



Ministerial Statement
By
The Hon. Walter H. Roban, JP, MP
Minister of Home Affairs
Friday, 7th June 2019

The Bill entitled: the Electricity Amendment Act 2019

Mr. Speaker, as the Order Paper indicates, I will today table a Bill in this Honourable House entitled the Electricity Amendment Act 2019.

Mr. Speaker, you will remember that on the 15th March 2019, I informed this Honourable House that, on learning that the Ascendant Group Ltd announced that it was considering the sale of the company, I issued Ministerial directions to the Regulatory Authority (RA) which are imbedded in the purposes of the Electricity Act 2016, namely, to seek—

- (a) to ensure the adequacy, safety, sustainability and reliability of electricity supply in Bermuda so that Bermuda continues to be well positioned to compete in the international business and global tourism markets.

- (b) to encourage electricity conservation and the efficient use of electricity;
- (c) to promote the use of cleaner energy sources and technologies, including alternative energy sources and renewable energy sources;
- (d) to provide sectoral participants and end-users with non-discriminatory interconnection to transmission and distribution systems. This prevents any monopoly on the generating subsector and ensures that other market participants are allowed to interconnect to the grid, and it ensures that end users are not denied service without just cause;
- (e) to protect the interests of end-users with respect to prices and affordability, and the adequacy, reliability and quality of electricity services; and
- (f) to promote economic efficiency and sustainability in the generation, transmission, distribution and sale of electricity. Economic efficiency in these areas translates to lower costs for customers.

Mr. Speaker, I also assured the general public that we would require any prospective new owners - and, indeed the current owners - to adhere to the soon-to-be-published Integrated Resource Plan [IRP].

Mr. Speaker, quite coincidentally, we were working on this amendment to the Electricity Act 2016 to assure the proper regulation of the electricity sector when the announcement was made that the Ascendant Group Ltd had identified a proposed buyer. I would like to assure Honourable Members and the general public that the sale cannot be finalised until the RA gives consent to a licence transfer. This requirement is outlined in Section 30 (1) of the Electricity Act which states that: “*A licence shall not be transferred or assigned without the prior consent of the Authority.*”

Mr. Speaker, I must state upfront that I have every confidence that the RA will perform the due diligence required prior to making a decision on whether to approve the transfer of any licence. However, it is also important to note that if the RA approves a licence transfer without adhering to the Ministerial directions, the only remedy currently available to the Government is to appeal to the Supreme Court to grant an injunction to require the RA to comply with the directions. However, it would be too late to do so if a transfer had already been approved by the RA.

Mr. Speaker, I am sure that you agree that the better remedy is to provide the Minister with an opportunity to review the RA’s intended consent to the transfer of the licence to ensure that the application is in accordance with the Ministerial directions. The proper regulation of the

electricity sector would be further strengthened by requiring that the RA's consent shall not be given unless an IRP has been approved and published and that, when making its decision whether or not to consent to the transfer, the RA shall have due regard to the IRP.

Mr. Speaker, the BELCO plant is a strategic asset which is used by all residents in Bermuda. It is critical to our social and economic well-being. Therefore, it is the duty of this Government to ensure that any proposed sale will promote “economic efficiency and sustainability” in order to reduce our reliance on fossil fuel, increase the use of renewables and make electricity more affordable for all residents.

Thank you **Mr. Speaker**