

**Level 2
Tom Adams Financial Centre
Central Bank of Barbados
Church Village
Barbados**

April 16th, 2018

Mrs. Sandra Sealy
Chief Executive Officer
Fair Trading Commission
Good Hope
Green Hill
St. Michael
Barbados

**Re: BRE'S RESPONSE TO THE PUBLIC CONSULTATION NOTICE POWER
PURCHASE AGREEMENT FOR DISTRIBUTED GENERATORS**

Dear Mrs. Sandra Sealy,

Reference is made to the public notice on the Fair-Trading Commission's (FTC) website dated March 9th, 2018 regarding the "**PUBLIC CONSULTATION NOTICE POWER PURCHASE AGREEMENT FOR DISTRIBUTED GENERATORS**" which only recently appeared in the local press.

Because of the important nature of this Agreement for the future of renewable energy installations in Barbados and the achievement of the Government's goals for energy security and energy independence. The Barbados Renewable Energy Association (BREA) hosted an *Urgent Members Meeting* of its membership which comprises of over twenty (20) firms and various stakeholder groups operating in the sector on **Friday April 13th, 2018** to discuss the proposed document. The BREA membership has asked the Association, to request that the FTC extend the period of consultation for at least one month (preferably more) to give the Barbados Renewable Energy Association (BREA) and its membership the opportunity to:

- 1) Review the document in more detail.
- 2) To engage the Barbados Light and Power (BL&P) Company to obtain a better understanding on the need for certain provisions and to try to come to a solution that is in the interest of all concerned and, more importantly the country.

Based on the date of the document, it is our understanding that this was developed in 2016, at a time where there was very limited knowledge of some of these issues that are covered in the document and, as a result, the Association believes a very conservative approach was taken. Since that time, a number of developments have taken place in the sector, which will ultimately impact on the decision as to what approach should be taken today, including, but not limited to:

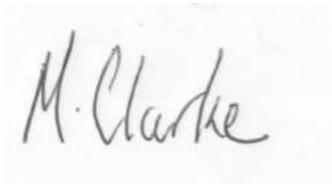
- 1) Government's recent approval and publication of the Barbados Energy Policy 2017-2037, which promotes the use of renewables for the future energy security and independence of Barbados. The current Power Purchase Agreement (PPA), in its current format, is not aligned with Government's recently approved Energy Policy and it is the concern of the Barbados Renewable Energy Association (BREA) that the document in its current format will impact and limits the sector ability in achieving much of the targets and objectives outlined in the National Energy Policy.
- 2) Furthermore, following the original conceptualization of the proposed PPA, the Barbados Light and Power (BL&P) Company has installed a 10 MW solar farm at Trent's, St. Lucy and now has approximately two (2) years of operating experience with a system of such size. The document in its current format does not take into consideration the BL&P current operating experience, technical expertise and knowledge in the operation of such systems.
- 3) Since 2016, the BL&P has done further research on the need for and identified suitable mitigating methods to address impacts of renewables on the grid and have recently completed the installation of an energy storage devices onto such systems. The proposed PPA does not take into consideration these new developments.
- 4) Since 2016, the BL&P has established a grid code with the technical requirements for interconnecting into the grid which also has implications for the viability of larger renewable systems. The proposed PPA does not recognize these new technical requirements and developments.
- 5) Following the proposal of the document under review several systems in excess of 150 kw up to 500 kW have been interconnected into the grid successfully and BL&P has over 6 months experience in their operation. The current document in its format does not take into account the operation of such systems within the country's current energy mix.
- 6) The Division of Energy commissioned and has in their possession "**The Electric Market Analysis Study**" submitted by Professor Olav Hohmeyer in September 2017 with recommendations for the structuring of market arrangements including tariffs to facilitate renewables. The Association, understands that this document is currently receiving the attention of the Cabinet of Barbados. Any proposed PPA should therefore be drafted and aligned to the work done by Professor Olav Hohmeyer failure to do so, may render any such document obsolete.

- 7) Further experience has been obtained with the operation of the Electric Light and Power Act (ELPA) and many have a better understanding of the pros and cons of the different provisions.
- 8) BL&P is aggressively promoting a 100% renewable energy strategy for Barbados and anything that unintendedly limits investment in these will undermine this effort. The current PPA in its format does not facilitate efforts towards greater levels of investment in renewables across the country.
- 9) Finally, the Barbados Sugar Industries Limited (BSIL) is actively investigating and testing a technology that they believe can provide a major boost to the agriculture industry and some believe may be one of the few hopes for the future of the industry. Imposing any conditions that may impact significantly on cost and/or confidence may derail these efforts. The Power Purchase Agreement in current format unintentionally does just that.

In light of the positions put-forward, by BREA we therefore look forward to the FTC's favourable consideration of our request.

Do feel free to contact the BREA Secretariat at telephone 622-2017 or email Ms. Meshia Clarke at email address meshia.clarke@brea.bb copied to Mr. Clyde Griffith at email address clyde.griffith@brea.bb if you have any queries or request any further information.

Yours Sincerely,

A handwritten signature in black ink that reads "M. Clarke". The signature is written in a cursive style and is centered within a light gray rectangular box.

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Meshia Clarke (Ms.)
Executive Director