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Minister of the Environment and Housing

Communication to Parliament

Electricity (Amendment) Bill 2014

January 14th, 2015

CHECK AGAINST DELIVERY

THANK YOU MR. SPEAKER

MR. SPEAKER

I begin by extending my best wishes for the New Year to you and my Parliamentary colleagues. I also take this time to send greetings to the wonderful residents of Southern Shores, who have given me the opportunity to serve our beloved country in this place. The last three years have been productive and promising. Roads have been paved, homes have been repaired, new employment opportunities have been seized. However, more

has to be done and by the grace of God we soldier on to systematically address the needs of the residents of that community. After all, if we truly believe that our job is to “wipe every tear from every eye”, we know that our job, despite the many successes and accomplishments, will always require us to do more and never become complacent.

MR SPEAKER

I would like to extend condolences to the family of Mr. Anthony Eardely Moss, who lost his life on the streets of Southern Shores as he was a victim of a vehicular incident, which resulted in his body being found on Carmichael Road. It was a tragic and gruesome incident and our prayers are with his family.

I also would like to extend condolences to the families of the late Sir Jack Hayward and George Alfred Darville . May the souls of the dearly departed rest in peace.

Mr. Speaker, this New Year has come with good news for certain members of this august chamber. In that regard, I would also like to take this time to congratulate the members from Seabreeze and Mount Moriah on their recent appointments and promotions. They are both deserving and will serve their constituents and the people of this country well. I would also like to congratulate the member for Nassau Village for his appointment as Chairman of BAIC. He will bring new energy to the post and serve with distinction.

MR. SPEAKER

There can be no disagreement that our country is in full transformation mode. This transformation was not unforeseen, as we are living in the future, which our predecessors in this place and our forefathers spoke of. The transformation that our country is going through is much needed as we can no longer trade on

the triumphs of those who came before us but must blaze new trails for those who will follow us. We must not be afraid of the changes that are occurring but we must also not be too eager for change where what is in place works. I am proud to be a part of the transformation of The Bahamas, our Bahamas. I am proud that this Progressive Liberal Party administration is leading the charge of change and doing so in a responsible and yet dynamic way. Though we in this place have at times disagreed on the details, this parliament has done incredible work on behalf of the Bahamian people. The legislation passed in this place will positively impact our people now and in the future. In the short time since the speech from the throne major pieces of legislation have been tabled and passed. Legislation such as the Medical Act, the Bahamas Protected Areas Fund Act, the Value Added Tax Act, the Gaming Act, the Persons With Disabilities Equal Opportunities Act have all been passed in this place since 2012.

MR SPEAKER

The few Acts which I mentioned by name are an example of this Progressive Liberal Party administration's commitment to tackling the major issues that plague our nation. For decades we have speculated about gambling in the country; this administration tabled and passed legislation putting an end to the speculation. For decades it has been known that customs duties and the other taxes levied as well as the administration of tax collection was inadequate to cover the expenses of our developing nation; this administration tabled and passed legislation to ensure that the country has a new stream of revenue to aid in its operations. This administration is also endeavouring to ensure that the administration of tax collection is modernized and efficient. Enforcement and collection are incredibly important to the new

measures we have advanced. Despite the naysayers, VAT is working and it will work well. Our citizens will pay their fair share. We now need to ensure that those who collect the taxes hand them over to the government and where they do not they should be prosecuted to the full extent of the law.

Mr. Speaker, while others sit at home or on the sidelines watching and commenting on this, that and the other, this government is working, changing the country for the better. While the opposition flip flops on issues, being for something today and against it tomorrow and maybe for it again in a week's time, this government is working, fixing the problems they left behind and changing the country for the better. I read with interest the comments of the FNM in relation to the Bank of the Bahamas. They would have you think that the problems faced by the Bank began in 2012. They would have you believe that the \$100 million

dollars worth of bad loans were not approved by an FNM appointed Board of Directors during a time when many who sit in this place on the side opposite were in Cabinet. They would have you believe that the PLP caused the problem, when in fact, once again, we are simply fixing their mess! Mr. Speaker, I tell the people of this great Commonwealth through you, that the PLP will always set the record straight, we have an obligation to do so. But more importantly, we will clean up the mess the FNM left behind and get it right. That is what we have committed to do and we are doing it. Ministry by Ministry. Institution by Institution.

Do not confuse my stating of facts for bragging, I fully admit that there are issues which still need to be addressed and more legislation needing to be tabled. However, I contend that this PLP government is doing its part to transform the Commonwealth of The Bahamas into the best little country on earth. A country of

which we can all be proud to call home.

MR SPEAKER

I have said the words that I am about to say in this place on numerous occasions and it gives me great pleasure to be able to speak these words again today and those words are: once again this government is bringing landmark legislation to this place. This time, Mr. Speaker we are addressing the problem of the our reliance on fossil fuels, the incorporation of renewable energy into our energy matrix and the cost of electricity.

MR. SPEAKER

In the Charter for Governance, we committed to reducing the country's reliance on fossil fuels and addressing the high cost of

electricity. One of the ways in which we proposed it be addressed was by providing incentives to reduce the demand for electricity through the increased use of renewable energy, in particular solar and wind energy. Today, we are bringing that commitment to fruition by proposing an amendment to the Electricity Act which will provide for persons and businesses generating energy through alternative energy sources to tie into the current electrical grid and to receive a credit for excess electricity fed into the grid. This is indeed a great day in our history. Not only are we ushering in the advancement of a new renewable energy industry and sector; creating the potential for new jobs and entrepreneurial opportunities but we are moving away from our nation's heavy reliance on fossil fuels and empowering our citizens to become independent power producers. Mr. Speaker, this is another example of the FNM talking and the PLP doing. They talked about Renewable Energy and Energy reform for five

years, but offered no Energy Policy and no real Energy Reform. Their reform was the distribution of CFL bulbs by members of the Royal Bahamas Defence Force. Under Prime Minister Christie's first term between 2002-2007, he approved a pilot project for the Cape Eleuthera Institute by which they were allowed to generate electricity using solar and wind technologies with a view to their generation system being connected to the grid. From 2007-2012 the FNM's record on advancing renewable energy technology is dismal. They did nothing meaningful or tangible to advance renewables and reduce the country's reliance on fossil fuels. When we came to office in 2012 we immediately eliminated the customs duties on solar inverters panels etc., and committed ourselves to Energy reform. This has resulted in a RFP being advanced for the reform of BEC, which will be concluded shortly; the advancement of a National Energy Policy setting out ambitious goals for the country by 2033 and the amendments we are

debating today, which will make grid-tie connection of renewable energy generating systems a reality for our country. Another milestone for the Right Honourable Member for Centreville and his agents of change.

MR SPEAKER

As we all are aware the electricity in most parts of The Bahamas is generated and distributed by the Bahamas Electricity Corporation (BEC). This electricity is generated by gas turbines which are costly to acquire and maintain and have also contributed to the environmental degradation of our beautiful islands because of the fossil fuel used to operate the equipment. This degradation is evident in the recent oil spill experienced at the Clifton Power Plant. This is not a new occurrence. It has been happening for fifty years and I am proud to say that this

administration is taking the necessary steps to bring the environmental degradations at Clifton to an end. Cabinet has recently approved funding for my Ministry to aggressively address, the environmental remediation of Clifton. In time, this will bring an end to oil escaping into the marine environment, creating a problem for persons diving and snorkeling in the surrounding area and for those who have boats in the area. We pledge to continue to work with all stakeholders in arresting this problem which has plagued us for decades. The former administration talked about the problem and BEC even commissioned an extensive report under their watch. But they did nothing. Absolutely nothing to address the problem. When the country is in crisis, it needs its A team to solve the problems. The PLP has always been this country's A team. We are up to the challenge and we will fix the problem. As the Prime Minister continues to say, this administration is continuing the heavy lifting. We are not avoiding

the problems which have plagued us for decades, like illegal immigration, tax reform, investing in needed equipment for the Defence Force or cleaning up Clifton. We are taking them on and by the grace of God we will solve and successfully address them all, including crime.

MR SPEAKER

It is no secret that development, especially within the private sector, has outpaced the technological advancement of BEC. It is well known that the energy provided by BEC can at times be very unreliable. It is well known that the cost of electricity has become out of reach financially for not only the average Bahamian citizen but also to those doing business in The Bahamas. It is also well known that The Bahamas has much work to do in reforming our energy sector.

Real energy sector reform is no longer a choice but an imperative to our economic growth. The time has long past for sweeping change within this sector of our country. However, it is never too late to do the right thing. This administration has set out on the journey to totally reform the energy sector of The Bahamas. This journey will not be a short one but it is one that must be continued across administrations until the desired destination is arrived at. Securing our energy future can only be achieved with a concerted effort from the public and private sectors along with the citizens of this nation.

MR SPEAKER

As I said before, the former administration made a feeble attempt to reform the energy sector. The highlight of energy reform

under the former administration was the Royal Bahamas DEFENCE Force being used for the distribution of CFL light bulbs throughout the Bahamas. Can you imagine? The same administration that complained about Police officers being used to keep students safe while in school, utilized officers charged to defend our borders against illegal immigrants, illegal fishing and poaching to give out light 'bulbs'! Well mudda sick! You think they serious? However, small an impact there attempt had we do thank them for their efforts as every LITTLE bit helps and in their case, I do mean "LITTLE"!

MR SPEAKER

All Bahamians should be aware the Value Added Tax (VAT) was implemented in this country as of January 1st, 2015. This VAT is charged at 7.5% and is levied on products and services.

The public should also be aware by now that VAT will be charged on their monthly BEC bill. BEC has begun a public awareness

campaign informing Bahamians of how to read the new bill. The government understands that implications of this addition to some of our people and is working to lower the cost of electricity. However there are ways by which citizens can help themselves in this regard. One of those ways is through the energy conservation, which I cover later in this presentation. Mr. Speaker, contrary to what some may think, no Bahamian is immune to VAT.

MR SPEAKER

I can assure the Bahamian people that this administration is working daily to bring change to the way we generate and distribute energy. Change which will positively impact not only the cost of electricity but its reliability, efficiency and environmental sensitivity. This change will also provide the opportunity for gainful employment and entrepreneurship for Bahamians. Even today, more and more Energy Service

companies are being launched to participate in the Energy conservation and renewable energy industries. Since embarking on this journey, the Government of The Bahamas has made great strides toward our goal of total energy reformation.

MR SPEAKER

Since assuming office in May of 2012, this administration, through legislation and policy has sought to bring about the changes and advancement needed to the energy sector. We began with acknowledging, to the Bahamian people, that we know and understand that the cost of electricity had become financially debilitating to them....to us all. We acknowledged that we understood the same to be true for local businesses and other investors in the country. We also acknowledged that action had to be taken and that we would be the ones to take the necessary

action.

MR SPEAKER

Thus far, the Government has sought to reduce operational costs at BEC by improving on operational efficiencies and reducing waste wherever possible. I commend the member for Tall Pines for his relentless resolve to give the BAHAMIAN people value for money. The government also established a National Energy Task Force which was charged with advising on solutions to reducing the high cost of electricity. We eliminated the excise tax on fuel used by BEC in the 2013-2014 budget. We eliminated tariffs on inverters for solar panels and LED appliances to ensure that more of our citizens would be able to afford these energy saving devices. And a loan was approved by parliament in the amount of Two Hundred and Fifty Million Dollars to rehabilitate and improve BEC's financial position.

MR SPEAKER

My ministry with the assistance of the Inter-American Development Bank (IDB) and the Global Environment Facility (GEF) was able to advance two pilot projects devised to collect data on renewable energy technologies. The first project provided for the installation of solar water heaters and the second project for the installation of photovoltaic systems in Bahamian homes. The data received thus far confirms that these devices would benefit Bahamians in lowering their electricity consumption thus saving them money. We are now incorporating PV solar systems in some of the homes we are constructing in the Department of Housing. However we must do more. We must now find ways in conjunction with local banks and other lending institutions which provide mortgages for homes to ensure that more houses can be outfitted with solar and wind powered devices that can save Bahamians money and help to save our planet by lessening our carbon footprint. I note some Bahamian

banks are already offering financial packages for renewable energy installations. It is my hope that more banks will follow suit in this endeavor. We have to make sure that our people are able to find financing options to be able to benefit from renewable energy technologies.

MR SPEAKER

In August of 2013, Prime Minister Christie released a statement announcing the Government's intentions to reform the energy sector with the following objectives:

- To provide energy supplies to consumers that will meet long term growth demands for energy
- To increase international competitiveness in production in order to promote economic development and job creation
- To utilize economically viable renewable energy sources to promote environmental sustainability
- To provide long term energy security to producers and

consumers

- To increase Bahamians awareness of energy its use and conservation methods in their daily lives
- To increase energy efficiency
- To provide modern and expanded energy infrastructure
- To create a regulatory framework that promotes transparency, investment, competition, efficiency, and public-private partnerships
- To foster sufficient flexibility that adopts and adapts to new energy technologies
- To establish an institutional framework with high levels of technical capacity to support and facilitate the implementation of policy by all stakeholders; and
- To provide investment and business opportunities with spin off benefits to other sectors.

MR SPEAKER

Much work has been completed since the release of the Prime Minister's statement. The Government has released a Request for Proposal to advance the realignment of BEC. This process is coming to an end and I am certain the Deputy Prime Minister and Member for Cat Island, Rum Cay and San Salvador, who has responsibility for BEC, will talk about this process in greater detail. However, as a member of the Ministerial committee in relation to that process, I want you to know that I am excited about the future of BEC and the energy sector.

Mr. Speaker, I want the record to reflect that I am deeply concerned about the allegations that have been made that a foreign company bribed a Bahamian official in relation to a lucrative BEC contract under the FNM. Such allegations can adversely affect the reputation of The Bahamas and must be

taken seriously and investigated. But Mr. Speaker, what also concerns me is that the FNM continues to make allegations of corruption against the Right Honourable Member for Centreville and this administration and then they expect for us to not defend ourselves or point to their failings and shortcomings. What would they have us do? Accept their untruths? Allow the public to believe that there is some merit in what they are saying? We have to be resolute in our commitment to transparency and we must ensure that we defend our integrity at all times.

Mr. Speaker, there is a movie called "the Usual Suspects" which starred Kevin Spacey, who played a character called Verbal. It is one of my favourite movies. There is a villain in the movie, who is referred to as Keyser Soze. The villain is despicable, unknown throughout most of the film and is even compared to being the devil. But there is a quote from the movie that I always

remember. It is “the greatest trick the devil ever pulled was convincing the world he did not exist”. Every time, the FNM alleges corruption in the PLP, I am reminded of that quote because the greatest trick the FNM have tried to pull on the Bahamian people is that they are snow white. The greatest trick they have attempted to pull on the Bahamian people is this mistaken belief that the PLP and not the FNM is corrupt. They were birthed out of the corrupt and conflicted UBP party. That is their history. They cannot deny it, but like the devil in the quote of Verbal, they want you to think their wrong doing and corruption did not exist, does not exist. The devil is a liar, Mr. Speaker and so are those on the side opposite who cast stones when they dwell in palaces made of glass.

MR SPEAKER

The former administration have embarrassed and shamed our

beloved Bahamaland. The Bahamas was named in a federal case against Alstom, a French power company. The company stated in a plea agreement that a GOVERNMENT OFFICIAL of this nation received bribes to ensure that their company (Alstom) received a contract from BEC. This is disgraceful Mr. Speaker. What is even more peculiar is that the board of BEC chose another company and the CABINET of The Bahamas overturned that decision is favor of Alstom. Why? This is disgraceful Mr. Speaker.

In this very place, a presentation was made by the then Minister with responsibility for BEC, Bradley Roberts between 2002-2007, where he spoke about this Alstom contract. He said,

“Mr. Speaker, in October 2000, the Board of Directors of BEC concluded that based upon the evaluation of its consultants, there was little to separate the two contractors that were selected from the list of bidders, namely, ABB, now known as Alstom of Europe; and Hanjung of Korea. Following the request of Board Members

as to the performance of the two contractors in other jurisdictions, the consultants advised as follows:

Hanjung—four utilities were consulted; there were no liquidated damages and the company has a record of good performance with no delays.”

ABB (Alstom)—company has record of unsatisfactory performance; there were liquidated damages and contract delays in Mauritius, Honduras, Peru, Freeport and Nassau.

Mr. Roberts went on, in this place to say, “Mr. Speaker, the Board of Directors at its meeting held on the 13th of November 2000, gave its approval for the contract to be awarded to Hanjung. Subsequently, at a meeting of the Board held on the 29th of November 2000, the Board unanimously reconfirmed its original decision to award the contract for DA 12 Generator to Hanjung. At an extraordinary meeting of BEC’s Board on the 28th of February 2001, it was noted that subsequent to the meeting, Directors and

management were summoned to Cabinet at which meeting the selection of Hanjung was discussed. As a result of the discussions, and for reasons that were deemed to be in the best interest of the country, it was decided to award the contract to ABB/Alstom.”

This is indeed disgraceful Mr. Speaker. The late, Mr. Vincent D’Aguilar, a very good friend of my father, Nathaniel Dorsett, resigned from BEC’s Board over this non-sense. He would have no part in it. My father worked with Mr. D’Aguilar in BEC in their early years. My father, who began his career as a meter reader for BEC, also become one of the longest serving Board members of BEC under Sir Lynden Pindling. Men like Vincent D’Aguilar and my father don’t put up with foolishness. The fact that Mr. D’Aguilar resigned should tell all that something was wrong.

Be that as it may, I trust that the matter will be investigated.

MR SPEAKER

The Government has sought to enter agreements with international organizations which provide assistance to countries like ours in the implementation of the deployment of renewable energy sources. One such organization is the Carbon War Room (CWR). For the edification of Members who may not know, the Carbon War Room is a non-profit organization, founded by a stellar group of Corporate Leaders, the most notable of which is, Sir Richard Branson. The CWR is based in Washington D.C. Its mission is to "accelerate the adoption of business solutions that reduce carbon emissions at gigaton scale and advance the low carbon economy. A Memorandum of Understanding was recently signed between the Government of The Bahamas and the CWR. Amongst other things, the MOU executed between the Government and the CWR solidifies The Bahamas intention to join the CWR's Ten Island Challenge. This initiative was formed to assist island nations with the transition from "heavy dependence

on fossil fuels to the use of renewable energy resources.” I received recently an information packet from the CWR outlining the global reach of a press release which announced the Bahamas joining the Ten Island Challenge. It was big news around the world with seventeen (17) articles published in seventeen (17) different publications both locally and internationally. It is said that these articles had a reach of approximately Forty Two (42) Million people.

MR SPEAKER

The MOU between the government and the CWR also outlines the CWR's commitment to assist the Bahamas with the following projects:

- the CWR will facilitate an energy efficiency audit and a Solar PV installation viability assessment at the Anatol Rodgers School.
- the Government in partnership with the CWR will work

together to develop solar farm programmes of up to 20MW across a number of islands. The islands which have been identified for this programme are: Eleuthera, Andros, Cat Island, Acklins, Bimini, Inagua, Crooked Island, Exuma, and Long Island. This programme will be initiated by a technical analysis and pre- feasibility assessment to be undertaken by the CWR and the Government and will be implemented once approved by the Government

- the CWR will support the Government in developing and executing a RFP process for the implementation of a solar PV farm at the BAMSI complex on Andros.
- the CWR will support the Government in developing and executing an RFP process for the implementation of a country wide LED street lighting retrofit project.
- the CWR will support the Government in exploring and potentially developing a 'pay as you go' metering and billing

system for BEC, which should dramatically reduce our accounts receivables issues at BEC and help consumers better manage their energy consumption.

Once completed these projects will create the prototypes for similar initiatives to be conducted across The Bahamas. More schools can be taken off the grid, private sector businesses could conduct their own energy audits and solar power can be used by more sectors of our society. I am looking forward to working with the Carbon War Room on these exciting projects.

MR SPEAKER

Another international organization which The Bahamas has enlisted to aid us on our journey to a secure energy future is the International Renewable Energy Agency (IRENA). IRENA is “an intergovernmental organization that supports countries in their transition to sustainable energy future, and serves as the principal

platform for international cooperation, a centre of excellence, and a repository of policy, technology, resource and financial knowledge on renewable energy. The Bahamas was recently accepted as a member of IRENA.

As I have stated publicly before, IRENA is a very important component for The Bahamas' road map for the deployment of renewable energy technologies. One of the reasons we joined IRENA is because of their advancement of international standards associated with renewable energy technologies. IRENA has assured us that they are willing to work with The Bahamas in developing our national standards as regards renewable energy technologies. IRENA is also advancing a new Lighthouse Initiative in which they will work with countries, such as ours, in developing road maps for transition into the deployment of renewable energy technologies. We have also had discussions with IRENA to ensure that as we move into the net billing grid tied connection

framework, that they assist us in developing that programme not only for residential scale, but to further ensure that as we move into utility scale deployment of renewables, it is done in a way where we protect the integrity of the technology and that it is done correctly.

MR SPEAKER

Also in furtherance of the Government's commitment to secure our energy future, my ministry released to the general public, the Bahamas National Energy Policy 2013-2033. This document presents the vision and goals of the Government for a reformed energy sector. It was compiled in consultation with industry stakeholders and is available for all to review online. I want to publicly thank the Chamber for their assistance and contribution to the Policy. The vision for energy sector reform is to create, "a modern, diversified and efficient energy sector, providing Bahamians with affordable energy supplies and long term energy

security towards enhancing international competitiveness and sustainable prosperity.” The National Energy Policy is based on four main goals:

1. Bahamians will become well aware of the importance of energy conservation, use energy wisely and continuously pursue opportunities for improving energy efficiencies, with key economic sectors embracing Eco-efficiency.
2. The Bahamas will have a modern energy infrastructure that enhances energy generation capacity and ensures that energy supplies are safely, reliably and affordably transported to homes, communities and the productive sectors on a sustainable basis.
3. The Bahamas will be a world leader in the development and implementation of sustainable energy opportunities and continuously pursue a diverse range of will researched and regulated, environmentally sensitive and sustainable energy

programmes, built upon our geographical, climatic and traditional economic strengths.

4. The Bahamas will have a dynamic and appropriate governance, institutional, legal and regulatory framework advancing future developments in the energy sector underpinned by high levels of consultation, citizen participation and public-private sector partnerships.

MR SPEAKER

The Bahamas National Energy Policy document provides the country with a guide to total energy reform by the year 2033 through strategic steps such as fuel diversification, infrastructure modernization, renewable energy source development, conservation and efficiency. It also includes a table for target evaluation and monitoring. As it states in the policy, "To ensure that the goals of the policy are achieved, the Government in consultation with the private sector and civil society will develop

three (3) year action plans that will enable the development of key actions to support the strategies articulated in the policy document. These plans will provide detailed information on specific actions to be undertaken, the implementing agencies or stakeholders, time lines and costs." Mr. Speaker, there is a lot of work to do. Work that requires the cooperation of the Government and the opposition and the public and private sectors. The Government cannot effect the change we need on its own.

MR SPEAKER

In keeping with its commitment to establish a Residential Energy Self Generation Programme (RESG), Cabinet has approved the framework for this programme along with the Renewable Energy Power Purchase/Inter connection agreements prepared by the Office of the Attorney General. The the Electricity Amendment Bill, which we debate today along with the Electricity (Renewable

Energy) Regulations 2014, allow us to make the bold step of making grid tie connection and net billing a legal reality in The Bahamas. This is long overdue, but I am excited about what this bill when passed will bring about.

MR SPEAKER

The RESG Programme will provide a means by which residential and certain commercial customers with renewable energy generation capabilities on their respective properties for the purpose of serving their own electricity requirements to connect to the grid. The applicable renewable energy technologies will be wind turbines or solar photovoltaic power sources. The Minister responsible for Electricity may approve other technologies in the future.

The Minister responsible for BEC and BEC will reserve the right to limit the number of services per individual, entity or classification.

The following conditions will be observed in respect to the RESG programme:

1. (a) New Providence

Residential Renewable Energy Self Generator system shall not supply greater than 5 kilowatts (kW) to the grid. You may be able to install a system greater than 5 kW to assist with reducing your consumption of electricity, but you will not be allowed to supply and get credit for more than 5 kW.

Commercial RESG systems (limited to public buildings, including those owned by public corporations, public and private preparatory, primary, secondary and tertiary schools and buildings used by Approved Manufacturers under the Industries Encouragement Act, churches and not for profits operating as charitable organizations as approved by the Minister responsible for Electricity) shall not supply greater

than BEC's estimate of the customer's peak demand or 50kW, whichever is lesser, unless otherwise approved by the Minister and BEC.

(b) Abaco, Eleuthera and Exuma

Residential Renewable Energy Generator systems shall not supply greater than 3 kilowatts (kW) to the grid.

Commercial RESG systems shall not supply greater than BEC's estimate of the customer's peak demand or 25kW, whichever is lesser, unless otherwise approved by the Minister and BEC.

(c) Long Island, Bimini, San Salvador, North/Central/South Andros, Inagua, Cat Island, Great Harbour Cay, Black Point, and Staniel Cay (Exuma)

Residential Renewable Energy Self Generator systems shall

not supply greater than 2 kilowatts (kW) to the grid.

Commercial RESG systems shall not supply greater than BEC's estimate of the customer's peak demand or 5kW, whichever is lesser, unless otherwise approved by the Minister and BEC.

(d) All Other Family Islands

Residential Renewable Energy Self Generator systems shall not supply greater than 1 kilowatt (kW) to the grid.

Commercial RESG systems shall not supply greater than BEC's estimate of the customer's peak demand of 5kW, whichever is lesser, unless otherwise approved by the Minister and BEC.

With respect to Grand Bahama, the Government intends to discuss this national initiative with the Grand Bahama Port

Authority and the Grand Bahama Power Company with a view to obtaining their cooperation to ensure that Grand Bahamians can also take advantage of this new initiative. Those discussions will begin in earnest in a few weeks. The residents of Grand Bahama cannot be left out and will not be left behind.

2. The Government will offer the programme for a period of two years and at the end of the pilot programme, the Government will review the experiences and determine whether to continue offering the programme at the specified tariff and whether or not we can increase the amount of excess energy that can be sent to the grid. It is not a pilot with respect to proving the technology. We now it works. It is a pilot regarding scalability and terms.
3. BEC shall install meters capable of recording energy flows

in both directions and will utilize a net billing methodology for billing purposes. BEC shall credit the RESG's account for all energy (kWh) up to the maximum threshold allowed that is supplied to the grid, based on BEC's applicable Fuel Adjustment Charge prevailing during the month the energy is supplied. At the end of each billing period, if the account is in debit after the renewable energy charges have been applied, the balance due will be billed and payable. If the account is in credit, the amount will be carried forward to the next billing period. Excess generated energy (kWh) within the allowable threshold will roll over from month to month until October of each year, at which time any energy credit will reset to zero. There will be no payment for excess energy generated by RESGs.

MR SPEAKER

In 2012, it was reported that The Bahamas was the second

largest importer of oil in the Latin American region, placing our spending at 13-14% of GDP in 2006. Just recently the Prime Minister made a presentation in Tennessee where he stated that oil import for consumption "expenditure peaked in 2008 to \$1.1 Billion and in 2012 to \$900 million."

MR SPEAKER

The increased use of renewable energy sources does not equate to the total cessation of the use of fuel. The Bahamas will still have a need for fuel. Legislation has been tabled in this parliament to regulate the upstream Petroleum industry in the country. Should hydrocarbons or natural gas be found in the country in commercially viable quantities, it stands to have a significant positive impact on the public purse. The new pieces of legislation pertaining to the Petroleum industry will ensure that exploration for oil is conducted as safely and environmentally responsible as possible, in accordance with international best

practices and health and safety protocols.

MR SPEAKER

This new regulatory and legislative regime also calls for the establishment of a Sovereign Wealth Fund, a bill for which has also been tabled in this place. It must be fully understood that should oil be found in commercially viable quantities there will be no checks distributed to individuals. Significant revenues associated with production may be derived from this venture and will be placed in the Sovereign Wealth Fund for the benefit of all Bahamians collectively.

It should also be noted that in the future, the Government will adopt a new fiscal regime for the Petroleum sector. My Ministry, which is charged with responsibility for the upstream Petroleum sector, will be negotiating future exploration arrangements that will provide for the sharing of revenue on the production of hydrocarbons and natural gas. While we may be a "frontier oil

exploration regime", moving forward, this administration will do its part to ensure that the people of the Bahamas get their fair and just share of revenues derived from exploiting our natural resources.

MR. SPEAKER

These amendments are but the latest pit stop on the journey to total energy reform. This legislation, if passed, will give the Minister responsible for BEC the power, in consultation with the Minister responsible for alternative energy, the power to approve the "installation or operation by a person of a generating station using solar, wind or such other renewable energy sources as may be prescribed in regulations." According to the bill an approved renewable energy generating station (which may be a home or business that generates its own energy through alternative energy sources) must meet the following criteria. It must be:

- (a) registered by the Minister in accordance with the

regulations

- (b) have interconnection to the electrical grid in accordance with the terms and conditions of a grid interconnection agreement entered into by the Minister, the Corporation and the owner or operator of the generating station;
and
- (c) comply with all standards and guidelines issued in relation to the
 - i. construction, installation, operation and performance of renewable energy generating stations training and experience required by persons in relation to system installation and operation.

MR SPEAKER

These amendments before us call for the Minister to maintain a register of all approved renewable energy generating stations, their owners and operators and the corresponding grid

interconnection agreements, including specifications of the generating stations. It also calls for the registration and approval of all generating stations in operation on the date that these amendments come into force. This means that all those persons who have been fortunate enough to have had photovoltaic systems, wind turbines or any other form of alternative energy installed at their homes or businesses MUST be registered. This includes generating stations on every island in this country, from Grand Bahama to Inagua and every rock, cay and island in between.

Mr. Speaker, once the programme is implemented, the Government will begin discussions with the tourism sector, food stores, large retail chains and the Chamber of Commerce to see how we can involve other businesses that are not included in the first phase of the pilot in the very near future. I want to publicly

thank the Chamber of Commerce for agreeing to assist the Government with such consultations and I look forward to advancing the use and deployment of Renewable Energy technologies throughout all sectors.

MR SPEAKER

We cannot speak of energy reform without mentioning energy conservation. Energy conservation not only benefits our environment by reducing our carbon footprint but it is also known to benefit our pocketbooks by reducing our energy consumption. More Bahamians should adopt the practice of using conservation to aid in the lowering of their electricity bills.

We all should know by now that the use of CFL and LED bulbs are more energy efficient than regular incandescent light bulbs and also last longer. We should also all be aware that for some businesses the use of air conditioning is imperative. Purchasing the most energy efficient A/C unit possible may cost a little more

upfront, but paying close attention to the Seasonal Energy Efficiency Ratio (SEER) can save you big money in the long run. The higher the units' SEER rating the more energy efficient it is. Depending on the type of business you run you can also look into installing a Variable Refrigerant Volume A/C system. These systems allow for one unit to be connected to several different evaporators thereby giving each room its own temperature setting. This is the suggested A/C energy saving model especially for hotels. This administration has approved the construction of an OTEC facility, which will provide chilled water for the air-conditioning system for the new BAHAMAR resort project. If the technology works, it can prove to be a very interesting case study that may be considered for energy generation in the future.

MR SPEAKER

Bahamians should also examine the Energy Star rating when

purchasing new appliances. These products use less energy, save the consumer money and are environmentally friendly. Products which earn the Energy Star label meet energy efficiency requirements. Examples of these requirements are

- Qualified products must deliver the features and performance demanded by consumers, in addition to increased energy efficiency.
- If the qualified product costs more than a conventional, less-efficient counterpart, purchasers will recover their investment in increased energy efficiency through utility bill savings, within a reasonable period of time.

MR SPEAKER

The efforts being made to revamp the energy sector will aid the Bahamas in lessening its carbon footprint. Although this country's contribution to global warming is incredibly small in relation to

other countries, The Bahamas is extremely vulnerable to the effects of climate change. In his statement to the United Nations Climate Change Summit, Prime Minister and Member for Centreville impressed upon the gathering the urgency in which climate change needs to be addressed. He stated that, "Eighty (80) percent of my nation's land mass will be lost if the sea level rises 1.5 meters. They also say that with a warming of 3.7-4.8°C by 2100, as currently predicted, The Bahamas we know would be no more." This fact alone compels us to do whatever we can to ensure that countries around the world and our own country lowers its green house gas emissions.

MR SPEAKER

A report compiled by IRENA listed the Bahamas' per capita electricity use in 2009 at 5,493 kWh with 99% of that energy being powered by oil. In comparison, Trinidad and Tobago which has a population of approximately 1.3 million people was the only country with a higher per capita electricity use at 5,662 kWh. The difference being that Trinidad and Tobago relies heavily on natural gas to power their electricity. As concerns oil or fossil fuel use, the country closest to The Bahamas was St. Lucia with a 98% dependency on oil. We are however in a better position than Antigua and Barbuda which at the time was 100% dependent on oil. As you can imagine The Bahamas is far behind where it should be in the deployment of renewable or alternative energy sources. Cuba for example, at the time of the report, had a 76% dependency on oil, Dominican Republic 68%, Haiti 28%, and Trinidad and Tobago 8%. These countries have lessened their dependence on oil with the use of Hydro energy, natural gases,

solar energy, and biofuels etc. We indeed have much catching up to do.

MR. SPEAKER

We must work together on the issue of energy sector reform. It is clearly in our collective best interests that we succeed in achieving our goals. It is my view that the future development of The Bahamas depends in part to the reformation that can be achieved within the energy sector. Therefore this issue must be above politics and live beyond the five year election cycle. We must continue to advance this process looking towards a secure energy future. We must advance this process understating that the economic growth that we seek cannot occur without adequate energy resources. It would be foolhardy to continue with business as usual yet expect to develop our many islands, service existing and future customers efficiently and continue to degrade the environment while trading on out sun sand and sea.

MR SPEAKER

This administration is on a mission, a mission to transform this country in order that it may be able to compete globally, meet the requirements of our citizens now and sustain future generations of Bahamians. As I have said before, we cannot continue to rely on the the triumphs of the past. We must be willing to try new things to ascertain what will work now and tomorrow. We cannot be fearful but must be determined and steadfast in our endeavour to better The Bahamas and advance our people. The naysayers can say what they may but the proof is there for all to behold this Progressive Liberal Party government is on the job.

I am proud of this bill and hope that it will gain the unanimous support of my colleagues as it is a step in the right direction.

Thank you Mr. Speaker

