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PLEASE QUOTE OUR REF.

Our Ref: B-R31

POSTED ON WWW.RAB.BM

29 May 2017

Regulatory Authority
1st Floor, Craig Appin House
8 Wesley Street
Hamilton HM 11

Attention: Nigel Burgess, Senior Manager Electricity Analysis and Planning

Dear Sirs:

Re: Response to Consultation Document: Comments on Bulk Generation Electricity Licence – Renewable Energy for Bermuda

This letter provides the response of Bermuda Electric Light Company Limited (“BELCO”) to the consultation document entitled, “Consultation: Development of the Bulk Generation Electricity Licence for Renewable Energy for Bermuda” and dated 8 May 2017 (the “Consultation Document”). The questions posed in the Consultation Document are addressed in turn, but BELCO reserves all rights and remedies available to it, now and in the future, to provide additional and/or complementary submissions in relation to the subject matters contained herein and/or otherwise to modify and amend its position as set out herein.

- 47. Interested parties are invited to comment on the structure of the proposed license, in particular in relation to the following questions.**
- **Are there any provisions in the Bulk Generation Licence – Renewable Energy which you think ought to be modified? Please include any reasoning and evidence in your answers.**

It is unclear why the Regulatory Authority (the “Authority”) contemplates a different licence for renewable bulk generation licensees from those intended to be granted to non-renewable bulk generation licensees. This public consultation exercise has unnecessarily required devotion of Authority and stakeholder resources that could best be directed elsewhere. The draft renewable bulk generation licence attached to the Consultation Document is substantially the same as the draft non-renewable bulk generation licence included in the consultation document entitled, “Development of the Bulk Generation Electricity License for Bermuda” (the “Non-Renewable Bulk Consultation Document”).

In BELCO’s view, there should be one bulk generation licence template for renewable and non-renewable resources. Any required distinctions should be reflected in the relevant power purchase agreement.

The above having been said, with respect to this question, BELCO repeats here all comments made in BELCO’s response to the Non-Renewable Bulk Consultation Document bearing our reference B-R30 (the “Non-Renewable Bulk Consultation Response”).

- **Are there any Conditions that should be added that are not currently included? Please include any reasoning and evidence in your answers.**

Again, BELCO disagrees that it is necessary to provide renewable bulk generation licensees with a different licence from the one granted to non-renewable bulk generation licensees.

In any event, with respect to the draft licence included within the Consultation Document (the “Draft Licence”), BELCO repeats the comments it made in the Non-Renewable Bulk Consultation Response respecting the suggested modifications to the draft non-renewable bulk generation licence included in the Non-Renewable Bulk Consultation Document (the “Draft Non-Renewable Bulk Licence”).

In addition, BELCO notes that Condition 21.2 included in the Draft Non-Renewable Bulk Licence has been omitted from the Draft Licence. It is suggested that the same be included in the Draft Licence so as not to introduce discriminatory treatment as between BELCO and a renewable generation licensee with a similar corporate structure to BELCO’s (which is prohibited under the EA).

- **What obligations, performance standards, or incentives (financial or otherwise) should be included in the PPA between the Bulk Generation Licensee and TD&R Licensee?**

BELCO repeats here the comments it provided in the Non-Renewable Bulk Consultation Response with respect to the same question.

- 48. Interested parties are invited to raise any matters not addressed herein that the Authority should consider in developing the electricity licenses.**

BELCO repeats here the comments it provided in the Non-Renewable Bulk Consultation Response with respect to the same question.

BELCO looks forward to the publication of a general determination in connection with this public consultation in short order.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Sean Durfy', is centered on a light gray rectangular background.

Sean Durfy
President and Chief Executive Officer