



Government of Bermuda
Ministry of Home Affairs
OFFICE OF THE MINISTER

16 November 2020

Regulatory Authority of Bermuda
1st Floor, Craig Appin House
8 Wesley Street
Hamilton HM11
Bermuda

Attention: Mr. Mark Fields, Chairman of the Board of Commissioners

Dear Mr. Fields,

Re: Direction to the RA on Floating Solar PV

Pursuant to Sections 7 and 8 of the Electricity Act 2016 ('the Act') and complying with Section 8(4), I take this opportunity to clarify the Government's stance on the application of floating solar technologies in meeting the goals set by the Integrated Resource Plan.

For the purposes of the procurement of generation assets to meet the goals of the IRP, it is critical to ensure that the purposes of the Act are taken into consideration. I note the Authority's intended exclusion of floating solar technologies from the procurement process is due to its relative novelty within the field of solar technologies, particularly in the marine environment. Nevertheless, it is not in the public's best interest to exclude it summarily without testing the market as a more accurate assessment of its viability, especially as the integration of solar in Bermuda provides manifold benefits to the country.

The Authority will be aware that the purposes of the Act as noted in Section 6 are summarized as follows, namely to seek-

- (a) to ensure the adequacy, safety, sustainability and reliability of electricity supply in Bermuda so that Bermuda continues to be well positioned to compete in the international business and global tourism markets;
- (b) to encourage electricity conservation and the efficient use of electricity; note that this purpose is not directly applicable to the upcoming procurement exercise.
- (c) to promote the use of cleaner energy sources and technologies, including alternative energy sources and renewable energy sources;
- (d) to provide sectoral participants and end-users with non-discriminatory interconnection to transmission and distribution systems;

- (e) to protect the interests of end-users with respect to prices and affordability, and the adequacy, reliability and quality of electricity services; and
- (f) to promote economic efficiency and sustainability in the generation, transmission, distribution and sale of electricity.

I note that the IRP does not specify whether the solar photovoltaic solution(s) employed to meet the stated goals is/are to be terrestrial or sea-based, one single installation or an aggregation of smaller installations; it merely notes that 15 MW of solar should be procured by 2023. With the emerging market in floating solar PV, it is short-sighted to exclude it as a possibility in the upcoming procurement. The RA should also be aware that no green-field sites will be approved for use as solar farms in future; it is also this Ministry's mandate to safeguard the green and open spaces that remain in Bermuda. With this as a limiting factor, the available land for large solar PV installations is greatly diminished. A single site for 15 MW of solar PV is likely to be about 60 acres, which is nearly unavailable in all of terrestrial Bermuda. Therefore, floating solar may in fact prove to be the best viable option for solar energy to meet the goals of the IRP.

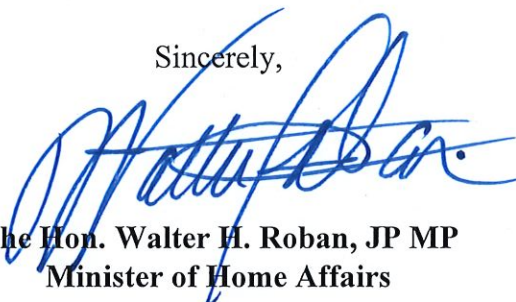
I thus direct the Authority in designing the procurement process for the IRP to consider the purposed in the following order of priority:

1. Section 6(e) (except that where there is a conflict with (a), (a) is considered first)
2. Section 6(a)
3. Section (c)
4. Section (d)
5. Section (f)
6. Section (b)

To be clear, apart from ensuring that the lowest feasible price for solar PV is achieved in the capacity required in the IRP, the mandate must be to promote clean energy, which should include emerging technologies so long as they are proven elsewhere, which floating solar is. I therefore expect that the search for viable technologies in the procurement process is sufficiently broad to allow the fullest range of possibilities in meeting the IRP.

Please note that this Direction in no way obviates any of the other regulatory processes established around the procurement of assets to meet the goals of the IRP.

Sincerely,



The Hon. Walter H. Roban, JP MP
Minister of Home Affairs