

PUBLISH DATE [. ], 2024



**STRICTLY PRIVATE & CONFIDENTIAL**  
FINAL MINUTES OF GENERAL BOARD MEETING  
HELD 21 NOVEMBER 2024

BOARD SECRETARY  
OFREG



# Utility Regulation and Competition Office

## Board Meeting Minutes – General Board Meeting #11 of 2024

# Minutes

## Meeting Details

<b>Meeting Date:</b>	21 November 2024
<b>Time:</b>	0930 hrs – 1630 hrs
<b>Minute Taker:</b>	Joanne Conolly, Board Secretary
<b>Venue:</b>	OfReg Conference Room
<b>Attendees:</b>	OfReg Voting Board Members: Samuel Jackson, Chair Natasha Bodden, Deputy Chair Frank Balderamos, Member Osbert Francis, Member Gavin Baxendale, Member Wrendon Timothy, Member  OfReg Non-Voting Staff: Sonji Myles, ICEO/EDI Alison Maxwell, AGC
<b>Apologies:</b>	

## Agenda Details

AGENDA OVERVIEW	
1. General	Welcome & Declarations of Interest Deputy Chair
2. Minutes of Previous Meeting	General BoD mtg #10 10Oct2024
3. Committees	Water Committee
4. Sector Matters	4.1 Fuels 4.1.1 Dashboard 4.2 Energy 4.2.1 Dashboard 4.2.2 BTS1 Sale to Interenergy 4.2.3 L&R Fee Adjustment 4.2.4 CUC Generator Licence 4.2.5 IEL Base Rate Increase 4.2.6 CORE Rates ADJUSTMENT 4.3 ICT 4.3.1 Dashboard 4.3.2 ICT Licensee Register
5. ICEO Report	5.1 ICEO to present verbal report
6. Legal Advice	6.1 Opinion: Third Party Entities-Water

	6.2 Legal Dashboard
7. AOB	7.1 CoLA & Honorarium 7.2 Christmas Lunch 7.3 Q3, 2024 Financial Report
8. Adjournment & Date of Next Meeting	4.30pm scheduled finish 12 December 2024 scheduled meeting date

## Meeting Minutes

1.	General		1
1.1	Welcome	<ul style="list-style-type: none"> <li>• Meeting Called to Order with quorum at 10.20 am.</li> <li>• <b>Chair would like BS to distinguish between voting Board Members and non-voting members of Staff, when completing the Agenda and Minutes of meetings.</b></li> <li>• Chair presented voting members with confirmation of Member Bodden's appointment to Deputy Chair with immediate effect.</li> <li>• Board Action Log o/s:               <ol style="list-style-type: none"> <li>(1) <b>Chair to write to CUC with ICEO/AM assistance and would like reply before December BoD meeting, using the legal advice received which Russell Richardson assisted on.</b> OfReg are not authorised to approve the temp gen application submitted by CUC. Board discussed the existing temp gen units still being utilised by CUC, which were not approved, and the new application.</li> <li>(2) MG suggested the best way forward would be for OfReg to write to CUC and say amend the CON to conform to condition 31 of the Licence so it only includes firm generation capacity. <b>Chair instructed ICEO to write to CUC to inform them the Board has considered the CON and in light of the provisions of condition 31 of the Licence, those provisions only relate to proposals or a need for firm capacity. OfReg would invite CUC to amend the CON to include firm generating capacity of sufficient quantity to off-set the need for temporary generation as soon as it can be implemented.</b></li> <li>(3) Discussion around the National Energy Policy and definitions of firm power.</li> <li>(4) CUC fuel spill: AM explained to the Board that the DPP had said OfReg did not provide sufficient evidence in order for a prosecution under the law, to be pursued. They mentioned the way in which interviews were conducted. Chair expressed disbelief, as CUC had admitted guilt as a matter of public record. Chair's view is that OfReg should have their own enforcement section. Deputy Chair shared AM's view that OfReg and the Board were being hindered in their attempts to carry out their mandate. ICEO spoke in terms of creating an enforcement section within OfReg and had spoken to the CAPE in this regard. <b>Chair instructed ICEO to move this forward and have an update for the next Board meeting in December.</b></li> <li>(5) Chair asked for clarity around the Jacks Esso matter under Fuels dashboard. ICEO confirmed the idea of mediation had</li> </ol> </li> </ul>	2 <b>A3</b> 4 <b>A5</b>  <b>A6</b>  7 8  <b>A9</b> 10

		<p>been floated, and SOL were not interested, although DCFI had informed ICEO that SOL were happy to provide support where required. Discussion around the dispute resolution regulations which AM confirmed had been drafted for the ICT sector, went to the Ministry and Legal Dept have heard nothing more.</p> <p>(6) Energy Department being requested to find 3 more AML companies: Deputy Chair suggested Tribridge on the second floor of Landmark Square.</p> <p>(7) Tower: ICEO confirmed no longer engaged and a PR person will be employed, which will be brought to the Board formally at a later date once a JD has been written.</p> <p>(8) Discussion around National Archives Law. <b>BS to send AM the work done during ex-CEO Malike Cummings tenure.</b></p>	11 12 13
1.2	Declarations of Interest	None	14
2.	<b>Minutes of Last Meeting</b>	BS had not presented the minutes of the October meeting, which will now be presented during the December meeting.	15
3.	<b>Committees</b>  Redacted under FOI Act (2020 Revision) s23(1)	<u>Water Committee</u> Chair informed the Board that there were now issues with the previously agreed wording for the licence. <b>Chair will revert to [REDACTED] and inform him OfReg will meet with the Ministry to progress.</b> <b>AM to arrange meeting with Miguel Jacques and Andrea Fa'amoe, and remind ICEO.</b> <u>HR&amp; Committee</u> WT agreed to attend meetings moving forward. <u>R&amp;A Committee</u> WT pointed out statutorily 4 people were required on the committee and with the FC having left, a replacement would be required before the next meeting. <b>BS to make available all ToRs for each current committee.</b>	16 A17 A18 19 20 A21
4.	<b>Sector Matters</b>		22
4.1	<b>Fuels</b>		23
4.1.1	Dashboard	<p>BoD looked through the Fuels dashboard. DCFI not in attendance.</p> <ul style="list-style-type: none"> <li>• MG would like to see a compliance listing of each Licensee, and a 'next action' date as well as a 'completed' date on the dashboards. <b>DCFI to action.</b></li> <li>• Suggestion by MG of having presentations from sectors to detail their compliance requirements. Chair suggested a meeting specifically for all sectors to present on the same day. Tabled for January, date TBA. <b>BS to place on December agenda.</b></li> <li>• ICEO confirmed OfReg needed standard operating procedures in many areas, including safety. <b>DCFI to draft.</b></li> <li>• WT would like to see in addition to the dashboards, quarterly reports to show benchmarking for deliverables to be measured. ICEO hopeful positions filled by February 2025, therefore this can be managed in-house.</li> <li>• Chair explained to the Board that OfReg had been an</li> </ul>	24 A25 A26 27 28 29

		<p>amalgamation of different types of regulator – fuels have a more inspectorate regulatory approach, whereas energy is a more reactive approach. Streamlining OfReg to follow one regulatory approach will require significant legislative change in his opinion.</p> <ul style="list-style-type: none"> <li>• Discussion around the use of safety standards out of the USA, which are for guidance only and not enforceable, as not Cayman legislation.</li> <li>• FB commented this would lead into the Risk &amp; Audit post discussed previously in HR&amp;R Committee and ICEO confirmed OfReg are going ahead with this post, which will be full-time.</li> </ul>	<p>30</p> <p>31</p>
4.2	E&U		32
4.2.1	Dashboard	<ul style="list-style-type: none"> <li>• Board looked through the Energy dashboard.</li> </ul>	33
4.2.2	BTS1 Sale to Interenergy	<ul style="list-style-type: none"> <li>• AML completed. Full DD check completed by Bransons and there were no adverse findings.</li> <li>• Discussion around possible Caymanian ownership. AEDE informed the Board that this was not a planned sale. BTS1 were approached. There is no current legislation to have OfReg request companies to have local people offered first refusal. ICEO pointed out this was contained within the ICT law 'due consideration to Caymanian participation.' Chair pointed out s25 of ESRA around transferring without prior consent of the Office, however URCA s46 re merger control mentions anything 'above 10%' – with regard to assigning or transferring a licence. This transaction is an ownership change. ICEO went through §46 and 47 in respect to change of control. Decision of the Board was that the company was a foreign-owned entity passing to another foreign-owned entity. Chair pointed out no adverse impact on public interest.</li> </ul> <p><b><i>Motion: “After considering the materials and the advice of the Acting Executive Director Energy, the Board supports the Office’s approval of the indirect transfer of shares of Bodden Town Solar 1 Limited to InterEnergy Group Limited, with immediate effect.”</i></b></p> <p><b><u>OF Moved to approve the Motion; GB Seconded. No objections. Motion carried.</u></b></p>	<p>34</p> <p>35</p> <p>D36</p>
4.2.3	L&R Fee Adjustment	<ul style="list-style-type: none"> <li>• Chair requested an explanation for the Board, as to this calculation. AEDE informed the Board this was in accordance with CUC’s licence, and was an adjustment for fuel use. Not the fuel factor, but the fuel charge which appears on customers’ bills as .051. This is being brought down, because of the change in fuel price, and can be adjusted every quarter. Chair asked about automatic changes because of the pass-through, but AEDE explained the fuel tracker was what accounted for that, and this helps the consumer, although a pass-through. WT asked whether this computation was being monitored, so that what was charged on bills was an accurate reflection of the current fuel price. Chair pointed out what could complicate this charge more, is that fuel is taken on consignment, and CUC do not pay duty on it until it is used. FB asked why this reduction was being</li> </ul>	37

		<p>requested at this time. Chair confirmed a proper audit would be required in order to accurately determine whether the charges were correct, which charges were paid to Rubis, with the fuel charge passed through to the consumer. ICEO confirmed these charges had not been seen previously as the ex-DEDE was making approvals without bringing them to the Board.</p> <ul style="list-style-type: none"> <li>• Chair expressed concern that the last change appeared to be in June 2023, but various fuel price changes had occurred since then. GB and WT were of the view that OfReg required historic rates to compare, and Energy Sector would carry out a spreadsheet comparison. Under CUC's licence condition 21.2.3 'fuel cost tracker account', it states "<i>may be adjusted quarterly.</i>" NB said if the consumers' should have saved money if the prices had fallen previously, they may need to pay back the consumer. Chair's opinion was there may need to be an RFI, however in the first instance, this would be referred to the Energy Committee. <b>BS to reach out to Charles Farrington to see when he would be available for a meeting prior to the next Board Meeting in December.</b></li> <li>• ADEDE confirmed CUC had sent a spreadsheet and letter with the request, and he to send documents received to BS for inclusion in the Board folder. <b>ICEO requested AEDE to locate any adjustments done in the last 12 months and any other supporting information.</b> BS located a board paper with CUC agreeing to changes in the way L&amp;R fees were handled, and circulated.</li> </ul> <p><b>NO DECISION TAKEN BY THE BOARD IN RESPECT TO THE PAPER PROVIDED BY ENERGY DEPARTMENT</b></p>	<p>38</p> <p>A39</p> <p>A40</p> <p>41</p>
4.2.4	CUC Generator Life Cycle Schedule 1	<p>Chair confirmed that under s28(1) of CUC's Licence, this may be modified, which would be a significant modification of the Licence. This Schedule details all firm power in the plant, but none of the temp gen plants are included. In previous meetings, CUC have not disclosed their exact amount of firm power. Deputy Chair had noted during CUC's last appearance in June in front of the Board, that they had capacity of 166MW plus 10MW non-firm. They were not counting temp gen at all as regards the overall generating capacity. CUC has a total firm capacity including some of which is temp gen 186MW and the licence should reflect all forms of capacity. ICEO suggested putting in the temp gen which was approved by the Board, with the agreed end dates. Chair was of the opinion that, as this is a public document and should speak to the power available to CUC at any time, if every time their generation capacity is changed, it should be so amended. It would be advantageous to have that conversation with CUC in order to bridge the gap they have created by bad forecasting and the need for temp gen. ICEO asked if all the data was available to OfReg in order to update the Schedule further, to include the temp gen. AEDE said he receives quarterly reports from CUC which include all temporary generators, and how many hours they</p>	42

		<p>run, and have all the data.</p> <p>Discussion around the temp gen already approved, and the MW available in total to CUC. Peak was confirmed at 128 in May, anticipated 131/132 over the summer. ADEDE confirmed it was 131. Margin at 35% had been discussed as reasonable, but when the Board calculated the current % based upon peak figures, CUC would require continuous temporary generation to be granted. Discussion around whether the current CON is asking for enough capacity.</p> <p><b>Chair requested AEDE revert to CUC and ask them why temporary generation is not included in the Schedule, and the reasoning.</b></p> <p><i><b>Motion: “After considering the materials and the advice of the Acting Executive Director Energy, the Board supports the Office’s approval of the Revised Schedule 1 of the CUC Generation Licence, with immediate effect.”</b></i></p> <p><b><u>WT Moved to approve the Motion; GB Seconded. No objections. Motion carried.</u></b></p>	<p>43</p> <p><b>A44</b></p> <p><b>D45</b></p>
4.2.5	IEL Base Rate Increase	<p>ICEO informed the Board that documentation was with the Economic Consultant who will be with OfReg in January 2025.</p> <p><b>Chair would like AEDE to informed IEL that this will likely be approved, but the Board would like to consider one last piece of technical advice before making their decision.</b> It was explained that IEL have not had a rate increase in some years, and would also be asking for the implementation of RCAM which would come to the Board in another Paper. This matter is postponed, to be considered during the December General Board meeting.</p> <p><b>NO DECISION TAKEN BY THE BOARD IN RESPECT TO THE PAPER PROVIDED BY ENERGY DEPARTMENT</b></p>	<p>46</p> <p><b>A47</b></p> <p>48</p>
4.2.6	CORE Rates Adjustment	<p>ICEO informed the Board that CUC had written to OfReg requesting the reasoning behind last week’s decision in respect of the CORE rate adjustment. Their main concerns were the time they will have to update their agreements and clarity on whether the new rates will apply to existing subscribers. In addition, CREA has written to OfReg to say thank you for approving the new rates, but mentioning that they need to be applicable to everyone, not just those requesting new uptake. The agreements in place have a clause stating the generating subscriber can cancel their agreement with 5 days’ notice. Chair asked whether the worry for CUC was that all subscribers will now cancel, then re-subscribe to the better rate. After discussion around the Board’s intention to promote new entrants into the CORE programme, it was confirmed that everyone, other than people already generating electricity with a signed licence, is eligible for the new rates.</p>	49



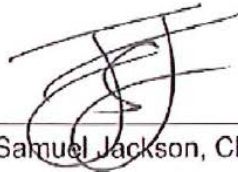
		<b>GB would like to see reporting on the CORE take-up on a monthly basis. AEDE to action.</b>	<b>A50</b>
	Energy AOB	<ul style="list-style-type: none"> <li>Discussion around the temp gen requirement for Little Cayman's catastrophic failure recently reported. <b>Chair requested more information on the situation from Energy Sector.</b></li> <li>DT informed the Board that [REDACTED] had recommenced contact. Chair confirmed as before, that they are proceeding under a limb of s32 so they must get a contract with CUC then bring it to OfReg for approval.</li> <li><b>Chair requested BS send reason and resolution on COSS, plus the section of the May meeting in which it was discussed, to Energy Dept.</b></li> <li>DW told the Board about a meeting Energy Dept had with CUC consultants around a review of the CON. Only FIRM power to be included in the CON, which currently appears insufficient. Board discussed CUC's position in being able to plan loan capacity accurately, based upon the information they would receive from Planning Dept, etc. DT confirmed in their CON letter they have 90% firm power, and have submitted 3 scenarios. <b>Chair requested Energy Dept revert to CUC asking for their reasons for preferring their option #2.</b></li> </ul>	<b>A51</b>  52  <b>A53</b>          <b>A54</b>
<b>4.3</b>	<b>ICT</b>		55
4.3.1	Dashboard	ICEO gave a verbal update.	56
<b>4.3.2</b>	Licensee Dashboard	ICEO gave the Board an update on the Licensees and current compliance.	57
	AOB ICT	<ul style="list-style-type: none"> <li>Consultation was sent out today seeking input from general public and stakeholders in respect to licensing of satellite internet service providers. A letter to the minister was also sent highlighting the 2020 directive that imposed the local traffic obligations on internet service providers which automatically limits the ability of satellite internet service providers from being licensed within the jurisdiction. This will reduce the reliance on offshore capacity. Formal approval was given in March 2024 by OfReg, for any transient e-sim servers to operate in and out of the country with certain restrictions.</li> <li>CI Coast Guard has the provision in legislation to be provided data for the purposes of law enforcement and search and rescue, ie triangulation data and subscriber details. A combination of GPS and service provision has more accurate capability, however issues with licensees are that it is not part of the licence requirements, and comes at a cost. This may require legislative changes. ICEO informed the Board that in a recent conversation with Commander Scotland, petitioning the Governor was discussed, as her office could impose a directive on the way forward. Ultimately this is a Government entity who wishes to consult with a licensees, so not strictly within OfReg's remit.</li> </ul>	58          59
<b>5.</b>	<b>ICEO Report</b>	ICEO gave update to the Board: <ul style="list-style-type: none"> <li>Recruitment: HR position - finalising panel report and candidate presented with good legal and practical knowledge,</li> </ul>	60

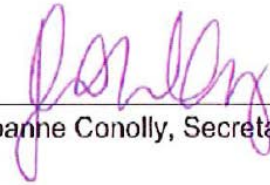


	<p>Redacted under FOI Act (2020 Revision) s23(1)</p> <p>Redacted under FOI Act (2020 Revision) s16(a)(i)</p> <p>Redacted under FOI Act (2020 Revision) s17(1)(a)</p>	<p>having been [REDACTED]. 3 CFI candidates to interview in the coming week. Completed interview with a preferred candidate for Fuels Inspector, and current employee [REDACTED] and [REDACTED]. Working on the migration of [REDACTED] into the new posts now called 'Heads'. AM is finalising the JD for new Associate Regulatory Counsel.</p> <ul style="list-style-type: none"> <li>• Re-branding the Office: URCO instead of OfReg – ICEO will have a plan around the change to present to the Board in a future meeting.</li> <li>• Audits by OAG are ongoing (Office and ICT), and some findings, particularly procurement, have been highlighted.</li> <li>• Output payments for the Fuels Sector continue to be withheld by Government. The Office has drafted a letter. <b>Chair requested ICEO to send him the information on this matter.</b> ICEO explained the sum was around KYD\$500k, with OfReg having provided proof of the work being done. As collective royalties have not yet been sent to Government, ICEO is taking legal advice as to whether the Office may be able to carry out an set-off exercise.</li> <li>• The [REDACTED] is a group making sure Russian sanctions are adhered to. This relates mostly to radio licensing of vessels and aircraft, and price cap(s) in restrictions or sanctions to petroleum products relating to Russia. OfReg's work on radio licenses are carried out using CAA or MACI's due diligence. In respect to petroleum products, neither SOL nor RUBIS have any dealings with Russia, and have made full disclosure. <b>DCFI has been asked to send an RFI to also include Refuel.</b></li> <li>• OfReg has received notification of a grant of concession for grey water and are currently awaiting the company writing to the Office to request a licence.</li> <li>• ICEO received an email from the Minister's speech writer requesting he make any necessary edits to a speech intended to be made in Parliament in support of the ICT validation bill. The last correspondence OfReg had, [REDACTED]</li> <li>• [REDACTED]</li> <li>• <b><u>Motion: "AM to take role of AICEO during ICEO's vacation 16-20 December 2024."</u></b> <b><u>Moved by FB. Seconded by WT. No objections. Motion carried.</u></b></li> </ul>	<p>61</p> <p>62</p> <p><b>A63</b></p> <p><b>A64</b></p> <p>65</p> <p>66</p> <p>67</p> <p><b>D68</b></p>
<b>6.</b>	<b>Legal Advice</b>		69
6.1	Opinion: Third Party	AM asked for comments. Chair asked whether OfReg had seen	70

	Entities - Water	the contract between Ocean Conversion and WA. It was confirmed AEDE had requested this but it has not yet been provided. He is to undertake an RFI. Chair pointed out more information was needed, as anything that can financially or otherwise harm the consumer base needs to be regulated, both with quality and economics in mind. <b>AM to ask AEDE for current contractual arrangements between WA and any other entity.</b>	<b>A71</b>
6.2	Legal Dashboard	<ul style="list-style-type: none"> <li>GB queried why second CUC fuel spill was not on the legal dashboard and AM confirmed it had not reached the legal department yet, and would be on the fuels sector dashboard currently.</li> <li>GB would like to see a column in the dashboard for statute deadlines or other deadlines which need to be worked towards. <b>AM to include.</b></li> <li>AM gave an update on licence for gas stations and convenience stores in respect of bulk fuel, the idea being that OfReg takes on that job, and collects the funds. <b>ICEO to send to the Ministry to start the discussion. BS to place on the December General Board Meeting agenda.</b></li> </ul>	72  <b>A73</b>  <b>A74</b> <b>A75</b>
7.	<b>AOB</b>	Chair queried why AM is still AGC when primary position was made redundant. AM explained the official new position has not yet been created. Once the JDs for Regulatory Counsel and Associate Regulatory Counsel are evaluated, this will change. Chair asked about office space and AM confirmed office space was limited. WT asked whether any new employees about to be hired included any for an enforcement division, and ICEO confirmed they did not.	76
7.1	CoLA & Honorarium	<ul style="list-style-type: none"> <li><b>Unanimous ratification of the decision made by all Board members in a round robin vote on 14 November 2024, to award all OfReg employees the Honorarium</b>, as set out in the personnel Circular #10 of 2024 issued by Chief Officer of the Portfolio of the Civil Service Ms Gloria McField-Nixon. ICEO confirmed this Honorarium would be paid to all employees with their December 2024 salary payments.</li> <li><b>Unanimous ratification of the decision made by all Board members in a round robin vote on 14 November 2024, to award all OfReg employees the CoLA payment</b> as set out in the personnel Circular #11 of 2024 issued by Chief Officer of the Portfolio of the Civil Service Ms Gloria McField-Nixon. CoLA will take effect 1 January 2025. NB asked whether anyone at OfReg made under KYD\$3k per month, as the scale now means they will be made up to earn KYD\$3k pm (at least). <b>ICEO will check, as there may be one member of staff who will be included in that missive.</b></li> </ul>	<b>D77</b>     <b>D78</b>     <b>A79</b>
7.2	Christmas Lunch	To be held Friday 6 December 2024. Board members were invited and those who were able to go, confirmed their attendance (MG, OF, Chair, Deputy Chair). <b>BS to inform HR of numbers.</b>	<b>A80</b>
7.3	Q3, 2024 Financial Report	The BoD assessed the report and Member Gibbs expressed an	81

		interest to go through this report in detail, to see how things compare to budgets, etc. Chair pointed out there will be impacts due to OfReg being in the rebuilding stage.	
7.4	Appointment	Member Balderamos informed the Board he had received confirmation of his reappointment to the Board of Directors.	82
8	<b>Adjournment and date of next meeting</b>	Next General BoD meeting scheduled for Thursday 12 December 2024 was changed by unanimous consent to <b>Tuesday 10 December 2024</b> , starting at 0930hrs. Meeting was brought to a close at 5.22pm.	83

Signed \_\_\_\_\_  
Samuel Jackson, Chairman

Signed \_\_\_\_\_  
Joanne Conolly, Secretary