

Commission issues Decision on Feed-in-Tariffs for RE

FAIR TRADING COMMISSION ISSUES DECISION ON FEED-IN-TARIFFS FOR RE TECHNOLOGIES UP TO AND INCLUDING 1 MW

On September 24, 2019, the Fair Trading Commission issued its Decision on Feed-in-Tariffs (FITs) for Renewable Energy (RE) Technologies up to and including 1 MW.

Following a public consultation on the matter in June 2019 and having engaged consultants to determine FITs applicable to RE technologies in Barbados, the Commission has established parameters for a FIT programme, which will begin on October 1, 2019.

The FITs are differentiated by size and technology – solar, land-based wind, anaerobic digestion (biogas) and solid biomass. These categories and their accompanying rates and capacity allocations will remain in effect for a 20-year period until December 31, 2021, or until the expiration of the capacity allotted to the FIT programme (32.7MW), whichever comes first. Thereafter, the FITs will be subject to review annually, with new rates announced three (3) months prior to the end of each period. Each time a review is conducted and new rates are established, these new rates will only apply to new entrants to the FIT programme. Existing customers will be bound to the rates outlined in their contracts for a 20-year period.

The FIT programme, which seeks to maximise local participation in RE and facilitate effective competition in the market, will allow Independent Power Producers (IPPs) to generate and sell electricity from RE sources to the Barbados Light & Power Company Limited (BL&P). In turn, the BL&P will purchase 100% of the RE generated from each RE facility for a period of 20 years from the facility’s commissioning date. The 20-year term was chosen as an incentive for developers and investors, as that duration attracts finance at least cost and provides long-term price stability.

The FIT programme also makes provision for community-shared RE projects. Persons who, individually, may not have adequate rooftop or ground space, or may not be able to get the necessary financing, may form a collective with neighbours or associates to create their own RE projects. This option is available to groups of at least 15 residential customer investors, with no single entity owning more than 50% of the project. Community-shared projects will benefit from more favourable rates.

The FIT will replace the Renewable Energy Rider (RER) programme and existing RER customers will be

“grandfathered”, i.e. customers will maintain their existing arrangements with BL&P for 20 years, with their systems’ commission date used as the start date. The pre-existing RER terms include the \$0.416/kWh rate for solar photovoltaic and \$0.315/kWh rate for wind.

The FIT programme was created with consideration for the objectives outlined in the Barbados National Energy Policy, specifically, attaining 100% RE generation by 2030. The FIT methodology was agreed to by stakeholders, which include the Ministry of Energy and Water Resources, the Barbados Renewable Energy Association and the BL&P. The FTC FIT Model 2019 was developed by consultants who based the Model on their experience in the development of a modelling tool for the United States’ National Renewable Energy Laboratory, an agency which specialises in renewable energy and energy efficiency research and development. The FTC FIT Model 2019 used Barbados-specific data almost exclusively in order to create a tool that is reflective of the Barbadian market.

To be eligible for the FIT programme, project developers must submit the relevant license application to the Ministry of Energy and Water Resources. Residential projects of less than 5kW and commercial projects of less than 25kW do not require licences. Licences shall be allocated on a first come first served basis.

Copies of the Decision and Order may be accessed [here](#) or obtained from the Fair Trading Commission, Good Hope, Green Hill, St. Michael, Monday to Friday, between 9:00 a.m. and 4:00 p.m.

September 24, 2019