



FAIR TRADING COMMISSION

BARBADOS

No. FTC-01/2024 BLPC-FCA-20240129

IN THE MATTER of the Utilities Regulation Act, Cap. 282 and the Fair Trading Commission Act CAP. 326B 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 Application by the Barbados Light & Power Company Limited (the Applicant) for the recovery of rental and operating costs of 11MW of temporary Aggreko generator units through the fuel clause adjustment.

BEFORE:

Dr. Donley Carrington

Hearing Chairman

Mr. Jerry Franklin

Commissioner

Ms. Jennivieve Maynard

Commissioner

Dr. Ankie Scott-Joseph

Commissioner

ORDER

UPON READING the Application filed by the Barbados Light & Power Company Limited ('BLPC') on January 29th, 2024, for the recovery of rental and operating costs of 11MW of temporary Aggreko generator units through the fuel clause adjustment pursuant to Rule 26 of the Utilities Regulation (Procedural) Rules, 2003, S.I. 2003 No. 104;

AND UPON READING AND CONSIDERING the written submissions of the Applicant; the Intervenors - The Barbados Renewable Energy Association; Mr. Kenneth Went; Ms. Tricia Watson and Mr. David Simpson jointly; Barbados Consumer Empowerment Network;

AND UPON CONSIDERING the Commission's own research.

IT IS HEREBY ORDERED that:

- A. The rental of the Aggreko units, 11 MW in capacity, is approved for a period of at least twelve (12) consecutive months from the actual COD of the units. The possibility of approval for a further twelve (12) months may be granted where the Commission is satisfied that market conditions sufficiently warrant the need for the additional capacity at that time.**

In such circumstances, the BLPC will be required to formally inform the Commission of the need for the extension of approval, and any revised contractual details no later than four (4) months prior to the expiration of the approved twelve (12) months.

Costs associated with the rental of the 11 MW capacity is approved for recovery via the FCA and shall commence one (1) month from the date of this Decision for the approved period.

- B. The FCA formula shall be:**

$$FCA_n = \frac{\sum_{n-1} (FuelCost_{n-1} \frac{THR_{n-1}^i}{AHR_{n-1}^i} + PurchasedPowerCost_{n-1} + TemporaryGenerationRecovery_{n-1})}{\sum_i EnergyGeneration_{n-1} * (1 - Aux_{n-1}^i) * (1 - losses_{n-1}^i) + \sum_j Purchased Power Generation_{n-1}}$$

Where:

TemporaryGenerationRecovery_{n-1} = Aggreko rental and operating costs recovery in previous month

And where:

FCA_n =	FCA for each (current) month
Energy Generation_{n-1} =	Energy generated in the month n-1
Aux_{n-1} =	Auxiliary consumption as a percentage (%) of total generation in the month n-1
Losses =	System losses as a percentage (%) of total generation calculated based on a 12-month running average
Fuel cost_{n-1} =	Fuel cost in the month n-1 including cumulative under/over recovery
Purchase Power_{n-1} =	Cost of Purchase power from renewable sources in the month n-1
Purchase Power Generation_{n-1} =	Purchase power from renewable sources in the month n-1
i =	Thermal Generation plant/unit
BD\$/kWh =	Barbados dollars per kilowatt hour
j =	Purchased Power Generation
AHR_{n-1}ⁱ =	Actual Heat Rate for generation plant/unit i, for month n-1
THR_{n-1}ⁱ =	Target Heat Rate for generation plant/unit i, for month n-1

- C. Costs to be recovered shall be contingent on the BLPC's ability to demonstrate that the 11 MW Aggreko units are utilised and dispatched according to demand, taking into account the impact of fuel prices and fuel efficiency of all plant, thereby providing service to customers in the most cost effective manner;
- D. Where the utilisation of the 11 MW of capacity is found to be imprudent, that is, not being used and useful during the period of its

operation, the quantum of costs recovered shall be reconciled and returned to customers;

- E. The BLPC is not allowed to recover the non-recurring costs past twelve (12) months, if the asset is kept past that duration;
- F. If the asset is kept for a period shorter than the twelve (12) months, the outstanding balance of the non-recurring cost be spread over the remaining balance of the twelve (12) months so that the impact on the consumer is mitigated; and
- G. The BLPC shall include in its quarterly regulatory reporting, monthly information on the following:
 - i. Rated and dependable capacity (MW-AC) for all generation plant and units;
 - ii. Total aggregate output capacity (MW-AC) of each generator;
 - iii. Forced outage hours for all generation plant and units;
 - iv. Planned outage hours for all generation plant and units;
 - v. Effective Forced Outage Rates for all generation plant and units;
 - vi. The peak load (MW-AC) for each month, time of occurrence, and temperature;
 - vii. Generation duration curve (kWh and MW-AC) for each month at peak time;
 - viii. The availability factor for all generating plants and units;
 - ix. Details and status of planned and unplanned generation maintenance activities. The report shall include time and dates of actual activities completed and pending, and account for forced outages; and
 - x. Generation reliability for each plant and unit.

The above shall be submitted no later than one (1) month after the end of each quarter of the calendar year;

- H. The BLPC shall provide the Loss of Load Expectation (LOLE), Expected Unserved Energy (EUE) and Planning Reserve Margin (PRM) determination, based on market conditions and the forecasted hourly peak load for the prior twenty-four (24) months from December 2023. The PRM shall be deduced from the LOLE computation.

The LOLE, EUE and PRM obtained shall then be recalibrated for the next thirty-eight (38) months to determine forward-looking values. The computation shall consider RE/storage projects that are expected to be commissioned within thirty-eight (38) months of the COD of the Aggreko units. The requested information shall be submitted to the Commission no later than six (6) months after the end of the approved twelve (12) month period. Thereafter, the LOLE information shall be submitted biannually;

- I. Maintenance reports for all generating plant/units shall be submitted to the Commission on an annual basis and no later than one (1) month after the end of the calendar year;

In addition:

- J. The Commission will conduct an investigation with respect to unit GT04 being out of commission (OC) unexpectedly. This shall be executed immediately; and
- K. The Commission reserves the right to conduct audits at any time as it relates to the operation and management of any and all components of the power system.

Dated this 29th day of October, 2024.

Original signed by

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Dr. Donley Carrington
Hearing Chairman

Original signed by

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Jerry Franklin
Commissioner

Original signed by

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Jennivieve Maynard
Commissioner

Original signed by

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Dr. Ankie Scott-Joseph
Commissioner