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UTILITY REGULATION AND COMPETITION OFFICE

23 October 2021

**PRESS RELEASE**

**RENEWABLE ENERGY AUCTION SCHEME TO BE ADOPTED AND IMPLEMENTED**

The Utility Regulation and Competition Office ('OfReg') has made its final determination on a Renewable Energy Auction Scheme (REAS). The REAS design for the Cayman Islands, reflects OfReg's position which took into consideration all submissions received from the general public, licensees, and other interested parties via two public consultations.

Under the REAS, potential energy producers bid against each other to supply energy through long-term contracts at the lowest possible price. The programme, which will be managed by OfReg, is designed to enable the procurement of renewable energy at competitive prices while advancing the goals of the National Energy Policy ('NEP'). The final determination outlines the main policy objectives and external factors impacting the design of the new scheme, setting the context for the volume of renewable energy capacity to be procured under the REAS, and the general framework to be followed.

OfReg supports greater renewable energy generation growth in the Cayman Islands. To this end, OfReg has been putting in place several regulatory initiatives to facilitate the addition of renewables into the Cayman electricity market. The REAS takes into account OfReg's duty to promote appropriate, effective, and fair competition, and to ensure that energy is provided at the least affordable cost to consumers, whilst simultaneously supporting environmental sustainability.

"The REAS sets out the mechanism for the procurement of utility-scale renewables through a transparent, competitive and robust process. The current Integrated Resource Plan projects 140 MW of utility-scale solar by the year 2030, and it is through the utilisation of tools such as the REAS, we will be able to incentivise significant investments in renewable energy, that will drive economic development and job creation in the Cayman Islands." - **Malike Cummings, CEO at OfReg.**

The REAS will be implemented in Q1 of 2022. It will rely on competitive forces and will play a significant role in accelerating green energy production, and allow the Cayman Islands to move closer to achieving the NEP renewable energy ambitions of 70% by 2037, whilst delivering technology diversity, at the lowest cost to electricity customers.

For the full details on consultation E&U 2021 – 2 – Final Determination Proposed Renewable Energy Auction Scheme, please visit OfReg's website at <https://www.ofreg.ky/eu-2021-2-final-determination-proposed-renewable-energy-auction-scheme>

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## UTILITY REGULATION AND COMPETITION OFFICE

### **ABOUT OFREG**

The Utility Regulation and Competition Office ('OfReg' or the 'Office') is the independent regulator established by section 4 of the Utility Regulation and Competition Act (as revised) (the 'URC Act') for the electricity, information, and communications technology, water, wastewater, and fuel sectors in the Cayman Islands.

OfReg provides the opportunity for consistency and collaboration in regulation across the energy, fuel, ICT, and water sectors; better utilisation of skills and resources resulting in more efficient and effective regulatory processes; encouraging competition where appropriate and feasible; championing sustainability and innovation across markets, contributing to the economic and social goals of the Cayman Islands.

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Mr Maliqe Cummings, OfReg's CEO