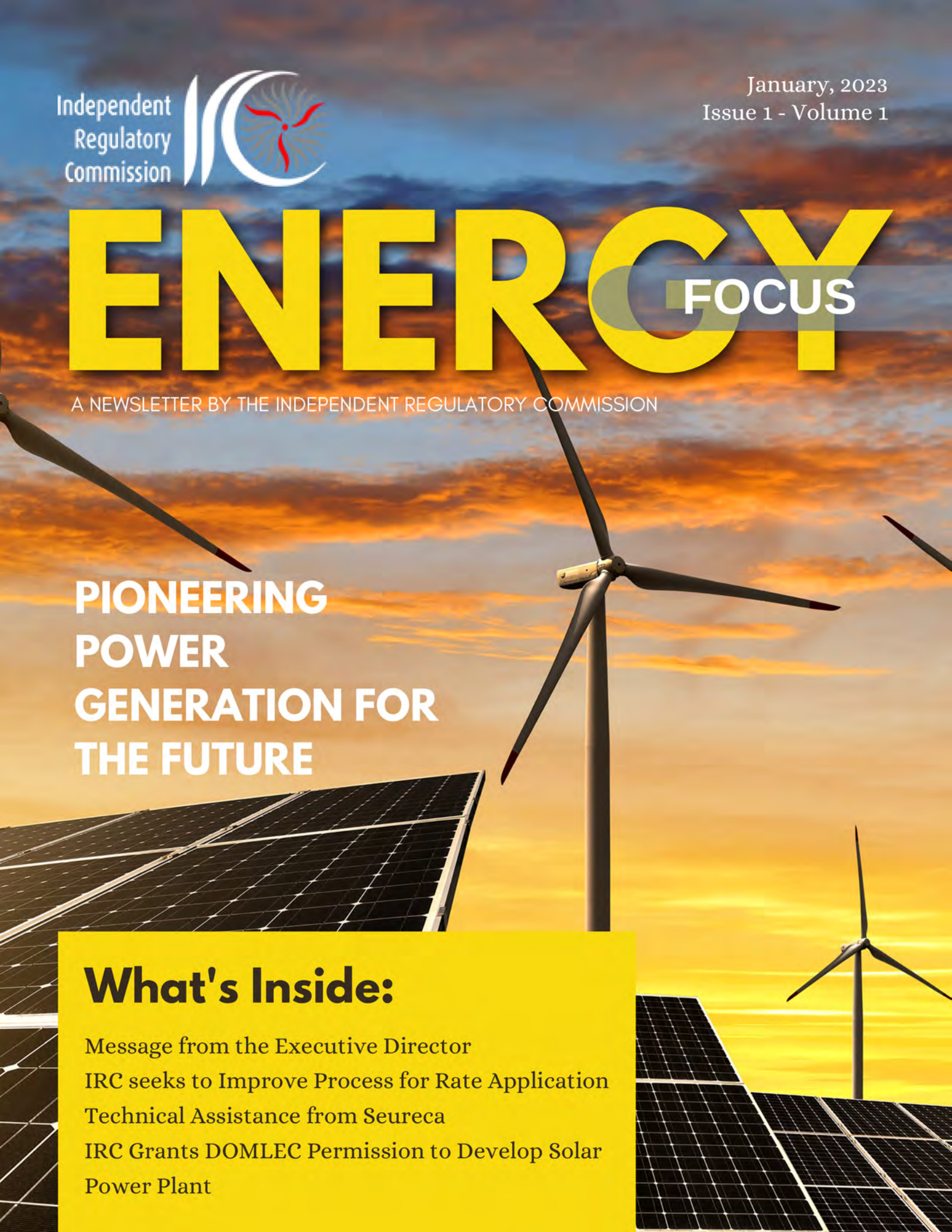
Independent Regulatory Commission

January, 2023
Issue 1 - Volume 1

ENERGY FOCUS

A NEWSLETTER BY THE INDEPENDENT REGULATORY COMMISSION



PIONEERING POWER GENERATION FOR THE FUTURE

What's Inside:

Message from the Executive Director
IRC seeks to Improve Process for Rate Application
Technical Assistance from Seureca
IRC Grants DOMLEC Permission to Develop Solar Power Plant

TABLE OF CONTENTS

Message from the E.D	1
IRC seeks to Improve Process for Rate Application	2
Seureca provides Technical Assistance on Distributed Renewable Energy	4
Regulation Team conducts Study Tour to Martinique	6
IRC grants DOMLEC permission to build utility-scale solar plant	8
U.S PACC 2030 Delegation meets IRC	9
CAREC Conference focuses on modernization of sector	10
St. Vincent hosts workshop on bankable renewable energy projects	12
Support for GGGI's Renewable Energy Transition in OECS	14
IRC establishes Consumer Relations Committee	15

MESSAGE FROM THE EXECUTIVE DIRECTOR

IRC's staff is led by Executive Director Mr. Justinn Kase, who ensures that the Commission is carrying out the mission and goals of stakeholders.

MR. JUSTINN KASE

GREETINGS STAKEHOLDERS AND PARTNERS,

This publication of Energy Focus comes at a time when the world is accelerating its shift towards renewables. This newsletter issue spotlights the Commission's programmes and projects in 2022 to promote electricity generation that is not only accessible and reliable, but clean and sustainable.As part of its objectives, the Commission aims to support government's initiatives in the supply of constant electricity for national growth.

The IRC's main achievements in 2022 to help pioneer power generation for the future included granting DOMLEC permission to develop a Solar Photovoltaic Plant at Tarou, and launching a Feasibility Study to determine the optimal sizing of grid-connected distributed generation systems on DOMLEC's grid.

Looking ahead to 2023, we invite our stakeholders, which include electricity consumers to take an interest in the ongoing process to review electricity rates, The exercise kicked off in the second half of 2022, and DOMLEC has so far submitted its Load Research Study, Depreciation Study, and Five-year Investment Plan. These documents are being reviewed, before public consultations can begin on the rate review exercise.

IRC SEEKS TO IMPROVE PROCESS FOR RATE APPLICATION

IRC Regulations Staff at a press briefing in March 2022 on Tariff Review Process.

The IRC proposed new rules and changes to the procedures for setting and reviewing electricity rates.

The IRC issued consultative documents on its proposals in 2022, for stakeholder feedback.

DOMLEC is required to submit its electricity rate proposals to the IRC, as part of the general procedures for the review of electricity rates. The Commission's argument is that the existing 60-day period does not provide sufficient time for the review and approval of DOMLEC's new submission.

Therefore, the Standard Filing Requirements for the Rate Review Application must be amended.

The goal is to ensure an efficient process for the determination of new electricity rates.

A notable additional amendment that the IRC has proposed is to change the rate review period from three to five years.

The current regulation requires that electricity rates are reviewed every three years.

The rate review exercise kicked off in the second half of 2022. Prior to the year's end DOMLEC submitted three of the expected relevant documents to the Commission:

- Load Research Study
- Depreciation Study
- Five-Year Investment Plan.

These documents are currently under review before engaging in public consultation that should begin in early 2023.

The Commission also expects to receive the following documents by DOMLEC to complete:

- DOMLEC's WACC Determination
- DOMLEC's Cost of Service Study
- The Average Tariff and Tariff Structure

This tariff review process will continue throughout the course of 2023.

SEURECA PROVIDES TECHNICAL ASSISTANCE ON DISTRIBUTED RENEWABLE ENERGY

(L-R) Executive Director Justinn Kase, Utility Engineer Felix Julien, Consultant Vincent Jalbert and Projects Officer of IRC Jason Timothy meet at the IRC's office

French Engineering Firm Seureca is providing technical assistance to the IRC to assess the feasibility of Distributed Renewable Energy in Dominica.

The Commission hosted the lead consultant on the project, Mr. Vincent Jalbert from France, who visited Dominica from March 21 to 24, 2022.

"The project consists first of the identification of the constraints for developing solar PV panels on rooftops in Dominica. We are trying to assess the constraints in technical, financial, and regulatory terms and once we identify those constraints, we'll make a number of recommendations to IRC with the aim of maximizing the potential for solar energy in Dominica. The objective is to reduce imported diesel to Dominica and lower the cost of electricity, which is quite high for the country," Mr. Jalbert explained.

Energy Consultant Mr. Vincent Jalbert

He noted that the approach should not only create an opportunity for customers who can afford to invest in solar panels, adding "That's why we would probably make a recommendation to set up new mechanisms for providing financing to customers who might not have the capacity to invest directly - that's one option that we are going to explore.

According to Mr. Jalbert, financing can be accessed by several international donors to assist with the deployment of solar panels to Dominica."

During his trip, Mr. Jalbert met with the Executive Director of the IRC Justinn Kase, management of Dominica Electricity Services Ltd. (DOMLEC), Dominica Geothermal Development Company (DGDC) and suppliers of solar panels.

This feasibility study is being financed by Agence Française de Développement (AFD).

REGULATIONS TEAM CONDUCTS STUDY TOUR TO MARTINIQUE

IRC Regulations Team meets with stakeholders of the energy industry in Martinique

A study tour to Martinique formed part of a project aimed at promoting the development of Distributed Renewable Energy in Dominica, with a focus on solar facilities.

This is a component of a Seureca consultancy. Discussions were held with several French agencies including the State-owned electric utility EDF (Électricité de France) and service providers of customer-owned PV generation systems.

The four-member IRC delegation received significant insights on the current infrastructure for managing PV production in Martinique. Executive Director Justinn Kase, Financial Analyst Connie Joseph-Louis, Utility Engineer Felix Julien and Project Officer Jason Timothy represented the IRC. They also met with the Department of the Environment, Planning and Housing and ALBIOMA – operator of solar PV facilities.

These best practices learned will allow the Commission to tailor applicable information to the Dominica market.

The Commission has committed to working with Seureca and financing agency AFD towards successful planning of practical projects that can strengthen the national drive to achieve 100% of electricity generation from renewable sources by 2030.

IRC GRANTS DOMLEC PERMISSION TO BUILD UTILITY-SCALE SOLAR PLANT

In Quarter 2 of 2022, IRC granted DOMLEC permission to build a 5-Megawatt Utility-Scale Solar Power Plant.

Twelve acres of land owned by DOMLEC at Tarou is allocated for the project.

The Clinton Climate Initiative (CCI) partnered with the IRC to complete various de-risking studies to inform the decision, in preference to awarding the proposed project to an Independent Power Producer (IPP).

The studies included a Topographical Survey and Economic Analysis. Earlier studies indicate that this project will not impact the construction of the Geothermal Plant at Laudat.

The IRC has advised DOMLEC that it will require training its technicians for the operations and maintenance aspect of the proposed project. The IRC has agreed to assist DOMLEC with soliciting financing for construction of the project.

It is anticipated that DOMLEC will pursue the prudent course of action by taking the next steps towards achieving the construction of this generation plant.

A solar PV generation plant will add to national targets to achieve 100% clean energy by 2030.

U.S PACC 2030 DELEGATION MEETS IRC

The IRC hosted a delegation from the U.S.-Caribbean Partnership to Address the Climate Crisis (PACC 2030) on November 16, 2022 at its boardroom.

They engaged in meaningful discussions with IRC's Executive Director Mr. J.Kase and Project Officer Mr. Jason Timothy, with a view to enhancing the reliability and resiliency of Dominica's electricity sector.

Ms. Faith Corneille, Global Power Sector Programme Manager of the U.S Department of State Bureau of Energy Resources (ENR) Power Sector Programme led the PACC 2030 group.

Ms. Corneille noted that the aim of the mission is to assess opportunities for providing technical andfinancial assistance to improve the power sector in countries that are prepared for that level of support. Miss Corneille said they are also looking at the Government of Dominica's efforts to develop geothermal energy.

Mr. Kase told the meeting that the IRC is pursuing projects and programmes to enhance the national target of achieving 100% renewable energy by 2030.

PACC 2030 is the U.S Government's initiative to support climate adaptation, resilience and clean energy programmes across the Caribbean region.

CAREC CONFERENCE FOCUSES ON MODERNIZATION OF SECTOR

CARILEC's Board of Directors

Executive Director Justinn Kase attended the CAREC (CARILEC Resilient Energy Community) Conference and Exhibition in Miami, Florida from September 25th – 29th, 2022.

The Caribbean Electric Utility Services Corporation (CARILEC) hosted the major regional conference under the theme 'Navigating the Course of Power Sector Modernisation and Combatting Climate Change with Green Electricity and Resilient Infrastructure'.

Mr. Kase joined over 230 industry professionals from regional governments, electric utilities, regulatory bodies, power producers, and suppliers at the Hyatt Regency Miami for the event.

CARILEC CONFERENCE FOCUSES ON MODERNIZATION OF SECTOR

According to CARILEC, the vision for this event was to create a learning and development, expertise-sharing, and solutions-driven forum for energy sector professionals to critically assess pertinent issues, and share best practices geared towards holistic and sustainable solutions.

The opening ceremony's keynote speaker, Vice President of Business Development of Wärtsilä Caribbean Incorporated Mr. Rodney George stressed the importance of a multi-stakeholder approach toward the overall advancement of the region's energy sector.

CARILEC
An Association Of Electric Energy Solution Providers

Mr. Kase participated in a Regulatory Roundtable on September 25th, comprising government officials, regulators, utility CEOs, observers, and facilitators.

The roundtable presented various scenarios where participants explained the ideal relationship between key stakeholders in the energy sector, in order to achieving fair regulation, thriving utilities, fundamental governmental support, an overall prosperous regional energy sector.

Participants expressed the critical need for such discussions to be held more frequently among major stakeholders.

ST. VINCENT HOSTS WORKSHOP ON BANKABLE RENEWABLE ENERGY PROJECTS

Executive Director Justinn Kase attended a training in St. Vincent and the Grenadines on Design and Negotiation of Power Purchase Agreements for Renewable Energy Projects from November 28 to December 02, 2022.

The workshop was attended by regional government ministries, regulatory bodies, utilities of the Caribbean SIDS, private sector and development partners. The goal was to enhance the capacities of local actors in different Caribbean countries in structuring financing deals for renewable energy projects.

Prime Minister of St. Vincent and the Grenadines Dr. Ralph Gonsalves addressed an opening ceremony of the event, where he explained the vision of the Government of St. Vincent and the Grenadines in the areas of hydro, solar and geothermal energy through the framework of a National Energy Policy.

In a session for country updates, Mr. Kase was also invited to make a presentation on Dominica's Nationally Determined Contributions (NDC) targets and Renewable Energy efforts and share the readiness of the utilities for Independent Power Producers and the role of regulator in this context.

The workshop's topics focused on:

- Basics of Renewable Energy Finance
- Financial modelling of PPA contracts and tariff pricing
- Allocating risk through PPA Contracts
- Complex negotiations for finalizing PPAs

The event was hosted by the International Renewable Energy Agency (IRENA) through the SIDS Lighthouses Initiative (LHI), with support from the Organisation of Eastern Caribbean States.

SUPPORT FOR RENEWABLE ENERGY TRANSITION IN OECS

Global Green Growth Institute

The Global Green Growth Institute (GGGI) requested the IRC's input on its *Regional Guidelines for Interconnection of Customer-Owned Renewable Energy Power Generation Facilities*

The purpose of the guidelines was meant to provide energy regulators and other energy sector decision makers across the OECS region, with comprehensive information to aid in the development of their own procedures for interconnection of distributed and utility-scale renewable energy power generation facilities to the grid.

The GGGI hosted an interactive virtual session on November 2, 2022, as part of this initiative.

This is part of a project by the GGGI titled "Support for a Renewable Energy Transition in OECS Countries."

GGGI's programme seeks to support Dominica in decreasing energy costs, reducing dependency on fossil fuels and greenhouse gas emissions, increasing investment opportunities in the blue economy, and moving to a pathway of low carbon climate resilient development.

IRC ESTABLISHES CONSUMER RELATIONS COMMITTEE

PHOTO CAPTION: (from back L-R) Philmon Matthew, Jerome Bardouille, Dorothy Durand, Vernon O'Brien, Calma Louis, Bertrand Telemacque
(from front L-R) Vanya Eloi, Jillian La Rocque, Marian Jno Finn

A Consumer Relations Committee (CRC) was established in October 2022, as the IRC seeks to expand its community outreach.

The ten-member CRC is meant to be IRC's direct link to electricity consumers. The CRC will fulfill some key objectives that include identifying issues within communities concerning the electricity supply and service and providing recommendations to the IRC on changes to policies that would benefit the consumer based on consumer feedback.

IRC ESTABLISHES CONSUMER RELATIONS COMMITTEE

The IRC believes that an effective consumer body will address consumers' needs and concerns and provide a useful resource in the conduct of its duties.
Each individual selected by the Commission represents a parish across the island. They bring varying professional backgrounds to the Committee in areas including information technology, environmental health, real estate, human resource management, social media strategy, education, accounting, and fire and electrical safety.

The CRC members are:

- Vernon O'Brien – Chairperson (St. Mark)
- Dorothy Durand – Vice Chairperson (St. George)
- Jillian La Rocque – Secretary (St. Peter)
- Judy Lawrence-Larocque – Assistant Secretary (St. John)
- Jerome Bardouille (St. Luke)
- Bertrand Telemacque (St. Andrew)
- Calma Louis (St. Joseph)
- Philmon Mathew (St. Paul)
- Marian Jno Finn (St. David)
- Vanya Eloi (St. Patrick)

Independent Regulatory Commission

42 Cork Street
P.O Box 1687
Roseau , Dominica
Tel: 767 440 6634/440 7247
Fax: 767 440 6635
www.ircdominica.org