed regulatory structure for natural gas in the Bahamas?
- **Consultation Question 2:** Do you think the obligations and rights of the licensees are sufficient and proportionate?
- **Consultation Question 3:** Are there any aspects in relation to safety that you think are missing or could be enhanced?
- **Consultation Question 4:** Do you think the regulations and codes ensure sufficient customer protection?
- **Consultation Question 5:** Are there any situations you are currently facing, or are expected to be facing, that the proposed documents are not addressing or generate a conflict?
- **Consultation Question 6:** Would you like to propose an alternative wording for any section of the licenses, regulations and codes?

Finally, URCA organized two additional meetings on the 12<sup>th</sup> August 2024 and the 17<sup>th</sup> September 2024 to allow for the agencies to provide feedback and facilitate discussions on the inter agency cooperation relative to the regulation of the Natural Gas Sector.

In this document, URCA sets out the Responses to the Consultation, its Final Decision and the next steps.

## **1.1 Legal framework**

The Utilities Regulation and Competition Authority (URCA) is the independent regulator and competition authority for the Electronic Communications Sector and the Energy Sector in the Commonwealth of The Bahamas.

Under the Natural Gas Act, 2014 URCA is the regulatory authority for the LNG sector. In particular:

1) Section 8 of the Natural Gas Act, 2024 assigns to URCA the function to:

- a) *issue licenses and collect fees for any natural gas sector activities URCA determines necessary,*
- b) *consult with government departments and regulatory authorities locally and of other countries to promote and facilitate the construction, development and functioning of the natural gas system;*
- c) *protect the interests of consumers with regard to:*
  - i) *the prices and other terms for the supply of gas;*
  - ii) *the reliability, availability and continuity of the supply of gas; and*
  - iii) *the quality of gas supply services provided;*
- d) *protect the public from any dangers arising from the import, regasification, transport, supply or use of gas;*
- e) *ensure that licensees provide an efficient service and maintain financial viability;*
- f) *promote the efficient use of gas by consumers and competition in the supply of gas;*
- g) *ensure security of supply of gas to consumers and to arrange for the secure operation of gas transmission in accordance with any issued code of practice;*
- h) *issue regulatory and other measures, including without limitation: issuing regulations and developing guidelines and frameworks.*

## 2 Responses to the Consultation

No responses were received during the consultation period.

Some clarification questions were received from the Bahamas Port Department during the following on meetings regarding the Waterway Suitability Assessment process.

## 3 Final Decision

URCA produced the final versions of all documents with the following adjustments:

- A correction of the role of URCA in the Liquefied Natural Gas Road Transport Regulations;
- A clarification of the process to assess the Waterway Suitability Assessment.

## 4 URCA's Next Steps of the Statement of Results and Final Decision

Having considered the above, URCA has simultaneously published the revised and finalised Licenses, Regulations and Codes for the Natural Gas sector as set out in the table below. These documents take effect on the date of publication.

Document Name	NGS Number
Natural Gas Sector Framework Documents - Statement of Results and Final Decision	NGS 02/2024
Gas Importer License	NGS 03/2024
Gas Transporter License	NGS 04/2024
Gas Shipper License	NGS 05/2024
Terminal Operator License	NGS 06/2024
Gas Retailer License	NGS 07/2024
Natural Gas Supply Regulations	NGS 08/2024
LNG Facility Construction, Operation, or Modification Regulations	NGS 09/2024
Natural Gas Metering Regulations	NGS 10/2024
Liquefied Natural Gas Road Transport Regulations	NGS 11/2024
Natural Gas Pipeline Safety Regulations	NGS 12/2024
Liquefied Natural Gas Facilities Safety Regulations	NGS 13/2024
Liquefied Natural Gas Waterfront Facilities Safety Regulations	NGS 14/2024
Liquefied Natural Gas Ship-to-Ship Handling Operations Regulations	NGS 15/2024
Natural Gas Network Code	NGS 16/2024

Natural Gas Supply Code	NGS 17/2024
Liquified Natural Gas Import Code	NGS 18/2024
Natural Gas Retail Code of Conduct	NGS 19/2024

URCA will periodically review the Licenses, Regulations and Codes for the Natural Gas sector as necessary to ensure that same remain effective and relevant. Where in URCA's view, amendment to these Regulations is necessary, URCA will seek comments from all relevant stakeholders in line with the provisions of the URCA Act.