



14 October 2020

PRESS RELEASE

Draft Determination of the Proposed Renewable Energy Capacity Reallocation and Tariff Setting

The Utility Regulation and Competition Office ('OfReg') has published its draft determination of the Proposed Renewable Energy Capacity Reallocation and Tariff Setting proposal for the 1-megawatt (MW) of capacity to be transferred from the Distributed Energy Resources ('DER') programme to the Customer-Owned Renewable Energy ('CORE') programme.

This draft determination specifies a lower tariff for both commercial and residential customers, aligning with the Government's National Energy Policy ('NEP') goal of lowering the cost of energy for all consumers. The main contributors to the expected tariff reduction are a projected decrease in the subsidisation of CORE customers by non-CORE customers, and projected decreases in solar PV systems costs. The additional 1 MW brings the total CORE capacity to 10 MW, and allows continuity of solar systems installations by the local solar industry.

The Office determined the new tariff of KYD\$0.134/kWh in accordance with its General Regulatory Principles (GRPs), and was guided by the Integrated Resource Plan (IRP) and Goals 3 and 4 of the Government's NEP. As this is a draft determination, it is possible that there may be changes in the final determination. Whilst the draft determination provides an indicative tariff, this is based on information at the time, and may be updated based on new data and feedback from stakeholders.

Consultation is an important part of OfReg's assessment processes, and The Office is encouraging interested parties to review the draft determination on its website www.ofreg.ky. Responses must be submitted to OfReg on or before 5 pm, 30 October 2020 and are to be submitted by email to: consultations@ofreg.ky. The final determination is expected to be published in November 2020 and the revised tariff is also expected to apply from that date. However, this is subject to change, particularly in light of any further COVID-19 developments.

OfReg is the independent regulator for the electricity, information and communications technology, water, wastewater and fuels sectors in the Cayman Islands. OfReg also regulates the use of electromagnetic spectrum and manages the .ky internet domain.

END