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ELECTRICITY TARIFFS OPEN TO CONSULTATION

September 17, 2018: Hamilton, Bermuda – The Regulatory Authority (Authority), in its assessment of electricity rates is proposing a change in the way rates are calculated and has today released a Retail Tariff Methodology Consultation document.

The Authority proposes to introduce cost-efficiency incentives alongside the traditional rate-of-return model, to promote affordable electricity prices to end-users. This methodology provides an incentive to the utility to drive down their cost and to increase efficiencies, with the benefits to be shared between the utility and its customers.

The methodology to determine electricity retail tariffs was open to public consultation in March this year and the feedback received has been considered. The methodology has undergone thorough economic analysis and review and the draft document released today is open to final public consultation. Members of the public, electricity sector participants and providers, and other interested parties are invited to submit a response by October 1, 2018.

At the end of the consultation process, the Authority will issue a General Determination setting the methodology. The documents and the process for submitting a response are online at:

<https://rab.bm/electricity-public-consultations/>

Regulatory Authority Interim CE, Aaron Smith explained, “For the first time in Bermuda’s history a robust regulatory environment exists for the electricity sector, developed over two years as required by the Electricity Act 2016. The Retail Tariff Methodology sets the path for a future of certainty and accountability for Bermuda’s electricity rates.” Mr. Smith added, “This starts with the Authority requiring licensees to show separation of accounting, so we could gain insight into the cost of electricity generation versus transmission and distribution. Now we are on the verge of implementing a well-considered economic model to right-price Bermuda’s electricity rates for long term transparency and increased efficiencies.”

As part of electricity regulation, the Authority also has a public consultation open to gather final feedback on the the Feed-In Tariff Methodology. This will determine the method to calculate the rate paid to small scale renewable energy generators when they sell power by feeding it to the grid. The deadline for submissions to this consultation has been extended by five additional days, now closing on September 26, 2018.

The Authority has published on its newly designed website www.rab.bm, both consultation documents: ‘Retail Tariff Preliminary Report and Preliminary Decision and Order’ and ‘Feed-in Tariff Methodology Preliminary Report and Preliminary Decision and Order – extended deadline’.

Responses may be submitted by clicking the “Submit” button on [this page \(rab.bm/electricity-public-consultations\)](https://rab.bm/electricity-public-consultations/), then select the relevant consultation for the response.

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