

BARBADOS

THE FAIR TRADING COMMISSION

IN THE MATTER of the Utilities Regulation Act, Cap 282 of the Laws of Barbados;

IN THE MATTER of the Utilities Regulation (Procedural) Rules, 2003;

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 31 May, 2023 under Document # FTCUR/DECCETR/BLPC/2023-02

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

AFFIDAVIT OF ADRIAN CARTER

I ADRIAN CARTER, of #8 Diamond Corner, in the parish of St. Peter in this island, being duly sworn hereby **MAKE OATH** and say as follows:

1. I am the Manager of Regulatory Affairs at The Barbados Light & Power Company Limited (“the Applicant” or “the Company” or “the BLPC”), a company registered under the Companies Act, Chapter 308 of the Laws of Barbados with its registered office situate at Garrison Hill in the parish of St. Michael. I am duly authorized to depose to the facts and matters in this Affidavit and the statement of facts herein are within my personal knowledge unless otherwise stated.
2. The purpose of my Affidavit is to provide an overview of the Application by Barbados Light & Power Company Limited for approval to acquire capacity and transmission & distribution resources and to allow the recovery of their costs through the Clean Energy Transition Rider (CETR) mechanism.
3. The Government of Barbados (GoB) approved, through Parliament, the Barbados National Energy Policy 2019-2030 (BNEP) and its accompanying Implementation Plan. The BNEP outlines, among other matters, a policy to transition the generation of electricity to 100% RE by 2030.
4. The Ministry of Energy and Business Development (MEBD) developed an Integrated Resources and Resilience Plan (IRRP) in 2021 to guide the implementation of the BNEP as it relates to the electricity sector.
5. Further, in 2022, the MEBD published the Barbados Action Plan for the IRRP which outlined a roadmap to achieve the transition to RE given the acceptance of Scenario 3 within the IRRP.
6. The IRRP and roadmap recognized that the transition towards the 2030 targets will create challenges to the public grid, related to handling new patterns of power flow, accommodating the variable output of intermittent RE, and balancing a system that includes IPPs’ generation. The IRRP also identified investments needed to mitigate some of these challenges.
7. The BLPC has therefore identified capacity and transmission & distribution resources to form its first Clean Energy Transition Plan Project (“CETP Project 1”), that are consistent with the resources outlined in the IRRP.
8. The BLPC consider the resources included in the CETP Project 1 as preconditions to achieve the objectives of the Barbados National Energy Policy 2019-2030 (BNEP) and critical to maintaining the reliability of the national grid.

9. The BLPC requests the approval of the following capacity and transmission & distribution resources which form its 2024-2026 Clean Energy Transition Plan (CETP) Project ("CETP Project 1"):
 - a. 90 MW of Battery Energy Storage Systems;
 - b. Automatic Generation Control (AGC) systems;
 - c. Synchronous Condensers;
 - d. Distributed Energy Resources Aggregation & Control platform ("the pilot");
 - e. Interconnection infrastructures to facilitate the integration of Independent Power Producers (IPPs) onto the public grid.
10. The BLPC specifically seeks an Order that prudently incurred costs related to its CETP Project 1 are approved for recovery through the CETR mechanism; In that, the acquisition of the resources identified for its CETP Project 1 are preconditions to achieving the objectives of the Barbados National Energy Policy 2019-2030 (BNEP) to transition the generation of electricity to 100% RE by 2030 and are critical to maintaining the reliability of the national grid.
11. The BLPC seeks the approval of the Commission to apply an allowed rate of return consistent with the Commission's February 15, 2023 Decision on the Application by the BLPC for a Review of Electricity rates, adjusted for the cost of long-term debt that will be raised to finance the CETP Project 1 on investments estimated at \$684,893,405 in addition to net rate base and approval of the estimated total revenue requirement of \$131,265,611.
12. The Revenue Requirement is based on estimates available for equipment costs and the cost of debt at the time of filing the Application, and therefore will be subject to change. BLPC proposes to provide a report on the actual costs 60 days prior to the commercial operation date.
13. The BLPC recommends that the compliance filing include the actual Revenue Requirements to be used by the Commission to conduct its final cost review, and ultimately establish the Revenue Requirements for inclusion in the CETR rates.
14. A CETR rate of \$0.1386 per kWh is estimated to recover the revenue requirement associated with the CETP Project 1. The rate impact related to the

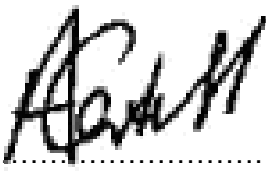
total investment for a typical residential customer on the Domestic Service tariff using 250 kilowatt-hours per is estimated as an increase of approximately \$41 or 21% on their monthly bill compared to current rates.

15. The BLPC proposes that the CETR rate related to CERP Project 1 investments be established or adjusted based on the date the investments go into service.

16. The BLPC submits that its CERP Project 1 investments do qualify for recovery through the CETR mechanism and aligns customer interest in a reliable and resilient electricity supply with the BNEP objectives to transition the generation of electricity to 100% RE by 2030.

SWORN TO by ADRIAN CARTER

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this 4th day of October 2023)

Before me:


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ATTORNEY-AT-LAW