



# FY2019 ACTIVITY REPORT

JANUARY, 2020

The purpose of this document is to report on the progress of activities of the Regulatory Authority of Bermuda (“the RA”) for the electricity and electronic communications sectors, for the fiscal year 2019/20.

**THEY ARE:**

- To promote and protect the interests of consumers;
- To promote and facilitate sustainable competition; and
- To facilitate Innovation and Investment.

**Note:**

*This report is divided into the external and internal activities of the RA and does not include financial information.*

## EXTERNAL ACTIVITIES

### 1. ELECTRICITY SECTOR (E)

To promote and preserve innovation and competition, the following new methodologies were added to the regulatory framework of the electricity sector:

INITIATIVE	STATUS
Create a new <b>FEED-IN TARIFF</b> for the Transmission Distribution and Retail licensee's purchase of power from distributed generators.	✓ <b>COMPLETED</b>
Complete the analysis and launch Bermuda's first <b>INTEGRATED RESOURCE PLAN</b> to address the Island's energy needs for the next twenty years.	✓ <b>COMPLETED</b> <b>Next Steps:</b> PROCUREMENT GUIDELINES → COMPLETION DATE: FYQ1,2020/21 SOLAR PROCUREMENT → COMPLETION DATE: FYQ1,2020/21
<b>UTILITY SCALE SOLAR PV FARM:</b> The RA received the first application for the generation of bulk commercial solar energy at the Airport Finger.	Application under review → COMPLETION DATE: FYQ1,2020/21
<b>ACCOUNTING SEPARATION:</b> Implement regulatory accounting standards to better govern the vertically integrated electricity utility holding licences for Bulk Generation and Transmission, Distribution & Retail	✓ <b>COMPLETED</b>
<b>RETAIL TARIFF REVIEW:</b> Identify the costs of electricity generation, transmission, distribution and retailing services by BELCO and set in the new consumer electricity rates.	✓ <b>COMPLETED</b>
<b>SECTORAL REVIEW:</b> A review of the legislation, regulations, licensing and performance of all aspects of the electricity sector.	In the public consultation process → COMPLETION DATE: FYQ1,2020/21
<b>SERVICE (PERFORMANCE) STANDARDS:</b> Drafted standards for reliability, power quality and customer service.	✓ <b>COMPLETED</b>
<b>FUEL ADJUSTMENT RATE:</b> Implement new Fuel Adjustment Rate methodology.	→ COMPLETION DATE: FYQ4, 2019/20
<b>GRID CODE:</b> Designed to govern the technical aspects relating to connections to, and the operation and use of the public utility's electricity transmission system to ensure safe, secure and economic functioning of the electric system.	In progress. → COMPLETION DATE: FYQ4, 2019/20

## EXTERNAL ACTIVITIES

### 2. ELECTRONIC COMMUNICATIONS SECTOR (EC)

To protect the interests of consumers, and promote and preserve competition in the electronic communications sector, the RA revised and implemented the following to the EC regulatory framework:

INITIATIVE	STATUS
<p><b>COMMUNICATION OPERATING LICENCES (COL'S) AND INTEGRATED COMMUNICATION OPERATING LICENCES (ICOL'S).</b> To promote competition in the EC sector, the RA recommended to the Minister to lift the moratorium and allow new COL and ICOL applications. Following the Minister lifting the moratorium, the RA created a new licencing regime to enable the licencing of new providers.</p>	<p>✓ <b>COMPLETED</b> New licencing regime to accept new applications effective January 27, 2020</p>
<p><b>MARKET REVIEW:</b> Assess the electronic communications market and determine whether significant market power exists and propose remedies to promote competition in the interest of Bermuda's consumers and residents.</p>	<p>Drafting final report → <b>COMPLETION DATE: FYQ4, 2019/20</b></p>
<p>Develop <b>'THE PRINCIPLES OF CONSUMER PROTECTION'</b>: Guidelines for stakeholders in the electronic communications and electricity sectors to protect consumers' interests, promote the delivery of high-quality services and products and encourage best practices.</p>	<p>New Preliminary Report issued for public consultation to incorporate significant additions. → <b>COMPLETION DATE: FYQ4, 2019/20</b></p>
<p><b>DATA ROAMING:</b> Integrated advertising campaign to increase consumer awareness of ways to better manage their mobile costs when travelling.</p>	<p>✓ <b>COMPLETED</b> To be relaunched on a semi-annually basis</p>
<p>New <b>SPECTRUM ALLOCATION</b> – Develop procedures, application forms and licences for spectrum assignment for COL/ICOL and Special Permit Holders.</p>	<p>In consultation process → <b>COMPLETION DATE: FYQ1, 2020/21</b></p>
<p><b>OPEN INTERNET:</b> Designed campaign to educate the public about Open Internet and invite feedback.</p>	<p>In consultation process → <b>COMPLETION DATE: FYQ4, 2019/20</b></p>
<p><b>QUALITY OF SERVICE:</b> Monitor download speed vs advertised plans of all EC service providers to ensure consumers receive consistent and contracted speed.</p>	<p><b>ONGOING</b></p>

## EXTERNAL ACTIVITIES

### 3. CONSUMER ADVOCACY

To promote and protect the interests of consumers and measure the perspective views of the organizational performance of sectoral providers, the RA has implemented the following initiatives:

INITIATIVE	STATUS
<p>Establish a dedicated <b>Consumer Advocate</b> position within the RA to support and manage the end-to-end consumer complaint process to resolution.</p>	<p>✓ <b>COMPLETED</b></p>
<p>Develop the <b>Principles of Consumer Protection</b> (“Consumer Protection”), which are guidelines for stakeholders in the electricity (E) and electronic communications (EC) sectors; to protect consumers’ interests, promote the delivery of high-quality services and products and encourage best practices.</p>	<p>An additional round of public consultation will be launched to incorporate the following key addition:</p> <ul style="list-style-type: none"> <li>• <b>Automatic compensation</b> to consumers from their sectoral providers for delayed repairs following a loss of service, missed repairs or provision appointments and delays to the start of a new service.</li> </ul> <p>➔ <b>COMPLETION DATE: FYQ4, 2019/20</b></p>
<p><b>Tracking and reporting</b> on the trends of consumer complaints for sectoral providers in the Electronic Communications and Electricity sectors.</p>	<p><b>ONGOING:</b> See the RA’s first CONSUMER COMPLAINT REPORT</p>
<p><b>Consumer Protection Awareness Campaign:</b> Develop and launch an integrated awareness campaign to inform consumers of their rights and responsibilities in both the electronic communications and electricity sectors.</p>	<p>To launch in FYQ1, 2020/21</p>

# EXTERNAL ACTIVITIES

## 4. AD HOC PROJECTS

INITIATIVE	STATUS
<b>E-911:</b> The RA will assist the Bermuda Police Service to deliver faster EMO services (with appropriate protections for privacy).	To start in FYQ4, 2019/20
<b>UNIVERSAL SERVICE OBLIGATION (“USO”):</b> Supporting Government, the RA will develop the framework for phase one of a USO for public schools in Bermuda.	In progress → COMPLETION DATE: FYQ4, 2019/20
<b>SUBMARINE CABLES:</b> The RA will contribute to the development of a framework to regulate submarine fiber optic cables terminating and/or transiting through Bermuda.	→ COMPLETION DATE: FYQ4, 2019/20

## INTERNAL INITIATIVES

### 1. RA INFRASTRUCTURE

As the regulatory activities that the RA pursue are specialised and complex, it is important that the it builds and maintains an appropriate resource and staff base. This includes a focus on ongoing development, training and succession planning through the following initiatives:

INITIATIVE	STATUS
<b>RESTRUCTURED TEAM:</b> Restructure the RA staff in order to build capacity and streamline processes	✓ <b>COMPLETED</b>
<b>RA INTRANET:</b> Develop an RA intranet to enhance communications increase efficiencies and employee engagement	→ <b>COMPLETION DATE: Q4FY, 2019-20</b>
<b>BRANDING:</b> To further distinguish itself from other “Authorities” in Bermuda, the Regulatory Authority of Bermuda, the Authority or RAB was rebranded to “the RA” across all internal and external touchpoints	→ <b>COMPLETION DATE: Q4FY, 2019/20</b>

### 2. KNOWLEDGE TRANSFER

As part of the consultation contract, knowledge and skills from consultants are transferred to the appropriate RA staff per project via in-house training in areas such as: the Market Review, Integrated Resource Plan, and Retail Tariff.

## INTERNAL INITIATIVES

### 3. RECRUITMENT & TRAINING

The RA remains committed to training its staff, which is vital to its ability to fulfill its duties. The RA has provided both local and overseas training opportunities to ensure that performance and organizational goals are in strategic alignment to meet its legislative responsibilities and Work Plan objectives:

INITIATIVE	STATUS
The appointment of a new Chief Executive	✓ <b>COMPLETED</b>
To reduce dependency and the expense of consultants, the RA has replaced some consultants with in-house resources	✓ <b>COMPLETED</b>
Staff attended the following industry and regulatory forums to gain training and insight into global best practices: <ul style="list-style-type: none"><li>• Legislative Draft &amp; Regulatory Affairs training</li><li>• Utility Regulation via Public Utility Research Center</li><li>• Ken Blanchard-Situational II Leadership Training</li><li>• Quick Books Training</li><li>• Human Resources Training</li><li>• Public Relations Global Best Practice Training</li><li>• Communications Policy &amp; Regulation/IIC Conference</li><li>• IPU Regulatory Studies Program/Universal Service</li><li>• Integrated Resource Planning Training</li><li>• America's Spectrum Management Conference</li></ul>	✓ <b>COMPLETED</b>