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REGULATORY AUTHORITY PRESS RELEASE – FOR IMMEDIATE RELEASE

FEED-IN TARIFF REVIEW NOW IN PROGRESS

October 26, 2018: Hamilton, Bermuda – The Regulatory Authority of Bermuda (Authority) has started the Feed-In Tariff (FIT) review process today that will result in a FIT being set in 2019. This follows the issuance of the General Determination (GD) for the Feed-In Tariff Methodology, which can be seen on the Authority’s [website](#).

A FIT is paid to households and businesses that produce renewable energy; a payment for excess electricity that they generate and feed in to BELCO’s grid. In Bermuda, these are primarily small-scale solar customers although they can also include wind or other renewables generators. These producers are currently paid by BELCO, an amount equivalent to the avoided cost; that is, what it would cost BELCO to produce the same quantity of electricity. When the FIT is determined, producers will be paid the updated tariff.

The FIT review process starts with the collection of economic, technical and policy data from sectoral participants including BELCO, the renewables industry and government departments. Requests for data have been issued to the parties directly, requesting inputs on the impact of renewable distributed generation on corporate profit and tax revenues, social engineering policies and emission reduction data. The Authority will assess the inputs to determine the Feed-In Tariff amount.

The FIT is designed to meet a number of goals, including economic, industrial, social and environmental objectives. The National Electricity Sector Policy of Bermuda recommends that the tariff:

- (a) “Ensures cost recovery by reflecting the Electric Utility’s cost of providing services to distributed generators (energy, demand, and grid access services), and”
- (a) “Fairly compensates distributed generators for the value of any energy produced by their distributed generation system. This may be set to reflect financial value (according to avoided generation cost), as well as economic value (accounting for externalities and benefits not captured in avoided cost).”

This will be Bermuda’s first FIT under the Electricity Act 2016, using the recently issued methodology. The Authority expects to complete the review and publish the FIT during the first half of 2019.

Regulatory Authority Interim CE, Aaron Smith said, “We are pleased to be one step closer to determining a Feed-In Tariff for Bermuda’s distributed generators. Homeowners producing renewable energy are keenly anticipating the FIT and with the Methodology now complete, we are that much closer.”

The FIT will be reviewed and updated by the Authority every three years.

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