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REGULATORY AUTHORITY ISSUES ORDER TO BELCO REQUIRING PAYMENT TO SOLAR GENERATORS

August 20, 2018: Hamilton, Bermuda – BELCO has been ordered by the Regulatory Authority of Bermuda (the Authority) to pay all distributed generators for the electricity they feed-in to the BELCO grid.

Until now, some consumers who feed-in their excess power from distributed generation to BELCO's grid have not yet been paid. Payment requires a Standard Contract between BELCO and the distributed generator. BELCO said its interpretation of the law (Electricity Act 2016) was that it was not allowed to enter into a Standard Contract with customers until after Bermuda's electricity plan, the Integrated Resource Plan or 'IRP', was in place.

The Authority, through the Minister of Transport and Regulatory Affairs, requested an amendment to the Electricity Act 2016, which became effective on July 30th this year. This clarifies that there is no restriction from entering into a Standard Contract in the interim period before the IRP. This means that all distributed generation producers can be legally connected to the grid and receive payment for their electricity provided to BELCO.

Households with solar power generators who have been feeding electricity to BELCO without compensation, will also receive backdated payment for any energy they have provided to the grid in the past.

More than 99% of distributed generation systems are solar generators, although the Standard Contract applies to all renewable energy program systems including wind and water. Some distributed generation providers do already receive payment for their energy feed-in, as they were party to BELCO's Small Scale Renewable Generator Interconnection Agreement (Legacy Agreement), to which BELCO has since stopped accepting new entrants.

The Authority's Order to BELCO, which has already taken effect, establishes several outcomes.

- BELCO shall enter into a Standard Contract with all potential distributed generators who meet the requirements.
- Within 30 days of entering into a Standard Contract, BELCO shall compensate all current and potential distributed generators for any electricity (i) which had been supplied to BELCO prior to the effective date of such Standard Contract; and (ii) for which such distributed generators have not been compensated.
- BELCO shall transition all current distributed generators from the Legacy Agreement to the Standard Contract within 45 days.

More information can be found on the Regulatory Authority's new-look website at www.rab.bm including the Electricity Act 2016, Electricity Amendment Act 2018 and details about the process of developing Bermuda's Electricity Plan, IRP.

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