



PROPOSED DRAFT

GENERATION LICENCE

For

DOMINICA ELECTRICITY SERVICES LTD

CONSULTATIVE DOCUMENT

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DOMINICA ELECTRICITY SERVICES LTD

ELECTRICITY GENERATION LICENCE

PART I: GRANT OF THE LICENCE

1. The **Independent Regulatory Commission** in exercise of the powers conferred by Section 30 of the Electricity Supply Act 10 of 2006 (The Act) **HEREBY GRANTS** to Dominica Electricity Services Ltd a non - exclusive Licence (**the Licence**) authorising the Licensee to generate electricity for supply, from the generating facilities defined herein, to the Transmission and Distribution Licensee for the period specified herein subject to the conditions set out in Part II hereof ("the Conditions") and as noted herein.
2. This Licence shall be cited as the DOMLEC Generation Licence 2010.
3. This Licence shall come into effect on **the pppp of bbbb 2010** and shall continue in full force and effect until termination or expiry unless modified, revoked or terminated pursuant to the Conditions set out herein.
4. The licence shall be governed by and construed, enforced and performed in accordance with Laws of the Commonwealth of Dominica.

Sealed and executed for and on behalf of the Independent Regulatory Commission on **XXXX day of YYYY, 2010**

PART II: TERMS AND CONDITIONS

Condition 1: Interpretation

1. Unless the contrary intention appears, words and expressions used in this Licence shall be construed as if they were in an Act of Parliament and the Interpretation and General Clauses Act applied to them and references to an enactment shall include any statutory modification or re-enactment thereof after the date when this licence comes into force.
2. Any word or expression defined for the purposes of any provision of the Electricity Supply Act 10 of 2006 (ESA) shall, unless the contrary intention appears, have the same meaning when used in this Licence.
3. This Licence may be cited as the DOMLEC Generation Licence 2010.
4. In this Licence unless the context otherwise requires:

"*Affiliate*" in relation to any person means any holding company or subsidiary of that person or any subsidiary of a holding company of that person in each case within the meaning of Section 149 of the Companies Act;

"*Assets*" mean the material assets and facilities owned, operated or leased by the Licensee, including the Real Estate.

"*authorised*" in relation to any business or activity means authorised by licence granted under Section 30 of the ESA;

"*authorised electricity operator*" means any holder of an Electricity Licence granted under Section 30 of the ESA;

"*Catastrophic failure*" means a sudden and unexpected failure of one or more generating units that form part of the *generating facilities* which renders that or those units economically or technically unfit to generate;

["*Technical Inspector*" means the Technical Inspector designated as such under the provisions of section 36 of the ESA;]

"*Commission*" means the Independent Regulatory Commission as established pursuant to S. 4 of the ESA

"*Companies Act*" means the Companies Act and any amendments thereto;

"*Distribution Line*" means any electric power line operating at 11,000 volts;

"*Distribution System*" means that part of the electricity system that operates at 11,000 volts;

"*ESA*" means the Electric Supply Act 10 of 2006 and any amendments thereto.

"*Electricity generation Licence*" means a licence granted under Section 30 of the ESA authorising the Licensee to carry out the generation of electricity;

Transmission, distribution or supply licence means a licence granted under Section 30 of the ESA authorising the Licensee to carry out the, transmission, distribution or supply of electricity;

"*Fair Market Value*" means the market value of the Licensee when evaluated as an ongoing business concern including this Licence and all lands, buildings, works, materials, plant and property of all kinds whatsoever suitable to or intended for the purposes of the undertaking. The *Fair Market Value* shall be determined in accordance with the provisions of Condition 15

"*Financial Year*" means the twelve month period at the end of which the Licensee's annual accounts are completed and independently audited

"*Force Majeure*" means any event or circumstance or combination of such events or circumstances that (i) occurs inside Dominica except as provided in clause (h) below, (ii) is outside the reasonable control of the Licensee, (iii) cannot be prevented or overcome by the exercise of reasonable diligence, and (iv) materially and adversely affects the performance by the Licensee of its obligations under this Licence, to the extent that such event(s) or circumstance(s) meet the foregoing requirements (i) through (iv), including: (a) acts of God, fire, explosion, chemical contamination, earthquakes, flood, lightning, drought, tsunami, flood, torrential rain, storm, cyclone, typhoon, or tornado, pestilence or other natural catastrophes, epidemics or plague, or any strikes, work to rule, go-slows or other labour disturbances that directly affect the *Assets* of the Licensee, (b) any failure or inability by the Licensee to obtain or renew any licences (other than this Licence), concessions or permits or other *Governmental Requirements* that are necessary for the Licensee to conduct its business on terms and conditions at least as favourable

as those contained in the original licence (and not this Licence), concession or permit after the submission of an application that fulfils all the applicable requirements of the relevant *Government Requirements* and the exercise of due diligence to obtain such licence (other than this Licence), concession or permit, (c) any strikes, work to rule, go-slows or other labour disturbances that extend beyond the *Assets* of the Licensee, are widespread or nation-wide or are of a political nature, including labour actions associated with or directed against a ruling political party, or those that are directed against the Licensee (or its contractors or suppliers) as part of a broader pattern of labour actions against companies or facilities with foreign ownership or management, (d) expropriation, requisition, confiscation, nationalization or compulsory acquisition by a *Governmental Authority* of the Licensee or any substantial portion of the *Assets*, (e) acts of war (whether or not declared), invasion, blockade or embargo, (f) acts of threats of terrorism or threat from terrorists, widespread riot, widespread violent demonstrations, widespread armed insurrection, widespread rebellion or revolution, (g) the closing or drastic reduction in capacity of public harbours, ports, docks, canals, roads, airports or other infrastructure, the rationing thereof or any import or export restrictions, or (h) to the extent that they result in disruption of the Licensee's ability to receive shipments of fuel, major equipment or critical spare parts, any strikes, work to rule, go-slows or other labour disturbances that occur outside of the commonwealth of Dominica

"*Generation Code*" means the Generation Code as drawn up by the Licensee, and approved by the Commission;

"*Generating Facility*" means any power plant and associated equipment owned or controlled by the Licensee **identified in Schedule 1.**

"*Generation Performance Standards*" mean the standards of performance approved by the Commission in accordance with Condition 18;

"*Generation Set*" means any plant or apparatus for the production of electricity;

"*Government*" means the Government of the Commonwealth of Dominica

"*Governmental Authority*" means any (a) national, municipal, central or local government, department, central bank, court, council, commission, board, bureau, tribunal, agency or instrumentality of the Commonwealth of Dominica or (b) any subdivision, agent, commission, board or authority of any of the foregoing.

"*Governmental Requirement*" means all Acts, statutes, orders, ordinances, injunctions, constitutional provisions, treaties, licences, notices, rules, rulings, regulations, concessions, decisions, authorizations, consents, decrees, permits, proclamations,

instructions, certifications, judgments, verdicts, confirmations, approvals, filings or similar items of, or granted by, any *Governmental Authority* which are applicable to the Licensee.

"*Minister*" means the Minister with portfolio responsibility for electric energy.

"*Outside person*" means any *person* who is not an *Affiliate* of the Licensee;

"*Person*" means an individual, a partnership, a joint venture, a corporation, a limited liability company, a limited liability partnership, a trust, a self-regulating organization, unincorporated organization or a governmental entity or any department or agency thereof.

"*Regulatory Accounts*" means the reports on the financial and operating performance of the Licensee in such detail and format as designated by the Commission.

"*Regulatory Fees*" means the Fees prescribed by the Commission from time to time that are in force under Section 17 of the ESA;

"*Service Territory*" means, for the purpose of this Licence the entire island of Dominica;

"*Site*" means any land upon which any *Generation Facility* or any other part of the *System* is located or proposed to be located and any building or other physical structure located or proposed to be located on such land.

"*Subsidiary*" shall have the meaning specified in **the Companies Act**;

"*System*" means the transmission and distribution network consisting wholly or mainly of electric lines owned or operated by the transmission and distribution Licensee and used to transmit electricity and includes any electrical plant and meters owned or operated by that Licensee in connection with the transmission and distribution of electricity;

"*Transmission Line*" means any electric power line operating at 33, 000 volts or higher.

"*Transmission, Distribution and Supply Business*" means the business of the Licensee in the planning, development, construction and maintenance of the *System* and the operation of such system for the transmission, distribution and supply of electricity.

"Transmission System" means that part of the electricity system that operates at 33,000 volts or higher;

5. The Schedules attached to this Licence form part of the Conditions.
6. Any reference in a Condition of this Licence to a numbered paragraph is a reference to the paragraph bearing that number in the Condition in which the reference occurs.
7. In interpreting this Licence, headings shall be disregarded.
8. Any reference in this Licence to an Act shall include that Act as from time to time amended, extended, re-enacted, revised or consolidated whether before or after the date of this licence; and all statutory instruments, regulations or orders made thereunder.
9. Where in this Licence the Licensee is required, pursuant to Section 41 of the ESA, to comply with any obligation within a specified time limit, that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit and the provisions of the ESA shall apply in respect of non-compliance where applicable.
10. The provisions of the Interpretation and General Clauses Act shall apply for the purposes of the service of any document pursuant to this Licence.

Condition 2: Authorisations

1. The Licensee is, for the purpose of this Licence, *Dominica Electricity Services Limited* whose address for the purpose of this Licence is 18 Castle Street, Roseau, Commonwealth of Dominica.
2. This Licence authorizes and gives the Licensee the right and privilege to generate, electricity for supply to the Transmission and Distribution Licensee only, utilizing the *Generating facilities*, subject to the conditions of this Licence and the Act.
3. Notwithstanding the foregoing, in the event of catastrophic failure the licensee may temporarily replace the failed generating unit or units comprising the generating facilities with the approval of the *Commission*.
4. The Licensee shall be a company incorporated in Dominica.

Condition 3: Term of Licence

1. Subject to the provisions herein contained the term of this Licence shall be [twenty (20)] years from the date hereof (hereinafter called "the date of the Licence") and shall be amended/adjusted pursuant to Clause 3 of this Condition 3.
2. The Commission shall have the right to amend, or revoke this Licence in accordance with the ESA, and the related Rules issued by the Commission
3. If the Licensee is awarded the right to supply additional (new) generation pursuant to the competitive or any other process approved by the Commission then, upon such award, this Licence will be cancelled and a new Generation Licence will be issued for a term to correspond with the period required for the installation of the relevant new Generating unit together with the lifetime of the Generating unit (whether the relevant new generating unit or otherwise) with the longest remaining estimated economic life, subject always to a maximum of [twenty years]. Save for (a) the change in the term and the addition of the new Generating unit; and (b) any adjustments to the estimated economic life of the Generating units covered by this Licence and approved by the Commission and subject always to the provisions of Condition 13 (Amendment of Licence), the Terms and Conditions of any new Generation Licence granted pursuant to this condition shall not be materially different from the Terms and Conditions of this Licence during the period that is equal in length of the term of this initial Licence.
4. If the Licensee believes that it is economic to extend the life of an existing Generating unit beyond the initially estimated economic life as provided in Schedule 1, it may apply to the Commission, at least three years before the generating unit would have been retired, for an extension of the initially estimated economic life and provide such economic and technical justification to support its application. Such application shall be subject to the Commission's approval and once approved, provided that the extension of life will extend beyond the term of the Licence, a new licence shall be issued pursuant to clause 3 above. The impact of the life extension shall be taken into account and factored in to the generation planning for new capacity.

Condition 4: Assignment or Transfer of Licence

1. This Licence shall not be assigned or transferred without the prior consent of the *Commission* which shall be given in writing.

Condition 5: Transfer of Shares or reorganisation of capital structure of the Licensee

1. The Licensee shall advise the Commission in writing of any proposal to transfer shares in the ownership of the licensed business which will have the effect of: changing the controlling interest in the Licensee.
2. The Licensee shall, as soon as is reasonably practical, provide such information to the Commission as may be required by the Commission to satisfy itself, pursuant to S.28 of the ESA, that the persons acquiring control or ownership in the circumstances set out above are “fit and proper persons” to have such control or ownership.
3. Where the Commission has been notified by the Licensee or otherwise becomes aware of any of the circumstances set out in Clause 1 of this Condition 5 and the Commission has determined that such a person or group of persons are not “fit and proper persons” to have control of the Licensee or its Parent Company, the Commission may:
 - a) In the event of a proposed acquisition of shares in the Licensee, refuse to allow the proposed transfer of shares; or
 - b) In the event of an acquisition of shares in either the Licensee or its Parent Company;
 - i. Impose such conditions on the Licensee as it deems necessary;
 - ii. Issue a directive or directives to the Licensee as to the management and operations of the licensee; or
 - iii. Revoke the Licence where it determines, in consultation with the government, that such suspension or revocation is necessary for reasons of the national security or public interest of the Commonwealth of Dominica.
4. For the purposes of S. 29 of the ESA, it is hereby confirmed that Dominica Private Power Ltd, WRB Enterprises Inc and Dominica Social Security are “fit and proper persons”
5. Any proposed reorganization of the capital structure of the Licensee shall be on such a basis where it meets the ruling conditions in major international financial markets which include the Eastern Caribbean Securities Exchange.

Condition 6: Obligations of the Licensee

1. The Licensee shall generate and deliver or cause to be delivered from the Generating facilities to the Transmission and Distribution system the capacity and energy that the Transmission and Distribution Licensee requests or agrees to accept.

2. The Licensee shall comply with the provisions of the Transmission and Distribution Code or any other codes developed to assure the safety and integrity of the system, the safety and well being of the public and the protection of the environment.
3. The Licensee shall comply with the Generation Performance Standards..
4. The Licensee shall comply with the ESA.
5. The Licensee shall comply with any directive, order, rule, decision or approval issued, made or granted by the Commission in accordance with its duties and functions under the ESA.
6. The Licensee shall comply with any other Act of the Commonwealth of Dominica that has application to it in the discharge of its performance under this Licence.
7. The Licensee shall not take or omit to take any action or otherwise conduct itself in a manner which is intended to have, has or is likely to have the effect of restricting, distorting or preventing competition in the procurement of generation capacity.

Condition 7: Reporting Obligations

1. The Licensee shall submit to the Commission (within fifteen days of the end of each quarter taken on a calendar year basis) such reports as the Commission may have stipulated providing information on a monthly basis of the operating performance of the generating facilities - such information will include but not be limited to gross energy produced, energy delivered to the Transmission and Distribution system, maximum capacity demand imposed by the Transmission and Distribution system (Licensee), maximum available capacity at the time of maximum demand imposed by the Transmission and Distribution system, generation load duration curve on the day in the month when the maximum demand occurs, other operating statistics to enable derivation of capacity factors, plant availability, forced outage rates and other operating data relevant to monitoring performance in relation to the Generation Performance Standards.
2. The Licensee shall submit to the Commission (within fifteen days of the end of each quarter taken on a calendar year basis) such reports as the Commission may require relevant to monitoring the Licensee's compliance with this Licence and environmental and statutory requirements.

3. The Licensee shall provide by the fifteenth day of each month data on actual fuel and lubricants consumed in the previous month showing fuel (by type) consumed in imperial gallons, costs of purchases, open and closing stock balances and consumption.
4. The Licensee shall provide such other reports to *the Commission* as may be reasonably specified from time to time.
5. The Licensee shall, in accordance with good industry practice, maintain and keep all appropriate books, records and accounts in respect of the activities to which this Licence relates.

Condition 8: Audit Rights of the Commission

1. Pursuant to its powers under Sections 19 and 39 of the ESA, *The Commission* and its agents shall be entitled during the normal business hours and without notice to attend at any premises from time to time owned or occupied by or in the possession of the Licensee for the purpose of undertaking audits, inspecting any books, records and accounts of the Licensee to which this Licence relates and the Licensee shall fully co-operate and assist *the Commission* for such purposes. Notwithstanding this obligation, the Licensee shall not be compelled to provide information which it could not be required to reveal in a civil action. The Licensee shall at the request of the *Commission* furnish *the Commission*, at the Licensee's expense, with a copy (in such format as *the Commission* may specify) of any book, record or accounts as *the Commission* may reasonably require.

Condition 9: Licence fees and Regulatory fees

1. The licensee shall not be liable for the payment of Licence fees or Regulatory fees. [It is not usual for the vertically integrated utility to pay the sets of Licence fees as the fees are passed on to consumers anyway. Usually the generation licence fee is nominal but for standard application and to be non discriminatory, we could set a fee say (x cents for each kWh delivered to the TDS licensee over the previous twelve months?]

Condition 10: Early Retirement of Assets

1. The Licensee may retire assets, provided that any decision to retire assets early shall be subject to the approval of the Commission which approval shall not be unreasonably withheld. On any early retirement of assets, the Licensee shall be

allowed to recover the net book value of all Generating Facilities whether those assets are on its books at the effective date of this Licence or additions to the Licensee's Rate Base during the term of the Licence. This financial recovery shall be independent of whether these assets are physically retired before the end of their book life based on economic evaluation or any change in Government policy or regulatory action. Such recovery shall take place through the continued depreciation of such assets until the end of their book life. The Licensee's accounting for any retirement will be in accordance with the relevant conditions of the Licensee's Transmission and Distribution Licence and the Licensee's Rate Base shall not otherwise be affected by such retirement.

Condition 11: Regulatory Accounts to be kept by the Licensee

1. The Licensee shall maintain regulatory accounts, as requested and specified by the Commission, which separates its generation activities from its transmission and distribution activities.

Condition 12: Economic Purchasing of Goods and Services

1. The Licensee shall purchase or otherwise acquire goods and services from the most economical sources available to it having regard to the quantity, timing and nature of the goods or services required to enable discharge of its obligations under this Licence.
2. The Licensee shall, if requested by *the Commission* submit to *the Commission* its procedures for procurement.
3. Nothing in the foregoing shall preclude the company from outsourcing for goods and services through or from connected parties so long as the Licensee can demonstrate at all times that such procurement is on terms which would obtain if such goods and services were procured competitively.

Condition 13: Amendment of Licence

1. The provisions of S 35 of the ESA and any related orders and regulations issued by the Commission shall determine the procedure for amendment of the Licence.
2. This Licence may be amended at any time during the term by agreement, confirmed in writing, between the Licensee and the *Commission*.

Condition 14: Revocation of Licence

- 1 The *Commission* may initiate proceedings to revoke this licence, pursuant to S. 34 of the ESA and any related orders issued by the *Commission* where the Licensee:
 - a) Is in material breach of this Licence;
 - b) Persistently breaches any Condition attached to this Licence or repeatedly contravenes the ESA or any other relevant Act;
 - c) Is dissolved;
 - d) Is wound up or declared bankrupt;
 - e) Is convicted of any offence under the ESA or any other Acts of the Commonwealth of Dominica;
 - f) Is to be or is struck off the register of companies
 - g) Compounds with its creditors to the detriment of the public interest;
 - h) Acts in a manner which compromises the national security or the public interest of the Commonwealth of Dominica
 - i) Obtained this licence by false, fraudulent or misleading representation or in some other illegal manner; or
 - j) Having been notified by the Commission of the breaches of the Licence that would lead to revocation, fails to rectify such breaches within the period stipulated in the notice.
- 2 Notwithstanding Clause 1 of this Condition 14, the Commission may, in lieu of revocation, exercise its options pursuant to S 34 (1) of the ESA, if in the public interest.
- 3 The Commission shall, before revoking the Licence:
 - a) Issue written notice to Licensee of intention to revoke, providing reasons and indicating that revocation would become effective in not less than 90 days of the issuance of the notice.
 - b) Shall give the Licensee 30 days to respond and 60 days to remedy the breach.
- 4 Subject to the provisions of Clause 3 of this condition 14, on the expiration of 90 days after the issuance of the notice given at Clause 2 above the Commission shall revoke the Licence.
- 5 Upon revocation of this Licence, the *Commission* shall give notice, pursuant to S 34 of the ESA; of its intention to compel compulsory divestiture of Licensee's Generating Facilities. The price shall be equal to seventy-five percent (75%) of *Fair Market Value*. *Fair Market Value* shall be determined by a mutually agreed panel of three qualified valuers with experience in valuing Generating facilities

- 6 [Notwithstanding the provisions above, the Commission, after consultation with the Government, shall initiate revocation procedures for reasons of national security or the public interest of the Commonwealth of Dominica.]
- 7 Notwithstanding the issuance of the *revocation notice*, the Licensee shall, unless requested otherwise by the *Commission*, continue to operate the *Generating Facilities* in accordance with prudent utility practice or at the same standards that were used to operate the *Generating Facilities* prior to the date of the *revocation notice*, whichever is higher.
- 8 At any time after the revocation of the Licence but prior to the sale of the Generating Facilities pursuant to this Condition 10, if the Licensee demonstrates to the reasonable satisfaction of the Commission that the failures which gave rise to the revocation (and any ensuing failures) have been cured and the Licensee is capable of fulfilling its obligations under the Licence, the *Commission* may, on the request of the Licensee or on its own authority at any time withdraw the *Revocation Notice* and notify the Licensee that it is no longer required to seek offers for the purchase of its *Generating Facilities*.
- 9 Fair market value for these purposes shall be considered to be the fair market value of the Generating Facilities to another Generation Licensee determined in a manner that complies with the term Fair Market Value as defined by the American Society of Appraisers; that is the price expressed in cash equivalents, at which the Generating Facilities would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms length in an open unrestricted market, when neither is under compulsion to sell or buy and when both have reasonable knowledge of the relevant facts.]

Condition 15: Force Majeure

1. To the extent that the Licensee is prevented by Force Majeure from carrying out, in whole or in part, its obligations under this License, the Licensee shall as soon as practicable:
 - a. give notice to the Commission providing details of the Force Majeure conditions to the Commission;
 - b. provide details of the specific obligations which the Licensee believes it will be unable to meet as a result of the Force Majeure conditions;
 - c. request a suspension of the specific obligations and the period for which the suspension should apply.

2. On receipt of a request for suspension of specific obligations under the Licence, due to Force Majeure conditions, from the Licensee, the Commission shall determine the validity of the request and grant such suspension on such terms as it deems appropriate to the circumstances.
3. The Licensee shall take all reasonable necessary steps to enable it to perform its obligations under the Licence with all reasonable dispatch after the period of Force Majeure has ceased.

Condition 16: Reconsideration and Appeal of Commission Decisions

1. Within 21 days of the issuance of a Decision by the Commission, the Licensee may request the Commission to reconsider its decision stating the reasons and circumstances for such request which shall be limited to
 - a. errors of fact;
 - b. errors of Law; or
 - c. new circumstances which had been brought to the attention of the Commission by the Licensee and could have a material impact on the decision had it been taken into account.
2. If the Licensee is aggrieved by the Commission's decision on a request for reconsideration, the Licensee has the right of recourse to appeal the decision in the courts of Dominica.

Condition 17: Notices and Communication

1. Notices, orders and other documents under this Licence may be in writing or in print or in electronic format (permitting confirmation of receipt) and shall, if served on:
 - (a) *the Commission* be addressed to:
The Executive Director; and
 - (b) the Licensee, be addressed to:
The Managing Director/Chief Executive Officerat the address, facsimile and email addresses communicated by the respective parties to each other from time to time.
2. Any notice, order or document required or authorized to be served upon any body or person under this Licence may be served by the same being addressed to such body or person and being left at or transmitted by electronic mail or facsimile

or by registered post to the address of such body or to the usual or last known place of abode of such person. If served by post it shall be deemed to have been served at the time when the containing letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that such letter was properly addressed, registered and put into the post. If served by electronic mail or facsimile it shall be deemed to have been served when the electronic mail or facsimile shall have been transmitted by the sender.

3. Notwithstanding the above, the Licensee shall designate a person that will act as a primary contact with the Commission on matters related to this Licence. The Licensee shall notify the Commission promptly should the contact details change.

PART III: GENERATION PERFORMANCE STANDARDS

Condition 18: Generation Performance Standards

1. Performance standards will provide a balanced framework of potential penalties or rewards compared to historical performance. Standard shall include "zones of acceptability" where no penalties or rewards would apply. If performance deviates from agreed levels, the first step shall be discussion with the Commission to assess the reasons, make and agree on corrections for poor performance as appropriate. If performance continues to deviate from the standard after those discussions, the Commission may impose penalties for poor performance if the Licensee has not implemented the agreed on action plan or provide rewards for superior performance.
2. These standards will be reconsidered at the same time as the periodic review carried out for the Transmission and Distribution Licensee.
3. After review and approval, the Commission will implement and enforce all the performance standards on separate schedules for each standard. Each schedule will depend on whether an appropriate measure has yet been defined and the availability of historical performance data against the measure to determine an appropriate benchmark for the Licensee.
4. The Licensee will comply with the Initial Generation Performance Standards with such modifications as the Commission may direct, until the Generation Performance Standards proposed by the Licence pursuant to Clause 6(b) of this Condition 18 are approved by the Commission. The Initial Generation Performance Standards shall be the standards in force, pursuant to the ESA, at the date of this Licence and as set out Schedule 2.

5. The Licensee shall operate the Generating Facilities in accordance with the Generation Performance Standards.
6. The Licensee shall:
 - a. Within 90 after this licence becomes effective, assemble the data (covering the five year period ending YYYY or the date of commissioning into commercial operations, whichever is earlier) associated with
 - i. Generator availability (including scheduled and forced outage hours)
 - ii. Generator capacity factor
The data will be developed in accordance with the statistical terminology of the Institute of Electrical and Electronic Engineers (IEEE)
 - iii. Determination of the fuel efficiency of the units that operated during the period as well as the record of the computed efficiency of the units.
 - b. within six months after the effective date of this Licence, prepare and submit to the Commission for review and approval, the Generation Performance Standards.
7. Pursuant to S.39 of the ESA, having regard to any written representation received by the Commission or upon its own motion, after giving the Licensee an opportunity to present its own perspective on the same, for reasons recorded in writing the Commission may require the Licensee to revise the Generation Performance Standards and the Licensee shall comply with the directions of the Commission.

SCHEDULE 1

Generation Facilities

A. Fond Cole Power Station

Unit make and model	Unit No.	Type of Plant	Unit size (MW)	Startup date of unit	Retirement date based on estimated economic life of the unit or term of the Licence
SW Diesel - 6FHD240	FC 1	Medium speed	0.75	1986	2014
SW Diesel - 6FHD240	FC 4	Medium speed	0.75	1986	2014
Caterpillar - 3612	FC 5	Medium speed	2.84	1996	2016
Caterpillar - 3608	FC 6	Medium speed	1.75	1989	2014
Caterpillar - 3516B	FC 7	High speed	1.40	2003	2013
Caterpillar - 3516B	FC 8	High speed	1.40	2003	2013
Caterpillar - 3516	FC 9	High speed	1.40	2005	2015
Mann - 7L28/32H	FC 10	Medium speed	1.46	2009	2019
MAN - 7L28/32H	FC 11	Medium speed	1.46	2009	2019
MAN - 7L28/32H	FC 12	Medium speed	1.46	2009	2019

B. Sugar Loaf Power Station

Unit make and model	Unit No.	Type of Plant	Unit size (MW)	Startup date of unit	Retirement date based on estimated economic life of the unit or term of the Licence
Caterpillar - 3516	SL 3	High speed	1.35	1998	2008
Caterpillar - 3516B	SL 4	High speed	1.40	2003	2013
Caterpillar - 3516	SL 5	High speed	1.40	2005	2015
Caterpillar - 3516	SL 3	High speed	1.28	2007	2017

C. Laudat Hydro Station

Unit make and model	Unit No.	Type of Plant	Unit size (MW)	Startup date of unit	Retirement date based on estimated economic life of the unit or term of the Licence
Noell - Pelton	LD 1	Hydro	1.24	1990	2040

D. New Trafalgar Hydro Station

Unit make and model	Unit No.	Type of Plant	Unit size (MW)	Startup date of unit	Retirement date based on estimated economic life of the unit or term of the Licence
Noell - Pelton	NT 1	Hydro	1.76	1991	2041
Noell - Pelton	NT 2	Hydro	1.76	1991	2041

E. Padu Hydro Station

Unit make and model	Unit No.	Type of Plant	Unit size (MW)	Startup date of unit	Retirement date based on estimated economic life of the unit or term of the Licence
Gilkes - Turgo Imp.	PD 1	Hydro	0.94	1967	TBD
Gilkes - Turgo Imp	PD 2	Hydro	0.94	1967	TBD

SCHEDULE 2

Initial Generation Performance Standards

The Act provides the following performance requirements for DOMLEC's generating plant:

Parameter	Performance target
Plant efficiency (kWh/imp gal – diesel or blended fuel)	Not less than 17.50

The Standards referred to at clause 6 of Condition 18, and those set out below, are the minimum standards for which the Licensee is required to collect data and recommend to the Commission within 6 months of the date of this Licence. Collectively these standards will, on acceptance be referred to as the initial Generation Performance Standards.

Parameter	Performance target
Plant efficiency - kWh/imp gal (diesel or blended fuel) or heat rate.	Not less than 17.50
Generator availability (including scheduled and forced outage hours)	
Generator capacity factor	
Generator forced outage rate	