



## FAIR TRADING COMMISSION

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BARBADOS

No. FTC-02/2023 BLPC-CETR-CR-20231004

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 Decision of the Fair Trading Commission on the Barbados Light & Power Company Limited Application to Establish a Clean Energy Transition Rider as a Cost Recovery Mechanism, dated and issued on May 31, 2023 under Document No. FTCUR/DECCETR/BLPC/2023-02 ('CETR DECISION');

AND IN THE MATTER of the Application by the Barbados Light & Power Company Limited (the Applicant) for approval to acquire capacity and transmission and distribution resources and to allow the recovery of cost through the Clean Energy Transition Rider (CETR) mechanism.

**BEFORE:**

Dr. Donley Carrington  
Dr. Ankie Scott-Joseph  
Ms. Ruan Martinez  
Mr. John Griffith  
Mr. Samuel Wallerson

Hearing Chairman  
Commissioner  
Commissioner  
Commissioner  
Commissioner

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### ORDER

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**UPON READING** the Application filed by the Barbados Light & Power Company Limited ('BLPC') on October 5<sup>th</sup>, 2023, for preapproval of investments and cost recovery through the Clean Energy Transition Rider ('CETR') pursuant to Rule 26 of the Utilities Regulation (Procedural) Rules, 2003, S.I. 2003 No. 104, and to the Decision of the Commission dated May 31, 2023, on the BLPC's Application to establish a CETR as a cost recovery mechanism;

**AND UPON READING AND CONSIDERING** the written submissions of the Applicant; the Intervenors - Mr. Kenneth Went; The Barbados Renewable Energy Association; Ms. Tricia Watson and Mr. David Simpson jointly; Mr. John Hall; Barbados Association of Retired Persons, and Mr. Walter Maloney - both represented by the Office of Public Counsel;

**AND UPON CONSIDERING** the Commission's own research.

**IT IS HEREBY ORDERED that:**

**A. 90 MW OF BATTERY ENERGY STORAGE SYSTEMS (BESS)**

- (1) The recovery of CAPEX associated with the total 15 MW (1 × 10 MW and 5 × 1 MW) BESS earmarked to be commissioned in 2024 is approved. The remainder is not approved.**
- (2) The BLPC shall be required to provide the following information to the Commission:**
  - a) The total estimated installed costs for the 15 MW BESS based on the accepted costs from the selected vendor no later than one (1) month after accepting said costs;**
  - b) The actual CAPEX of each asset, no later than one (1) month after commissioning of the total BESS capacity that is earmarked for the calendar year;**

- c) **Copies of all invoices in relation to the actual CAPEX of an asset justifying the costs actually incurred in deploying each BESS asset that is scheduled for a calendar year shall be submitted to the Commission no later than one (1) month after commissioning of the total BESS capacity that is earmarked for the calendar year. Copies of invoices shall be cross-referenced with the details of actual purchases and signed by the BLPC's Managing Director or the Finance Director as to the correctness of the details contained therein;**
- d) **For each BESS, a single line connection diagram, a copy of the OEM operations manual, specification document, and OEM warranty sheet no later than one (1) month after commissioning of the total BESS capacity scheduled for the calendar year;**
- e) **A copy of the pre and post commissioning report for the BESS assets no later than one (1) month after commissioning;**
- f) **A unique identifier for each BESS asset based on its location and include in its quarterly regulatory reporting, monthly information on:**
  - i. **Details of, and actual operation and maintenance costs for each BESS;**
  - ii. **Minimum state of charge;**
  - iii. **Energy Charged (kWh-AC);**
  - iv. **Energy Discharged (kWh-AC);**
  - v. **Reactive Power absorbed (KVAR -AC);**
  - vi. **Reactive Power delivered (KVAR-AC);**
  - vii. **Reactive Power absorbed (KVARh -AC);**
  - viii. **Reactive Power delivered (KVARh-AC; and**
  - ix. **Round Trip Efficiency (%).**

**This information shall be submitted to the Commission no later than one (1) month after the end of the quarter;**

- g) Information for each BESS on the following:**
  - i. Maximum Energy Capacity (kWh-AC measured);**
  - ii. Maximum Power Capacity (kW -AC measured);**
  - iii. State of Health (%);**
  - iv. Capacity Ratio (%);**
  - v. System Efficiency (%); and**
  - vi. Cycle Life.**

**BLPC shall include this information in its annual regulatory reporting no later than one (1) month after the end of calendar year;**

- h) A maintenance programme for the BESS assets based on the OEM's guidelines, industry best practice, and the operating environment, for approval of the Commission, no later than three (3) months prior to the commissioning of the BESS;**
  - i) Ad-hoc reports for exigency events no later than seven (7) working days of occurrence of the event; and**
  - j) Ad-hoc reports for the assets can be requested from time to time by the Commission and the same shall be provided to the Commission no later than seven (7) working days after the receipt of such a request.**
- (3) The BLPC can commence recovery of the actual CAPEX and associated costs for the BESS assets as determined by the Commission, six (6) months after commissioning.**

**B. AUTOMATIC GENERATION CONTROL (AGC) SYSTEMS**

- (1) The recovery of CAPEX and associated costs for the proposed AGC system is approved.**
- (2) The BLPC shall be required to provide the following information to the Commission:**
  - a) The total estimated installed costs for the AGC system based on the accepted costs from the selected vendor no later than one (1) month after accepting said costs;**
  - b) Actual CAPEX for the AGC system no later than one (1) month after its commissioning for the calendar year;**
  - c) Copies of all invoices in relation to the actual CAPEX of an asset justifying the costs actually incurred in deploying the AGC system that is scheduled for the calendar year shall be submitted to the Commission no later than one (1) month after commissioning of the full AGC system that is earmarked for the calendar year. Copies of invoices shall be cross-referenced with the details of actual purchases and signed by the BLPC's Managing Director or the Finance Director as to the correctness of the details contained therein;**
  - d) A copy of the OEM operations manual, specification document, and OEM warranty sheet for the AGC system no later than one (1) month after its commissioning;**
  - e) A copy of the pre and post commissioning report for the AGC system no later than one (1) month after commissioning;**
  - f) A performance report for the first six (6) months of operation of the AGC system. The report shall be submitted to the Commission one (1) month after commissioning;**

- g) A maintenance regime for the AGC system in accordance with the OEM's guidelines, industry best practice, and the operating environment and submit for the approval of the Commission, no later than two (2) months after the commissioning of the AGC system;
  - h) Details of the operating and maintenance costs for the AGC system for each month, in its quarterly reporting no later than one (1) month after the end of the quarter;
  - i) Maintenance and operating reports for the AGC system on an annual basis no later than one (1) month after the end of the calendar year;
  - j) Ad-hoc reports for exigency events no later than seven (7) working days after the occurrence of the event; and
  - k) Ad-hoc reports for the assets can be requested from time to time by the Commission and the same shall be provided to the Commission no later than seven (7) working days after the receipt of such a request.
- (3) The BLPC can commence recovery of the actual CAPEX and associated costs for the AGC system, six (6) months after commissioning.

**C. FOUR (4) SYNCHRONOUS CONDENSERS (SCO)**

Recovery of costs for the proposed investment for the SCOs is not approved.

**D. DISTRIBUTED ENERGY RESOURCES AGGREGATION AND CONTROL PLATFORM ("THE PILOT")**

(1) The recovery of CAPEX and associated costs for the proposed pilot is approved.

**(2) The BLPC shall be required to provide the following information to the Commission:**

- a) The total estimated installed cost for the pilot based on the accepted costs from the selected vendor no later than one (1) month after accepting said costs;**
- b) Actual CAPEX for the pilot no later than one (1) month after its commissioning for the calendar year;**
- c) Copies of all invoices in relation to the actual CAPEX of an asset justifying the costs actually incurred in deploying the pilot that is scheduled for the calendar year shall be submitted to the Commission no later than one (1) month after commissioning of the pilot that is earmarked for the calendar year. Copies of invoices shall be cross-referenced with the details of actual purchases and signed by the BLPC's Managing Director or the Finance Director as to the correctness of the details contained therein;**
- d) A copy of the OEM operations manual, specification document, and OEM warranty sheet for the pilot no later than one (1) month after its commissioning;**
- e) A copy of the pre and post commissioning report for the pilot, no later than one (1) month after commissioning;**
- f) A performance report for the first six (6) months of operation of the pilot. The report shall be submitted to the Commission no later than one (1) month after commissioning;**
- g) A maintenance regime for the pilot system in accordance with the OEM's guidelines, industry best practice, and the operating environment and submit for the approval of the Commission, no later than two (2) months after the commissioning of the pilot;**

- h) Maintenance reports to the Commission on an annual basis, no later than one (1) month after each anniversary of commissioning;
  - i) In its quarterly reporting, details of the operating and maintenance costs for the pilot, no later than one (1) month after the end of the quarter;
  - j) In its annual regulatory reporting, details of the operating and maintenance costs for the pilot on an annual basis no later than one (1) month after the end of the calendar year;
  - k) Ad-hoc reports for exigency events no later than seven (7) working days after the occurrence of the event; and
  - l) Ad-hoc reports for the assets can be requested from time to time by the Commission and the same shall be provided to the Commission no later than seven (7) working days after the receipt of such a request.
- (3) The BLPC can commence recovery of the actual CAPEX and associated costs for the pilot, six (6) months after commissioning.

**E. INTERCONNECTION INFRASTRUCTURE**

- (1) The recovery of costs associated with the Interconnection Infrastructure is approved.
- (2) The BLPC shall be required to provide the following information to the Commission:
  - a) The total estimated installed costs for the infrastructural upgrades based on the accepted costs from the selected vendors no later than one (1) month after accepting said costs;



- b) Actual CAPEX information for the infrastructural upgrades and a statement of works, no later than one (1) month after completion of the upgrade;**
- c) Copies of all invoices in relation to the actual CAPEX of an asset justifying the costs actually incurred in deploying the upgrades that is scheduled for the calendar year shall be submitted to the Commission no later than one (1) month after commissioning of the full upgrades that is earmarked for the calendar year. Copies of invoices shall be cross-referenced with the details of actual purchases and signed by the BLPC's Managing Director or the Finance Director as to the correctness of the details contained therein;**
- d) Schedules for network upgrades, demarcated by year, location, duration, commencement and completion on a quarterly basis. This information shall be submitted one (1) month following the end of the quarter;**
- e) A copy of a queue connection register for planned interconnections for each year, no later than one month (1) after issuance of this CETR Decision;**
- f) A list of RE projects scheduled for interconnection requests on a quarterly basis. This information shall be submitted no later than one (1) month after the end of the quarter;**
- g) A list of the status of RE interconnections on an annual basis, no later than one (1) month after the end of the calendar year;**
- h) The status of IPP negotiations on a bi-annual basis. This information is required no later than one (1) month following the end of the first half and second half of the calendar year; and**

- i) A copy of the final draft interconnection template agreement to the Commission no later than four (4) months after the issuance of the Commission's Decision.

F. FORMAT

Where appropriate the above information should be submitted in Excel Spreadsheet format with appropriate tabs.

G. CYBERSECURITY

The BLPC shall exercise industry best practice with regard to use, management, confidentiality, availability, and integrity of customer data in order to mitigate against cybersecurity threats and risk.

H. TRACKER FORMULA

The rider shall be calculated using the following equation:

$$CETR_n = \frac{\sum_1^j [(RC_j - D_j) * RoR_j + EDT_j]}{Sales} \quad \$/kWh$$

Where:

j refers to the asset commissioned

Sales = Electricity Sales (kWh)

RC<sub>j</sub> = Resource Costs of approved equipment for asset j

D<sub>j</sub> = Accumulated Depreciation for asset j

RoR<sub>j</sub> = Allowed Rate of Return for asset j

EDT<sub>j</sub> = Expenses (i.e. O&M, Depreciation & taxes) for asset j

I. MONITORING

(1) The utility is required to submit the regulatory reports on utility earnings inclusive of all utility costs on a quarterly basis to the Commission. The regulatory reports must include those costs that are proposed to be recovered through the rider, including costs associated to acquisition, construction, administration, operation, maintenance, any

other costs incurred and any further information which the Commission may request from time to time.

- (2) The Commission will monitor the quantum of costs allowed to pass through the CETR Mechanism on a quarterly basis. Where it is evident that the BLPC has over/under recovered, the Commission reserves the right to reconcile the indicative costs.
- (3) The Commission reserves the right to conduct audits on the performance of the BLPC and the use and usefulness of the assets approved pursuant to this Decision from time to time in the Commission's sole discretion. Where it is found that the BLPC's performance is unsatisfactory, the Commission shall take the appropriate actions to ensure compliance with this Decision.

Dated this 6<sup>th</sup> day of May 2024

*Original signed by*

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Donley Carrington  
Hearing Chairman

*Original signed by*

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John Griffith  
Commissioner

*Original signed by*

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Ruan Martinez  
Commissioner

*Original signed by*

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Ankie Scott-Joseph  
Commissioner

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Samuel Wallerson  
Commissioner