



REGULATORY  
AUTHORITY

**Bermuda**

**Summary of the Integrated  
Resource Plan (IRP) Proposal  
Consultation**

## **1 INTRODUCTION**

1. This document summarises the Consultation Document on the Integrated Resource Plan (“IRP”) Proposal prepared by Bermuda Electric Light Company (“BELCO”) as the Transmission, Distribution and Retail (“TD&R”) Licensee in Bermuda. It provides an overview of the central issues and decisions, but is not intended to act as a substitute for the full text of the document.
2. An IRP is a plan that seeks to balance the future demand and supply of electricity. Broadly, the IRP’s purpose is to set out the strategy for the procurement and retirement of generation assets as well as demand side resources that meets the needs of consumers in a cost efficient manner that is also consistent with Bermuda’s energy policy objectives.
3. Accordingly, this plan should incorporate the latest evidence on the costs and technical characteristics of different generation and load management technologies in order to evaluate the least-cost capacity expansion plan for the electricity market of Bermuda. The plan should include both a resource plan—including a forecast of expected demand and the state of the existing generation resources—and a procurement plan, which details how the TD&R Licensee proposes to meet the expected demand.
4. On 15th February 2018, BELCO issued its IRP Proposal. As required by the Electricity Act 2016, the Authority has published the IRP Proposal together with the Consultation Document on its official website. The publication of these documents does not constitute an endorsement by the Authority of the IRP Proposal. Instead, the consultation, which this document summarises, aims to engage with the stakeholders and seek views on the IRP Proposal. After this consultation, the TD&R Licensee will prepare a final draft of the IRP and will submit this to the Authority for a decision on final approval and publication. As part of the IRP process, the Authority also requests the submission of any Alternative Proposals for bulk generation or demand side resources.

## **2 THE IRP PROPOSAL**

5. The first step in developing a new IRP is an IRP Proposal. The Authority issued a Notice on 17th November 2017, which required the TD&R Licensee to submit an IRP Proposal by 17th February 2018. On 6th December 2017, the Authority issued an Order setting Integrated Resource Plan Guidelines (the “Guidelines Order”) to provide guidance on the development of the IRP Proposal to the TD&R Licensee. As a result, the IRP Proposal has to be compliant with the Electricity Act 2016 (“EA”), the Guidelines Order and the Notice.
6. The TD&R Licensee submitted its IRP Proposal on 15th February 2018.
7. In preparing the IRP Proposal, the TD&R Licensee was required to consider (i) all possible resources, including new generation capacity, demand side resources (including demand response and energy efficiency), and retirement of generation

capacity; and (ii) a range of renewable energy and efficient generation options, and a prudent diversification of the generation portfolio.<sup>1</sup>

8. The IRP Proposal is also required to (i) prioritise actions that most meet the purposes of the EA, conform to Ministerial directions, and be reasonably likely to supply electricity at the least cost, subject to trade-offs contained in the Ministerial directions or instructions from the Authority; (ii) include recommendations on whether any resources should be procured through competitive bidding; and (iii) propose limits for total distributed generation capacity over the planning period.<sup>2</sup>
9. The Authority has accepted the IRP Proposal for public consultation, as the Authority's assessment is that the IRP Proposal has broadly, but not uniformly, met the requirements as set in the EA, the Guidelines Order and the Notice. The Authority invites comments from members of the public, electricity sectoral participants and sectoral providers, and other interested parties.
10. While the Authority has accepted the IRP Proposal for public consultation, it will, concurrent with this consultation, undertake a further detailed analysis of the IRP Proposal in order to determine whether the proposal represents the least-cost capacity expansion plan for the electricity market of Bermuda.

### **3 ALTERNATIVE GENERATION PROPOSALS FOR INCLUSION IN THE IRP**

11. The Authority invites interested parties to provide their views on any alternative scenarios that should be included in the IRP, as well as any other aspect of the assumptions, assessment methodology, and conclusions set out by BELCO. These alternatives may provide for an electricity generation mix that is more consistent with the purposes of the EA (e.g. least-cost provision of reliable electricity).
12. In particular, the Authority requests submissions of detailed proposals for bulk generation or demand side resources for potential inclusion in the IRP. Any Alternative Proposal should cover a period of three years, the period of time until the next IRP Proposal will be requested. The Alternative Proposal should demonstrate (i) how its inclusion in the IRP would result in an electricity supply that is more consistent with the purposes of the EA and Ministerial directions; and (ii) how it uses technology that is in commercial operation in another jurisdiction.

---

<sup>1</sup> Electricity Act 2016, Section 40(2)(a).

<sup>2</sup> Electricity Act 2016, Section 40(2)(b)–(d).