

PUBLISH DATE [. ], 2024



**STRICTLY PRIVATE & CONFIDENTIAL**  
MINUTES OF GENERAL BOARD MEETING HELD 10  
DECEMBER 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>	10 December 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>	<u>OfReg Voting Board Members</u> Samuel Jackson, Chair Natasha Bodden, Deputy Chair Frank Balderamos, Member Mike Gibbs, Member Osbert Francis, Member Gavin Baxendale, Member Wrendon Timothy, Member <u>OfReg Non-Voting Staff</u> Sonji Myles, ICEO/EDI Alison Maxwell, AGC

## Agenda Details

AGENDA OVERVIEW	
1. General	Welcome & Declarations of Interest Deputy Chair
2. Minutes of Previous Meeting	General BoD mtg #14 Nov2024
3. Sector Matters	3.1 Fuels 3.1.1 Dashboard 3.2 Energy 3.2.1 Dashboard 3.2.2 CUC 23MW DPV RGP 3.2.3 IEL Base Rate Increase 3.2.4 CUC's 2025-29 CIP 3.2.5 L&R Fee Adjustment 3.3 ICT 3.3.1 Dashboard 3.3.2 Logic v FLOW Tower Sharing Dispute
4. ICEO Report	4.1 ICEO to present verbal report
5. Legal Advice	5.1 Legal Dashboard
6. Committees	6.1 Energy Committee

7. AOB	7.1 C3 email to Customers 7.2 ICF Report on CON 7.3 BoD Assessments 7.4 2025 meeting dates
8. Adjournment & Date of Next Meeting	4.30pm scheduled finish 16 January 2025 next scheduled date

## Meeting Minutes

1.	General		1
1.1	Welcome	Meeting Called to Order with quorum at 9.48 am.	2
1.2	Declarations of Interest	None	3
2.	Minutes of Last Meeting	<p><b><i>Motion by Chair to approve the October 2024 General Board Meeting minutes. Moved by Member Gibbs. Seconded by Member Francis. All in favour, no objections.</i></b></p> <p><b><i>Motion by Chair to approve the November 2024 General Board Meeting minutes, as amended. Moved by Member Gibbs. Seconded by Member Bodden. All in favour, no objections.</i></b></p>	<p>D4</p> <p>D5</p>
3.	Sector Matters		6
3.1	Fuels		7
3.1.1	<p>Dashboard</p> <p>Redacted under FOI Act (2020 Revision) s23(1)</p>	<p>BoD looked through the Fuels dashboard. DCFI not in attendance.</p> <ul style="list-style-type: none"> <li>• MG commented the completion dates are rolling forward. These need to remain static, and be tracked. <b>DCFI to action.</b></li> <li>• Jack's Esso II. ICEO explained [REDACTED] have to provide a lump sum to Esso to obtain gas and the person running the station is no longer there. Mediation is not an option for Rubis and this matter cannot move forward. Chair had not heard back from the Minister whose constituency is Northside, as to any comments from consumers being made.</li> <li>• Brown's Esso. ICEO told the Board it was going through a full renovation. Leah to obtain update. <b>DCFI to action.</b></li> <li>• Board would like to see an activity report with pending issues and compliance report. <b>ICEO to action.</b></li> <li>• Refuel ISO container storage. ICEO commented Refuel had shown OfReg previous correspondence confirming they could go ahead with storage, but will now reduce the amount of ISO containers being held on McLendon Drive. OfReg now has to establish the standards for how they are imported.</li> <li>• Discussion around international standards use and copyright permissions around using these locally. OfReg requires its own set of regulations and internal standards. DCFI to answer why OfReg is looking to NFPA. <b>ICEO to action.</b></li> </ul>	<p>8</p> <p>A9 10</p> <p>A11</p> <p>A12 13</p> <p>A14</p>
3.2	E&U	<b><i>DW and DT join the meeting</i></b>	15
3.2.1	Dashboard	<ul style="list-style-type: none"> <li>• Board looked through the Energy dashboard.</li> <li>• Discussion on tracking CUC outages. DW &amp; DT spoke to the outage reporting process. It was confirmed that CUC send quarterly reports with outages, and for a significant number of customers, notification would be expected. The reports tie in</li> </ul>	<p>16</p> <p>17</p>

	<p>Redacted under FOI Act (2020 Revision) s16(b)(i) &amp; s16(d)</p> <p>Redacted under FOI Act (2020 Revision) s17(1)(a)</p>	<p>with the agreed performance standards – SAIDI (frequency of events) and SAIFI (duration of events). It was acknowledged that whilst CUC have their own internal standards, OfReg also has standards to measure CUC against, but these must be realistic, as whilst it is good to be measured comparably with the USA, CUC does not have the same funds to be like huge USA concerns. Penalty for non-performance under the standards is \$5k for 0.1 above or below the zone of acceptance. Penalties are paid across the rate base.</p> <ul style="list-style-type: none"> <li>• Chair would like to see the chart of penalties. <b>EDE to action.</b></li> <li>• GB suggested a dedicated mailbox for CUC outages, not rely on [REDACTED] which receives other mail. [REDACTED] is set up, which all ICT licensees use currently. Discussion amongst Energy Team to be held. <b>EDE to action.</b></li> <li>• DT told the Board that CUC wanted to see the legal advice OfReg had on the temp gen issue. Chair said CUC could not obtain that, but asked the Energy Team to segregate out the temp gen and CON issues and write separate letters on the subjects. For temp gen, the rationale needs explaining as to why the Board cannot issue it. Once these are done, the Chair will discuss with the BoD. <b>EDE to action.</b></li> <li>• Chair discussed the CON. The BoD needs to make sure that the CON is fit for purpose in light of condition 29(1) of CUC's licence, in that it is a legitimate certificate of need demonstrating request of the initiation of the solicitation process and what is needed. A hybrid CON cannot be considered under the terms of their licence.</li> <li>• IRP to be discussed in January 2025.</li> <li>• The RFP for the 23MW of DPV was discussed. Board were of the conclusion that this is now out of date, as 23MW would not be enough, and the solicitation generation scheme should probably be around 50MW from now. This is a mix of renewables and that is only possible under condition 32 of their licence.</li> <li>• DW confirmed the uptake rate on CORE will not be known until the next report received from CUC.</li> <li>• [REDACTED]</li> <li>• RESC. Chair asked for a decision to be made in January 2025 on this topic. <b>BS to place on Jan 25 agenda.</b></li> </ul>	<p>A18</p> <p>A19</p> <p>A20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>A26</p> <p>A27</p>
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3.2.2	CUC23 MW DPV RFP Board Paper Provided	<ul style="list-style-type: none"> <li>• Discussion around historical documentation, in particular a letter from CUC which initiated the 23MW request and the Board's decision to perfect the RFP before them, in order to release it without further delay.</li> <li>• Board paper presented was discussed, and changes suggested. <b>DT to action.</b></li> </ul> <p><b><i>Motion to support the Office's decision to proceed with the issuance of the Draft Grand Cayman 2024 Dispatchable Photovoltaic (PV) Request for Proposals (RFP) and accompaniments to the list of Qualified Bidders and solicitation process. Moved as amended by Deputy Chair. Seconded by Member Gibbs. All in favour, no objections.</i></b></p>	29  A30 D31
3.2.3	IEL Base Rate Board Paper Provided	<ul style="list-style-type: none"> <li>• Discussion around the Economist being provided with all information required; the progression of rates being obverse to CUC based on economies of scale; and the average cost in Cayman Brac, for electricity usage. Using 1000KW as a typical customer this was found to be \$12.39.</li> </ul> <p><b><i>Motion to approve IEL to proceed with the proposed rate increase of 5.6% to be made effective as of 1 January 2025, as well as to authorise the Executive Director, Energy to advise the licensee of the Board's decision as soon as practical. Moved by Member Gibbs. Seconded by Member Balderamos. All in favour, no objections.</i></b></p>	32  D33
3.2.4	CUC's 2025-2029 CIP Board Paper Provided	<ul style="list-style-type: none"> <li>• WT requested matters for CUC have a dedicated inbox, and for this matter he would like to see excel spreadsheets not pdf copies, so he can view formulae, etc. Some items are too small to read clearly. It would be advantageous to have additional information such as for the headquarters upgrade project; what are the driving factors and how they translate that into value for the customers, etc.</li> <li>• GB noted that several projects which appeared on the CIP previously, which he went through with the previous EDE appear to have now been removed.</li> <li>• Chair would like to see WT and MG at least, have a meeting as a special committee to ask for details on the CIP. As the spend is \$100M in 2025 alone, WT suggested when presented to us, CUC attend and walk the Board through the CIP.</li> <li>• After some discussion it was agreed to invite CUC to a meeting 9<sup>th</sup> January 2025 to discuss outstanding matters. <b>BS to extend invite to CUC.</b></li> </ul>	34  35  36  A37
	AOB Energy	<ul style="list-style-type: none"> <li>• GB asked about the situation in Little Cayman with their generator failing. <b>AEDE to action</b></li> </ul>	A38
	AOB Water	<ul style="list-style-type: none"> <li>• Chair mentioned speaking to CWC's lawyer in respect of the concession, and the Water Committee would have to meet for discussion.</li> </ul>	39

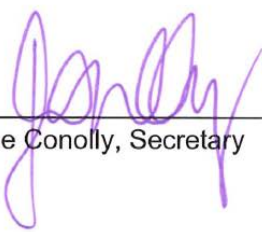
<b>3.3</b>	<b>ICT</b>		40
3.3.1	Logic v Flow Tower Share	<ul style="list-style-type: none"> <li>• ICEO gave a verbal update update on this matter. A board paper had been submitted.</li> <li>• During the process of investigation by OfReg, it was found FLOW cannot speak to the status and safety of their towers and they were asked to carry out an independent structural analysis. It was thereafter confirmed that all towers were in a state of disrepair, with rusting base plates where the towers bolt to the slabs, no grounding, rusted connectors, and the main concern was that none of the towers in GC as they are currently fitted out, would be fit to meet the 150mph wind threshold requirement. OfReg has issued a directive that FLOW place nothing more on their towers unless an emergency, This means that they have not shared that infrastructure with Logic, but they are justified not to. FLOW have been asked to remedy these matters within a timeline and report to OfReg. There is currently no 'standard' which means FLOW will have to establish a proper process for handling requests which align with the regulations then OfReg needs to establish a whole construction, maintenance and operation standards spin-off. Chair confirmed that planning permission grants the authority to build and erect a structure with building codes for certain buildings, this is not occupiable space, it is infrastructure and whilst Planning Dept could impose conditions about the quality of craftsmanship when it is installed, maintenance of it is something which seems to have gone unnoticed once built. Once antennas are installed it becomes ICT infrastructure and from that point forward OfReg can ask them to keep it in good working order with regular maintenance etc. ICEO confirmed the law says there is an obligation to share, and they currently hold FLOW's and Digicel's equipment, but to order Logic's to be included would be dangerous, given the state of the towers currently. Access can also be denied because of lack of room. It was noted Logic can get space on towers in Cayman Brac.</li> <li>• As the BoD had only recently been provided with the Board Paper in this matter the Chair requested it be deferred to the January 2025 meeting. <b>BS to place on Jan 25 agenda.</b></li> </ul>	41 42
	AOB ICT	<ul style="list-style-type: none"> <li>• Pole attachments: ICEO's suggestion to unsightly pole attachments as there are no specific T&amp;D regulations, was to issue fixed penalty tickets instead of administrative fines. Chair discussed workmanship in respect of hanging wires, etc. Deputy Chair suggested taking photographs of the issues.</li> <li>• MG asked about issues with required changes to legislation. ICEO confirmed they certainly need tweaks and some legislation has gone through iterations with Government, however there are other legislative amendment requests which have been ignored, or which changes have been declined. Usually this information would come from a Policy Analyst, as opposed to a Minister.</li> <li>• ICEO confirmed he had developed a ToR for a digital network strategy.</li> <li>• ICEO noted the FCC have approved USA to have Starlink</li> </ul>	A43 44 45 46



		deliver a handset service.	47
4.	<b>ICEO Report</b>	<p>ICEO gave update to the Board:</p> <ul style="list-style-type: none"> <li>Recruitment: EDE. ICEO told the Board he would have the successful candidate start as soon after 1 January as possible. AGC confirmed panel reports were completed. Economist to start in post 8 January 2025.</li> <li>Honorarium will be paid to staff in December salaries.</li> <li>CoLA: awaiting Cabinet who requested further information.</li> <li>Whilst ICEO is on vacation, AGC will be Acting ICEO.</li> <li>Accommodation: ICEO confirmed OfReg has outgrown its current space already and are still seeking alternatives.</li> <li>MG had mentioned compliance meetings with sectors and he confirmed these meetings to contain information on what each sector does on a day-to-day basis and what information is gathered from licensees and how that is validated from a compliance database perspective.</li> </ul>	48 49 50 51 52 53 54
5.	<b>Legal Advice</b>		55
5.1	Legal Dashboard	<ul style="list-style-type: none"> <li>Board read through the legal dashboard. No questions.</li> </ul>	56
6.	<b>Committees</b>	<p><u>Energy Committee</u></p> <ul style="list-style-type: none"> <li>Board read through the draft minutes of the last meeting of the Energy Committee held 03 December 2024.</li> </ul>	57
7.	<b>AOB</b>		58
7.1	C3 email	<ul style="list-style-type: none"> <li>Chair told the Board there would have to be a response. Discussion followed on the medium the response would take. ICEO commented public statement may be best.</li> <li>Discussion in respect of the Court process currently underway and fees owed by C3 to OfReg and CIG [REDACTED].</li> </ul>	59 60
7.2	Fees	<ul style="list-style-type: none"> <li>MG commented that Parliament increased fees and that had not been done in years. He questioned whether OfReg should have a periodic review. ICEO confirmed that when the sectors grow and the type of work grows, projected costs should be based on what OfReg were forecast to spend on that work, linked to CPI so predictable and re-evaluated every 2-3 years, which is something the Office has not done across the board. In respect of the march towards making OfReg self-sustainable, a position paper has been prepared on the fees paid to DCI for T&amp;Bs.</li> </ul>	61
7.3	CON for review	<ul style="list-style-type: none"> <li>This would be discussed during CUC's meeting in January.</li> </ul>	62
7.4	Board Assessments	<ul style="list-style-type: none"> <li>BS asked for completion by end of the first week in January.</li> </ul>	63
7.5	Proposed 2025 meeting dates	<ul style="list-style-type: none"> <li>Agreed for BS to send out invitations and book the Board meeting room on changed dates, discussed during the meeting. 9th January CUC invitation to attend; 16 January BOS General Meeting #01 of 2025. <b>BS to action.</b></li> </ul>	A64
8	<b>Adjournment and date of next meeting</b>	<ul style="list-style-type: none"> <li>Next General BoD meeting and the first of 2025 will take place on 16 January 2025.</li> <li>Deputy Chair listed matters deferred for discussion: <ul style="list-style-type: none"> <li>Integrated Resource Plan</li> <li>Temporary Generation</li> <li>Fire at CUC</li> <li>Logic and FLOW tower sharing dispute</li> </ul> </li> </ul>	65 66

	• Meeting was brought to a close at 5.56pm.	67
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Signed   
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Samuel Jackson, Chairman

Signed   
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Joanne Conolly, Secretary