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RA PRESS RELEASE – FOR IMMEDIATE RELEASE

REGULATION OF THE ELECTRICITY SECTOR

COMMENCEMENT OF PUBLIC CONSULTATIONS ON PROPOSED ELECTRICITY LICENSES

The Regulatory Authority (the ‘Authority’) has today commenced three public consultations in relation to electricity sector licenses. These public consultations are an important and key opportunity for the residents and businesses of Bermuda to provide their views as to the form and content of the licenses that will be used by the Authority to regulate the electricity sector.

The public consultations cover various types of electricity sector licenses:

1. *“Transmission, Distribution and Retail” of electricity, with Bermuda Electric Light Company, Ltd. (“BELCO”) as the monopoly provider within Bermuda*

Key areas of focus by the Authority for this license relate to:

- Full cost transparency and appropriate cost allocation between various BELCO activities, in support of the Authority setting cost effective and sustainable retail tariffs;
- Prohibitions on cross-subsidies between BELCO and parent company business activities;
- Non-discriminatory access by power producers (renewable and non-renewable) to the BELCO transmission network;
- Ensuring BELCO delivers the required form of Integrated Resource Plan that addresses Bermuda’s needs for a mix of renewable and non-renewable based electricity supply;

- Security of supply; and
- Enhancing and protecting consumer interests.

2. ***"Bulk Generation" of electricity, which includes a standard license and a renewable class license***

Key areas of focus by the Authority for these licenses include:

- Cost effective procurement of new generating capacity;
- Financial sustainability;
- Service and performance standards, as well as system support;
- Environmental requirements; and
- Security of supply.

The Authority views these public consultations, and the related proposed draft electricity licenses, as an important first phase in ensuring that Bermuda's residents and businesses benefit from an electricity sector that is independently and effectively regulated, with the attendant economic and national benefits that this will bring.

How to participate:

The three consultation documents are available on the Authority's website at <http://www.rab.bm/index.php/k2-information/ele-consultations>. The consultation documents set forth the procedures for submission of responses, which are summarized as follows:

- Responses should be filed electronically in MS Word or Adobe Acrobat format.
- Parties filing comments should go to the Authority's website, www.rab.bm, follow the link to the Consultations page, and click the "Click here to submit a response" icon to make an online response.

- Alternatively, parties may submit their response via email (electricity@rab.bm) or mail:

c/o Nigel Burgess
Regulatory Authority
1st Floor, Craig Appin House
8 Wesley Street
Hamilton, HM11

- All comments should be clearly marked "Response to Consultation Document: Comments on [relevant license]" and should otherwise comply with Rules 18 and 30 of the Authority's Interim Administrative Rules, which are posted on the Authority's website.

Any communications outside of the process set forth in the consultation documents may be deemed ex parte and subsequently published on the Authority's website.