

Island Resilience Action Challenge 2023

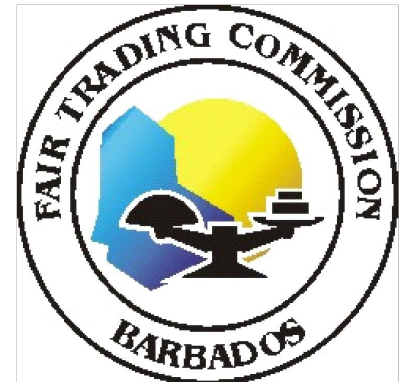
By

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FAIR TRADING COMMISSION

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Introduction

ADDRESSING ROBUSTNESS:

Investing in energy according to the approved IRRP

Strengthening the infrastructure to protect against significant negative events

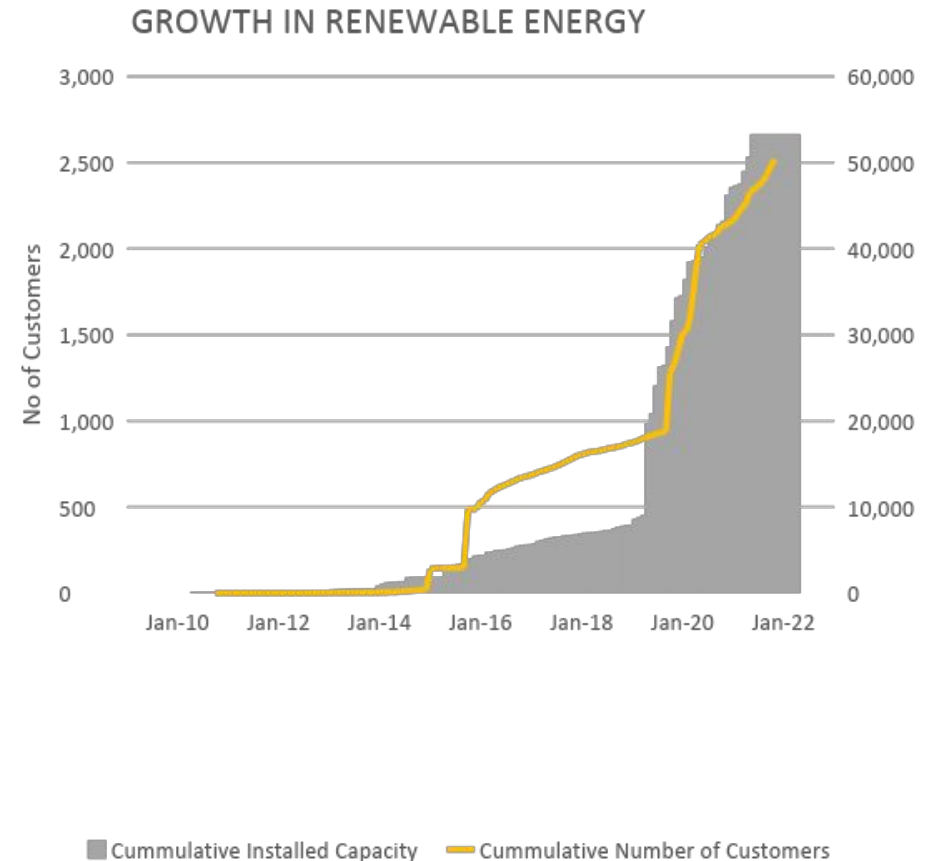
Appropriate frameworks must be in place

- Resourcing the pertinent stakeholders
 - BNSI
 - GEED
 - Ministry of Energy
 - FTC

ADDRESSING RAPID RECOVERY

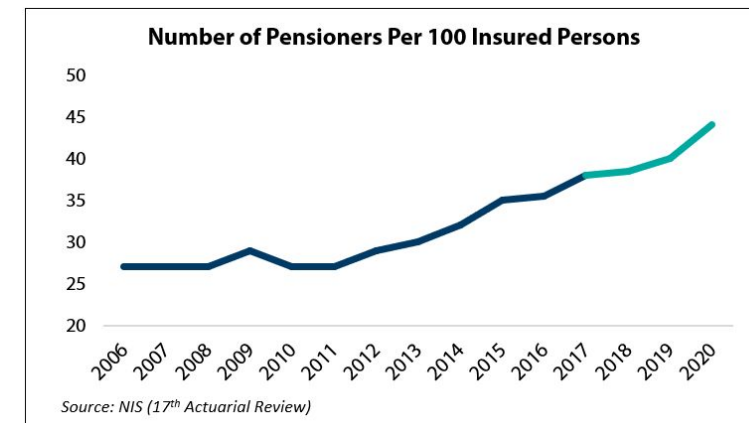
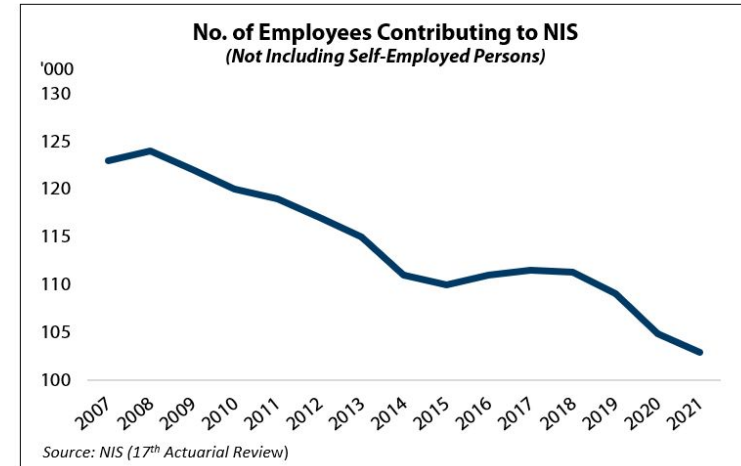
Putting structures in place for rapid recovery eg

- Liquidity Support embedded in the PPAs
- Appropriate frameworks (eg response to cybersecurity events)



General Root of the Problem – Covering the resiliency cost gap is expensive and the cost must ultimately be borne by the consumer

- If funded by governments, the customer pays through taxes
- If funded through tariffs, the customer pays directly
- If not adequately funded, the customer/country pays when there is a significant event that the system cannot withstand and it takes long for the country to recover



What is the key **obstacle** (challenge) to overcome in solving this problem? What role would your organization play in collaboration with others to overcome this obstacle?

Building economic capacity of the country:

The average customer can benefit/use the electricity system as:

- a) A consumer
- b) An energy generator – using what they generate - \$ ↓
- c) An energy generator – selling any excess energy generated - \$\$\$
- d) An investor in a third party energy generation system - \$\$\$

The regulators role is:

- To ensure that the cost impact to the consumer is manageable
- To balance the needs of the parties involved, provide certainty to parties
- To provide the necessary incentives where appropriate
- To set adequate tariff levels (that should support the building economic capacity)
- Enabling frameworks

What are the benefits / consequences of addressing or not addressing this obstacle?

- The obstacle – funding, planning, strategizing economic growth
- Challenges – international impacts and events, eg war in Ukraine, supply challenges
- Balancing the stakeholders' needs
- Benefits:
 - Acknowledging that the customer could see higher electricity costs, a vibrant economy means that customers can afford to pay their higher electricity bills

FINAL SENTENCE

- A critical, 12 month obstacle to funding the resilience cost gap in the Caribbean energy sector is _____.”
- From the regulator’s perspective, determining an appropriate balance when setting tariffs and establishing frameworks that take consideration of the needs of all of the stakeholders in the energy sector, with particular emphasis on the economic conditions of the islands and how any costs will impact the end consumer.