

Regulations of Anguilla: /2013

Gazette Dated: , 2013

ELECTRICITY ACT (R.S.A. c. E35)

ELECTRICITY SUPPLY (AMENDMENT) REGULATIONS, 2013

Regulations made by the Governor under section 44 of the Electricity Act, R.S.A. c. E35.

Interpretation

1. In these Regulations, the “principal Regulation” means the Electricity Supply Regulations, R.R.A.E35-2.

Amendment to section 2

2. Section 1 of the principal Regulation is amended by inserting the following definition in the appropriate alphabetical order—

“Approved Renewable Energy Costs” are any of the following costs, if the Licensee complied with the Schedule ‘Rules for Renewable Energy’ in incurring them—

- (a) renewable power generation investments that are made by the Licensee, and operating and maintenance expenses, depreciation, and any taxes of those investments that are incurred by the Licensee;
- (b) utility scale renewable power purchase costs that are incurred by the Licensee, as a consequence of purchasing renewable power from third parties; and
- (c) distributed scale renewable power purchase costs that are incurred by the Licensee, as a consequence of purchasing renewable power from its consumers;”.

Insertion of Parts in Schedule 1

3. Schedule 1 is amended by inserting immediately—

- (a) after the description “PUBLIC SUPPLIER’S LICENCE” the following—

“PART 1
Parties to the Licence”;

- (b) before the word “WHEREAS” the following—

“PART 2
Terms of the Licence”;

- (c) after section 12.1 the following—

“PART 3
Rules for Renewable Energy”.

Amendment to section 4.4 of Schedule 1

4. Section 4.4 of Schedule 1 is amended by inserting immediately after the phrase “The Minister or the Arbitrator shall” the phrase “consider that Approved Renewable Energy Costs are reasonably incurred and”.

Insertion of Rules for Renewable Energy

5. Insert the following after section 12—

“13. Utility scale renewable energy generation

For the purpose of developing, procuring, or contracting new renewable energy generation capacity at utility scale, the Licensee is to take all of the following steps—

- (a) prepare a demand forecast, which identifies expected future requirements for new firm and non-firm capacity, and the expected timing for commissioning;
- (b) prepare a least cost generation plan that identifies candidate plant for firm and non-firm generation capacity required to satisfy projected demand at least cost (while preserving system reliability and power quality, and creating no unreasonable financial risk), with full consideration of renewable energy generation options (including those at distributed scale) alongside conventional generation options;
- (c) consult with the public on the demand forecast and least cost generation options;
- (d) adopt the least cost generation plan after making any changes that it considers desirable based on public consultation;
- (e) identify the best option to design, build, operate, maintain, and finance required new renewable energy generation capacity by—
 - (i) assessing three possible options—
 - (aa) fully developed by the Licensee,
 - (bb) procured to a specialized contractor under a Design, Build, Operate, and Maintain (DBOM) contract, or
 - (cc) contracted to an Independent Power Producer (IPP), and
 - (ii) selecting the option most likely to deliver reliable electricity at least cost, while preserving system reliability and power quality, and creating no unreasonable financial risk;
- (f) when the option identified is either procurement under a DBOM contract, or contracting an IPP—
 - (i) determine the bidding documents to be used,
 - (ii) publish a request for expressions of interest for prequalification of bidders, stating minimum technical capacity, minimum financial capacity, and minimum relevant experience required,

- (iii) evaluate expressions of interest of qualified bidders,
 - (iv) prepare a short list of up to five bidders,
 - (v) issue a request for proposals to shortlisted bidders, stating: full specifications of the goods, services, or works to be provided; full evaluation criteria (technical, financial, experience, and other) and detailed evaluation process, aiming to ensure reliable power at least cost and low financial risk; and any legal or commercial requirements,
 - (vi) evaluate proposals received,
 - (vii) approve the award of any contract,
 - (viii) award one or more contracts to successful bidders, and
 - (ix) announce successful bidders and publish key contract terms after contract signature;
- (g) regularly update demand forecasts and least cost generation plans, and consult with the public at each update.

14. Distributed scale renewable energy generation

For the purpose of contracting new renewable energy generation at distributed scale, the Licensee is to take all of the following steps—

- (a) identify the maximum contribution that distributed renewable energy generation can make to Anguilla's electricity supply without affecting grid stability and reliability of service, based on the most recent least cost generation plan;
- (b) create a grid and distributed generation code setting out rules for safely interconnecting distributed renewable energy generation to the grid, as well as limits on the maximum unit size and total capacity, if required;
- (c) create a Standard Offer Contract under which the Licensee buys excess power from owners of eligible distributed renewable energy generation—
 - (i) at a price that compensates owners for the Licensee's cost of generation that is offset by distributed generation under realistic dispatching conditions,
 - (ii) subject to compliance with the rules for safely interconnecting distributed renewable energy generation to the grid set out in the grid and distributed generation code, which is to be part of the contract, and
 - (iii) for a term that is to be set out in each contract issued, and which is not less than the number of years that corresponds to the useful lifetime of the distributed renewable energy system;
- (e) amend by agreement in writing, in accordance with paragraph 4.1 of this Licence, the terms and conditions of affording a supply of electricity to a consumer, or potential consumer, with whom the Licensee has a standard offer contract for purchasing excess electricity, having regard to the services that the Licensee provides to the consumer and to the Licensee's needs to recover fixed costs;

- (f) submit the Standard Offer Contract to the Minister, giving him an opportunity, during a period of 90 days from the submission, to object to the contract for any one or more of the following reasons, but no other—
- (i) the maximum quantity of distributed generation eligible for the Standard Offer Contract will negatively affect grid stability or reliability of service,
 - (ii) the technical requirements contained in the grid and distributed generation code will not allow safe interconnection,
 - (iii) the price will not compensate the owners for the Licensee's cost of generation that is offset by distributed generation under realistic dispatching conditions, or
 - (iv) the term is not the minimum number of years that corresponds to the useful lifetime of a distributed renewable energy system;
- (g) within 30 days from the receipt of the Minister's objection, refer to the Arbitrator, for determination within 45 days from the referral, the question whether the Minister's objection is supported by valid and accurate information and is therefore justified. The costs of the arbitration shall be borne in such a manner as the Arbitrator shall decide;
- (f) consider that the Standard Offer Contract is approved by the Minister if the Licensee receives no objection in writing before the expiry of the 90 days referred to in paragraph f or, in the case of a reference to the Arbitrator under paragraph g, if the Licensee receives no determination in writing before the expiry of the 45 days.”.

Citation

6. This Act may be cited as the Electricity Supply (Amendment) Regulations, 2013.

Made by the Governor this day of , 2013.

Alistair Harrison
GOVERNOR OF ANGUILLA