



## Ministry of Economic Development

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26<sup>th</sup> August 2016

**By Email**

Mr. Michael Leverock  
Energy Commission Chairman  
3<sup>RD</sup> Floor, Government Administration Bldg.  
30 Parliament Street  
Hamilton HM 12

Dear Mr. Leverock

Re. Request to Conduct Inquiry into BELCO's Proposal to end the Residential Net Metering Programme and change the Commercial Renewable System Excess Energy Rate (CRSEER) Programme

Under Section 5 (1) of the Energy Act 2009, I hereby request that the Energy Commission conduct an inquiry into BELCO's proposal to end the Residential Net Metering Programme, as well as BELCO's proposed transitional rate treatment for any new residential or commercial solar PV customer, as outlined in BELCO's submission to the Energy Commission dated August 15<sup>th</sup> 2016.

This inquiry is intended to review BELCO's proposal to end the current Residential Net Metering Programme and assess the fairness of their proposed alternative transitional rate structures for both residential and commercial customers.

The inquiry should include:

- An analysis and assessment of the current Residential Net Metering and Commercial Renewable System Excess Energy Rate (CRSEER) programmes
- A review of cost-based ratemaking principles and feed in tariffs for PV customers that are used in similar sized jurisdictions
- Recommendations for development of transitional feed-in-tariffs rates for independent power producers (residential and commercial) who wish to use the electric grid to distribute the power they generate
- Recommendations for development of rate structures for independent power producers (residential and commercial), which accurately reflect costs incurred by the Bermuda Electric Light Company

The inquiry should be carried out in consultation with relevant stakeholders, including BELCO and members of the renewable energy industry.

I have appointed Dr. Rajnish Barua as a special advisor to the Energy Commission under Section 3 (3) of the Energy Act 2009, for the duration of this Inquiry, to help the Energy Commission in their work and provide some continuity with the Regulatory Authority, once the Electricity Act 2016 is brought into operation.

I would appreciate the results of this inquiry to be submitted in writing to me by September 30<sup>th</sup> 2016 – but understand that you may wish to request an extension of this period should the review require it.

Yours Sincerely,



Dr. the Hon Grant E. Gibbons, JP, MP