

ENERGY FOCUS

JUNE 2015



The decision stands

NEWSLETTER OF THE

Independent
Regulatory
Commission



TARIFF REVIEW



A rather successful second consultation to discuss the Notices for Rule Making for Weighted Average Cost of Capital (WACC) and Notices for Rule making for Domlec's 5 Year plan on April 14th 2015 at the Fort Young Hotel. The interactive sessions included a wide cross section of Dominica's stakeholders. Both DOMLEC and the Independent Regulatory Commission (IRC) made presentations explaining their take on two notices. The IRC took into consideration all comments and issues arising from the both consultations held.

DOMLEC had proposed that the IRC approve a rate of return of 11.6% made up of a capital structure of finance its operations of 33.1% debt and 66.9% equity, a fixed interest paid on the debt mentioned above of 5.75% and a return on equity shareholding of 14.5%. The IRC felt however that these proposals did not favour the electricity consumer and so granted DOMLEC a rate of

40% debt and 60% equity for the tariff period 2015– 2017. Presently DOMLEC has a guaranteed return of equity of 15% DOMLEC requested 14.5%, but the IRC determined that DOMLEC will receive a return of 10.44%. Also DOMLEC requested the Commission approve a rate of 11.6% on its assets and the Commission decided it must be 8.56%.

The Commission also approved the Integrated Resource Plan for Dominica's electricity sector. This plan is from 2014– 2033. The plan takes into account generation capacity coming from geothermal energy, hydro and solar energy. Hydro and solar energy will be open to competition.

In terms of DOMLEC's Five Year Investment programme, the IRC has approved the building of a new 33kv transmission line from Fond Cole to Sugar Loaf and another from Laudat to Trafalgar to Padu to Fond Cole provided that construction of the FOND Cole/ Sugar Loaf line could begin in 2016 with no further approval required from the Commission. With regards the valley line, further approval has to be sought from the Commission before construction begins because there is still some uncertainty about whether the Government will build the line costing \$45M to move the electricity from Laudat to Fond Cole. Also \$8.5M was approved per year during the tariff period for miscellaneous enhancements to DOMLEC's capital assets.



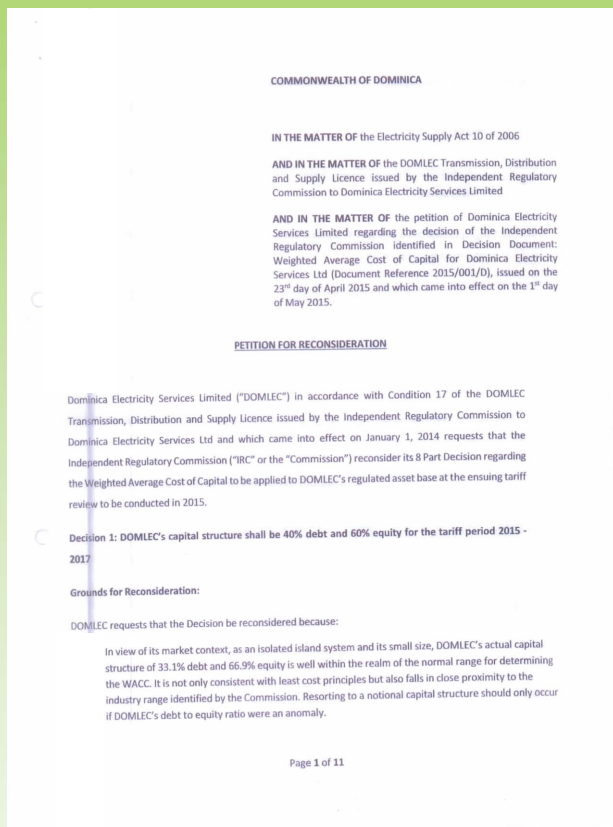
The decision was approved by Board of Commissioners on April 23rd 2015 and was announced on April 29th 2015 by Executive Director of the IRC Lancelot McCaskey at a press conference.

DOMLEC however sent a petition for reconsideration to the Commission and outlined various grounds for reconsideration. DOMLEC believed the decision by the IRC did not balance equitably between the interest of consumers and that of investors in the electricity sector.



Lancelot McCaskey
Executive Director IRC

(Read the full petition document on www.ircdominica.org).



After careful deliberation the Commission responded to DOMLEC's petition. The IRC denied all of DOMLEC's request and upheld its decisions taken on April 23rd 2015.



Energy Savings Tips



Lighting

- Turn the light off when no one needs them
- Use dimmer switches on indoor lights
- Switch from regular bulbs to compact fluorescent bulbs.
- Install motion sensor lights instead of leaving a light on all night
- Replace your most used light fixtures with Energy Star® products
- Use Compact Fluorescent light bulbs. They are more energy efficient



Appliances & Electronics

- Hang your laundry out to dry rather than using a dryer
- Iron large batches of clothing
- Brush and clean out the coils at the bottom and back of your refrigerator
- Turn off appliances and electronic devices at the wall when not in use
- Look for the Energy Star® label on the box when buying appliances
- Keep your freezer full – it uses less energy than an empty one. For maximum savings, consider filling your freezer with gallon containers of water.
- Clean the dryer lint filter before every load to keep your dryer running efficiently.
- Plug electronics into a power strip, then turn the strip off when not in use to save in energy costs.
- Set your computer to sleep or hibernate mode instead of using a screen saver so it so it uses less electricity during periods of inactivity
- Consider a laptop the next time you're looking to buy a computer – they use less energy than desktop computers
- Unplug battery chargers when the batteries are fully charged or the chargers are not in use. Many chargers draw power continuously, even when the device is not plugged into the charger



Water Heating

- Always wash with cold water, laundry detergent works just as well
- Shorten those showers to cut hot water costs
- Install a solar water heater to save energy and money by using solar power

BLACK OUT!!!



Power outages were experienced during the second quarter of 2015. The IRC ensures that DOMLEC provides a report on every power outage explaining the cause. On June 11th 2015 the same day as a major protest there was an island wide power outage. DOMLEC has made it categorically clear that the two are in no way linked. Public Relations Officer of DOMLEC Adina Bellot Valentine explained that the outage was regards a new transformer installed at DOMLEC's Fond Cole plant. She said when the situation was investigated by the engineers and technicians at the Fond Cole Plant, it was recognized that a transformer which was installed recently had blown. She said this caused the system to trip and trigger the entire generators all over in Sugar Loaf, and those at Fond Cole causing the power to go out.

Consumer Advisory Committee

The Independent Regulatory Commission (IRC) saw it necessary to establish the Consumer Advisory Committee (CAC) to provide advice and feedback to the IRC on its directions, policies, and services as they affect consumers.

The Objectives of CAC are:

- to serve as a formal mechanism to exchange ideas and concerns related to electricity services as identified by CAC members and consumers in their communities.
- to assist in the education of consumers on electricity matters
- to serve as a communications vehicle to Dominica through the various communities on the work and plans of the IRC and its impact on the country and consumers.

The Independent Regulatory Commission seeks applicants to fill vacancies on its Consumer Advisory Committee

The following areas are in need of a representative.

- Castle Bruce, Good Hope, San Sauveur and Petite Soufriere,
- Capuchin
- Calibishie
- Pond Casse
- Pointe Michel
- Vieille Case

Visit the IRC office on 42 Cork Street or call 440-6634/ 4407247.

SAVE THE DATE

THE CAC IS COMING TO YOUR COMMUNITY

July 18th

Scotts head/ Soufriere

August 15th

Calibishie

September 26th

Kalinago Territory



Energy Talks

Clean Energy Advisor Alastair Brookes met staff of the Regulations Department of the Independent Regulatory Commission. Mr Brookes who is based in New Zealand said he has been in region for the past eight months and is here providing relevant advice to Government as Dominica continues efforts towards geothermal energy. The IRC is Dominica's electricity regulator and as a result must be kept up to speed on any development taking place in the sector.



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