

## Jordan Cutts

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**From:** Jozelle Escolastica CPA,CA  
**Sent:** Tuesday, May 22, 2018 4:41 PM  
**To:** Stratton Hatfield  
**Cc:** stuart@besolar.bm; Energy; Jordan Cutts; L. Nigel Burgess CEng; Monique Lister; Aaron Smith; Angela Berry; travis@besolar.bm; john@besolar.bm  
**Subject:** RE: Questions RE: FIT Methodology Consultation Document

Hi Stratton,

Many thanks for your suggestion. We will take it into consideration.

Kind regards,

**From:** Stratton Hatfield <stratton@besolar.bm>  
**Sent:** Tuesday, May 22, 2018 4:39 PM  
**To:** Jozelle Escolastica CPA,CA <JEscolastica@RAB.bm>  
**Cc:** stuart@besolar.bm; Energy <energy@gov.bm>; Jordan Cutts <jcutts@RAB.bm>; L. Nigel Burgess CEng <NBurgess@RAB.bm>; Monique Lister <mlister@rab.bm>; Aaron Smith <ASmith@RAB.bm>; Angela Berry <ABerry@RAB.bm>; travis@besolar.bm; john@besolar.bm  
**Subject:** Re: Questions RE: FIT Methodology Consultation Document

Thanks Jozelle,

I noted that comment/reference.

I was encouraging the RAB to put it out to the general public (maybe via a press release or email update) as your website is not easy to navigate and people have to go "find it" which is not as straight forward. Just an idea to improve the RAB communication with the public so that you can get suitable and broad responses.

In community,

Stratton & The BE Solar Team

On Tue, May 22, 2018 at 4:34 PM, Jozelle Escolastica CPA,CA <[JEscolastica@rab.bm](mailto:JEscolastica@rab.bm)> wrote:

Hi Stratton,

We will be publishing our response along with your initial request on our website under ex parte communication.

Kind regards,

**From:** Stratton Hatfield <[stratton@besolar.bm](mailto:stratton@besolar.bm)>  
**Sent:** Tuesday, May 22, 2018 4:32 PM  
**To:** Jozelle Escolastica CPA,CA <[JEscolastica@RAB.bm](mailto:JEscolastica@RAB.bm)>  
**Cc:** [stuart@besolar.bm](mailto:stuart@besolar.bm); Energy <[energy@gov.bm](mailto:energy@gov.bm)>; Jordan Cutts <[jcutts@RAB.bm](mailto:jcutts@RAB.bm)>; L. Nigel Burgess CEng <[NBurgess@RAB.bm](mailto:NBurgess@RAB.bm)>; Monique Lister <[mlister@rab.bm](mailto:mlister@rab.bm)>; Aaron Smith <[ASmith@RAB.bm](mailto:ASmith@RAB.bm)>; Angela Berry <[ABerry@RAB.bm](mailto:ABerry@RAB.bm)>; [travis@besolar.bm](mailto:travis@besolar.bm); [john@besolar.bm](mailto:john@besolar.bm)  
**Subject:** Re: Questions RE: FIT Methodology Consultation Document

Thank you Jozelle and RAB team.

We encourage you to publish this to the general public as we have been alerted to some confusion about the terms and people asking for clarification.

In community,

Stratton & The BE Solar Team

On Tue, May 22, 2018 at 4:13 PM, Jozelle Escolastica CPA,CA <[JEscolastica@rab.bm](mailto:JEscolastica@rab.bm)> wrote:

Good day Mr. Hatfield,

Many thanks for your queries. The responses to your questions are provided below.

Please note that this communication is deemed to be ex parte communication under the Regulatory Authority Act 2011 ("RAA"), as it is the subject of an ongoing public consultation.

Section 73 of the RAA restricts how the Regulatory Authority (the "Authority") can treat ex parte communications. In particular, it requires the Authority to publish all ex parte communications on its website.

#### Authority Responses

1.How does the RAB define "reduction in fuel costs" and how are fuel costs defined?

- Lowering of overall fuel costs to the generator. Fuel costs are the total cost of fuel to provide generation of electricity. ....

2.What are other "variable operating costs of generation"?

- Costs to the generator that vary as the amount of electricity generated changes.

3. How are "avoided costs of generation" defined?

- The avoided costs of generation are the marginal cost of generation. The marginal of generation are the additional cost incurred in the production of one unit of energy (ie. kWh). These are specifically the costs that the generator does not have to pay if it does not generate that extra amount of energy produced by another source.

4. What does "reduction in further generation capacity" mean?

- The costs avoided from not installing new generating capacity in the future.

5. How does the RAB define "network losses"?

- There is generally a loss of energy as it is transferred through the transmission and distribution system (ie. wires, transformers, switches, etc) mainly in the form of heat. This energy loss is referred to as network losses.

6. How does the RAB define "other net economic benefits"?

- The quantifiable benefits or costs associated with distributed generation that apply to the general public.

7. How does the RAB define "distributed generation"?

- Distributed generation refers to renewable energy systems with an installed capacity below 500kW.

8. What are the "benefits and costs that distributed generation imposes"?

- The quantifiable benefits or costs associated with the installation of distributed generation that apply to the general public.

9. What is "system balancing"?

- Electricity provider must guarantee that the amount of electricity supplied to customers equals the amount that is demanded by the customers taking into account reserve margins.

10. What is "economic stranding"?

- When a bulk generator invests money in an asset that is no longer needed as a result of a substitute supplier and therefore cannot recover its investment.

11. What is "thermal plant efficiency"?

- The efficiency of generating machines to convert fuel into electricity.

Kind regards,

## Jozelle Escolastica CPA,CA

Head of Regulatory Finance



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Head of Regulatory Finance



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**From:** L. Nigel Burgess CEng  
**Sent:** Friday, May 18, 2018 12:01 PM  
**To:** Jozelle Escolastica CPA,CA <[JEscolastica@RAB.bm](mailto:JEscolastica@RAB.bm)>  
**Subject:** Fwd: Questions RE: FIT Methodology Consultation Document

FYI.

Sent from my iPhone

### L. Nigel Burgess CEng

Senior Manager Electricity Analysis and Planning



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Begin forwarded message:

**From:** Stratton Hatfield <[stratton@besolar.bm](mailto:stratton@besolar.bm)>

**Date:** 18 May 2018 at 9:12:19 AM GMT-4

**To:** "L. Nigel Burgess CEng" <[nburgess@rab.bm](mailto:nburgess@rab.bm)>, Aaron Smith <[ASmith@rab.bm](mailto:ASmith@rab.bm)>, Angela Berry <[ABerry@rab.bm](mailto:ABerry@rab.bm)>, Monique Lister <[MLister@rab.bm](mailto:MLister@rab.bm)>

**Cc:** Stuart Kriendler <[stuart@besolar.bm](mailto:stuart@besolar.bm)>, Travis Burland <[travis@besolar.bm](mailto:travis@besolar.bm)>, John Adcock <[john@besolar.bm](mailto:john@besolar.bm)>, Energy <[energy@gov.bm](mailto:energy@gov.bm)>

**Subject:** Questions RE: FIT Methodology Consultation Document

Good day RAB,

Is it possible for the RAB to define in detail, each of the terms used in the FIT consultation document questions?

Without significant understanding or research the layperson cannot easily determine what each term means and therefore the questions may be left to wide interpretation.

Terms that would benefit from a full explanation to ensure absolute clarity include:

1. How does the RAB define "reduction in fuel costs" and how are fuel costs defined?
2. What are other "variable operating costs of generation"?
3. How are "avoided costs of generation" defined?
4. What does "reduction in further generation capacity" mean?
5. How does the RAB define "network losses"?
6. How does the RAB define "other net economic benefits"?
7. How does the RAB define "distributed generation"?
8. What are the "benefits and costs that distributed generation imposes"?
9. What is "system balancing"?
10. What is "economic stranding"?
11. What is "thermal plant efficiency"?

We think it is important for the community to have these terms defined and encourage you to post the definitions to the greater public.

Thanks for your consideration and assistance.

In community,

Stratton & The BE Solar Team

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**Stratton**

**Hatfield**

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