



FAIR TRADING COMMISSION

BARBADOS

NO.: FTCUR/ORDFIT1-10MW/2022-14

FAIR TRADING COMMISSION

IN THE MATTER of the Fair Trading Commission Act, Cap. 326B of the Laws of Barbados;

AND IN THE MATTER of the Utilities Regulation Act, Cap. 282 of the Laws of Barbados;

AND IN THE MATTER of the Utilities Regulation (Procedural) Rules, 2003 and the Utilities Regulation (Procedural) (Amendment) Rules, 2009;

AND IN THE MATTER of the Electric Light & Power Act, 2013-21;

AND IN THE MATTER of the Decision of the Fair Trading Commission dated December 30, 2022 on Feed in Tariffs for Renewable Energy Technologies above 1MW and up to 10 MW

BEFORE:

Mrs. Tammy Bryan
Mr. John Griffith
Dr. Ankie Scott-Joseph
Mr. Samuel Wallerson

Chairman
Commissioner
Commissioner
Commissioner

ORDER

WHEREAS the Government of Barbados in the Barbados National Energy Policy 2019- 2030 (the “BNEP”) has outlined a roadmap for transitioning the country from a fossil fuel dependent nation to one that is 100% renewable energy (RE) based and carbon neutral;

AND WHEREAS the Fair Trading Commission (the “Commission”) has undertaken to determine a pricing framework for RE technologies for installations sized above 1MW and up to 10 MW pursuant to its powers under Section 4(3) (a) of the Fair Trading Commission Act, Cap. 326B and Section 24B (1) of the Utilities Regulation Act, Cap. 282 of the Laws of Barbados;

AND WHEREAS in recognition of the issues that have been considered and determined throughout the Commission’s public consultation on Feed-in-Tariffs (FITs) for renewable energy sources;

AND UPON READING AND CONSIDERING the respective written submissions of the following parties in response to the Commission’s public consultation: The Barbados Light and Power Company Ltd (the “BLPC”), the Barbados Renewable Energy Association, Blackstone Megawatt Energy, Haymans Solar Inc., Pavana Energy Ltd., Williams Caribbean Capital and Williams Solar;

AND UPON CONSIDERING the Commission’s consultation with local financial and insurance institutions, and the Commission’s own research.

IT IS HEREBY ORDERED THAT:-

- I. The dates of the commencement and termination of the FIT programme shall be January 1, 2023 and December 31, 2023, respectively. All applicable technology project categories, rates, and assigned capacity for systems sized above 1 MW and up to 5 MW as set out in paragraph IV, shall remain in**

place for a full 12 months of the programme. A review of this segment of the programme shall be undertaken at least 3 months before the expected termination date or when the allocated capacity of 40 MW is exhausted. For RE technologies over 5 MW and up to 10 MW in size, the rates, terms and conditions for this segment of the programme shall remain in place for seven (7) months from January 1, 2023 and conclude on July 31, 2023 or until a competitive procurement framework is established.

- II. All terms for FITs procured under the Commission’s Decision shall remain constant for the duration of the 20-year contract.
- III. The FIT determined for the technology classes were derived via the LCOE methodology and utilised the multi-criteria approach expressed in the BNEP document. Rates are differentiated by technology and size and shall be based on a fixed 20-year term with no front-loading. These details are captured in the Table following.

FIT Policy Design

FIT Policy Element	RE Systems above 1 MW up to and including 10 MW
Proposed Effective Date	January 1, 2023
Rate: Fixed, Tiered or Variable Options	Fixed
Rate: Differentiated by Technology & Size	Yes
Tariff Duration	20 years
Administratively-Determined or Competitively-Bid	Administratively-Determined
Presumed Off-taker	BLPC
Quantity Covered by FIT	100% of output

IV. The applicable categories, rates and capacity allocation shall be as outlined below:

FITs By Technology and Size Category

Technology, Size Category	January 1, 2023 - December 31, 2023 FIT (BDS cents/kWh)	January 1, 2023 - December 31, 2023 FIT (BDS cents/kWh) All location (MW)
Solar PV, above 1 MW and up to 5 MW	26.75	
Land-based Wind, above 1 MW and up to 5 MW	26.25	
Solar PV, above 5 MW and up to 10 MW	25.25	
Land-based Wind, above 5 MW and up to 10 MW	24.25	
Total Allocation		40

- V. References to capacity in the Commission’s Decision means alternating current - AC. Where allocated capacity for any technology category remains unutilised, said capacity shall be transferred from one technology to the other, where applicable.
- VI. The revenue metering configuration shall be applied in accordance with established prudent industry practice. The billing arrangement adopted shall be applied according to the specificity of the project. Where it is practical to utilise either “Buy all/Sell all” or “Sale of Excess” billing modalities, the appropriate option shall be adopted.
- VII. RE procured under this programme shall be purchased at the rates determined herein and shall apply to the applicable FIT agreement.
- VIII. All future and existing RE generators connecting to the 24.9 KV transmission system shall pay the full interconnection cost estimated in the FIT and the cost incurred pursuant to the interconnection agreement.

- IX. Interconnection costs outside of the cost covered in the FIT shall be shared between the IPP and BLPC according to the ratio of 25%/75% of this cost. This cost includes the cost of the substation, switchgear, cabling, and poles required to interconnect the project. Where a substation facilitates the interconnection of an additional RE generator, the IPP is required to contribute 25% of the cost associated with that interconnection.

- X. All prudent costs of interconnection of transmission RE equipment incurred by the BLPC shall be recovered through an approved appropriate recovery mechanism.

- XI. At the end of the 20-year FIT contract period, a new contract will need to be negotiated based on the existing value of the assets, the avoided cost of fuel or such other factors as may be determined by the Commission, in its sole discretion, at that time.

Dated this 31st day of December, 2022

Original signed by

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 Tammy Bryan
 Chairman

Original signed by

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 John Griffith
 Commissioner

Original signed by

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 Ankie Scott-Joseph
 Commissioner

Original signed by

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 Samuel Wallerson
 Commissioner