

# USAID Caribbean Clean Energy Program

Fostering growth in energy efficiency and renewable energy



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Marsha Atherley-Ikechi  
Director of Utility Regulation  
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Good Hope, Green Hill  
St. Michael  
Barbados  
BB12003

via email: mikechi@ftc.gov.bb



RE: USAID CARCEP Comments to Barbados FTC re draft PPA

Dear Ms. Atherley-Ikechi,

Thank you for providing the draft "Renewable Energy Supplier Agreement for Distributed Generators >500 kW between the Barbados Light & Power Company Limited ("BLP") and Renewable Energy Supplier ("RE Supplier",) (Revision 3 dated December 23, 2015). You have asked for any comments or observations that USAID CARCEP might offer as an extension of the USAID CARCEP technical assistance to the Barbados FTC. These comments are a direct follow-on to the two technical training workshops in the spring of 2017, in which the topic of regulator review of PPA was examined.

As a preliminary overview comment, we offer the observation that this PPA is a well-drafted, comprehensive document that reflects thoughtful and careful preparation by BLP, drawing upon recognized commercial practices of the commercial renewable energy generation sector. The draft history reflects that there have been three formal revisions on the original draft, reflecting an extensive history.

We have made several comments on the draft PPA, found in the redline of the law attached. Please note that the guiding principle of our review is whether the PPA terms are fair and balanced to all parties who will be directly and indirectly affected by the anticipated transactions. In particular the prices paid by the purchaser of power (here BLP) should be compatible with fair pricing to consumers supplied with power procured under the PPA. Similarly, the price paid to sellers of the power, typically an IPP, should be sufficient to enable the seller to finance the development and construction of their generation facilities and to earn a reasonable return on capital invested under efficient operation of the generation facilities.

Thank you for your consideration.

Elizabeth Butler  
Energy and Regulatory Governance Specialist  
USAID CARCEP

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ACCT	
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DATE	2018-05-07