



STRICTLY PRIVATE & CONFIDENTIAL
MINUTES OF GENERAL BOARD MEETING
HELD 08 MAY 2025

BOARD SECRETARY
OFREG



Utility Regulation and Competition Office

Board Meeting Minutes – General Board Meeting #05 of 2025

Minutes

Meeting Details

Meeting Date:	08 May 2025
Time:	09:47hrs – 19:54hrs
Minute Taker:	Joanne Conolly, Board Secretary
Venue:	OfReg Conference Room
Attendees:	<p><u>OfReg Voting Board Members</u> Samuel Jackson, Chair Natasha Bodden, Deputy Chair Mike Gibbs, Member Frank Balderamos, Member Osbert Francis, Member Gavin Baxendale, Member</p> <p><u>OfReg Non-Voting Staff</u> Sonji Myles, ICEO/EDI Alison Maxwell, AGC Julian Welch, CFI, for item 4.1 only Ken Springer, DCFI, for item 4.1 only McCleary Frederick, EDE, for item 4.2 only</p>
Apologies:	Wrendon Timothy, Member

Agenda Details

AGENDA OVERVIEW	
1. General	Welcome & Declarations
2. Minutes of Previous Meetings	2.1 General BoD Mtg_#04_20Apr25
3. Legal Advice	3.1 Legal Dashboard
4. Sector Matters	4.1 Fuels 3.1.1 Dashboard 4.2 Energy 4.2.1 CUC 2024 CON documents – FYI Board papers: 4.2.2 CUC Generator Schedule 1 4.2.3 CUC Z Factor Rate 4.2.4 CUC RORB 4.3 ICT 4.3.1 Dashboard 4.3.2 RFI's 4.3.3 Reservation Fees Determination 4.3.4 Consumer Protection Regulations-DRAFT
5. ICEO Report	Including: Complaints Reporting Budget Approval
6. AOB	6.1 Rebranding 6.2 BoD Member Appointments
7. Adjournment & Date of Next Meeting	Meeting was adjourned: 19:54 hrs Date of Next Meeting: 12 June 2025

Meeting Minutes

1	General		1
1.1	Welcome	The meeting, being quorate, was called to Order at 09:47 hrs. No declarations were made. The agenda was approved as amended.	2
2	Minutes of Previous Meeting		3
2.1	Gen BoD Mtg#4 20Apr25	Approved as amended. All in favour, no objections.	D1
3	Legal Advice		4
3.1	Dashboard	• Included in the Board folder.	5
4	Sector Matters		6
4.1	Fuels		7
4.1.1	Dashboard	<ul style="list-style-type: none"> • Included in the Board folder for viewing. • Jacks Esso II – Office to write to all parties for action plan, timeline and reiterate what is required in terms of safety inspections. BoD approve any and all RFI's necessary. • BoD would like to see Monday.com and the information it is populated with. ICEO to provide. • Office was informed of ISO container storage happening in George Town. DCFI to make a visit. 	8
	FOI Act (2021 Revision) s21(1)(a)(i)	<ul style="list-style-type: none"> • Scotts Landing – DCFI to obtain update. 	A1
	Decision	• BoD approved any and all RFI's necessary in respect of Jack's Esso II update.	A2
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			A3
			A4
4.2	Energy		D2
4.2.1	CUC 2024 CON	• Final, updated papers in the Board folder for viewing.	10
4.2.2	CUC Generator Schedule 1	<ul style="list-style-type: none"> • Board Paper presented to BoD. • Discussion around Schedule information. BoD would like to see additional columns for clarity, namely: dual-fuel compliant, original start date, refurbished life date, KWH/IG. • BoD pointed out when CUC had attended a Board meeting in January 2025 stating the engines would save money by using LPG. RFP decision mid-2024, with 18-24 months to gas delivery, which was estimated at 2027. • BoD authorised the Office to submit an RFI to CUC to obtain update on the RFP. • ESRA s9(2)(e)(ii) states a principal function of the Office to include: <i>“where the Office is satisfied that it is economical to extend the life of the generating unit or units of a Generator held under an existing generation licence.”</i> The BoD stated they did not want to stray far from this principal, to ensure that with the pass-through costs of the refurbishment of those units, the consumer must benefit at some point. CUC have tied together rebuilding of units with conversion to LNG. Former Board had approved this lifecycle upgrade, and there was an additional spend of \$8M for ancillary equipment changes necessary to support LNG. • By RR vote on 2 August 2022, the lifecycle upgrade with LNG was approved by the then-BoD. It was re-submitted 	11
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			A5
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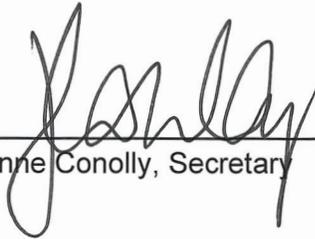
		<p>with enhanced cost on 11 August 2023.</p> <ul style="list-style-type: none"> • BoD pointed out that as CUC were looking for an amendment to their Licence with this change to the Schedule, EDE should propose a provision that says they need to track and declare fuel efficiency. • BoD authorised the Office to submit an RFI to CUC to obtain an update on where this LNG project stands. • BS to provide EDE with CUC's visit meeting minutes. • BoD queried the MW unit sizes on the table provided by CUC and the reduction in capacity for some of the older units. Discussion around possible causes. It was proposed that other columns should be included in the table to show previous MW and updated MW. It was also discussed that additional columns should be inserted to show things like fuel efficiency and location for each of the units, BoD pointed out the only time this Schedule was amended when there was an amendment to the Licence itself, after successfully winning the bid pursuant to the Generation Solicitation Process, such as when CUC won the two bids in 2012 and 2014, as there is provision specifically for that. When they win a bid, the Schedule is updated and the Licence related with the Generation Licence being extended to match the economic life of the most current generation unit(s), so they can amortize the cost of that engine over a twenty year period. under the current Generation License, this should be the only time the Schedule is updated. CUC did not win a new bid, but in the interim they request the Schedule be updated, which is effectively an amendment to the Licence. • BoD authorised the Office to submit an RFI to CUC to ask about the reduction in MW output for the requisite units. • EDE to suggest further columns required by the Office, to be included in the table, based on today's discussion. • With that information, a draft Determination proposing amendment to the Licence based on their request can be sent to them. 	<p>17</p> <p>A6</p> <p>A7</p> <p>18</p> <p>19</p> <p>A8</p> <p>A9</p> <p>20</p>
	<p>Decision</p>	<p>Board Paper deferred until General BoD Meeting to be held 12 June 2025.</p>	<p>D3</p>
<p>4.2.3</p>	<p>CUC Z-Factor Rate</p>	<ul style="list-style-type: none"> • Board Paper presented to BoD. • 3 items covered by the Z-Factor which all have to be considered separately, on the merits of each project, namely: <ul style="list-style-type: none"> - BESS - Resilience Project - Temp Gen tranche 2 • Discussion around the introduction submitted by CUC which correctly confirmed that a Z-factor pass-through charge should only be utilized in exigent circumstances when the cost of an approved project cannot otherwise be recovered under RCAM. • BESS: CUC are arguing that since the import duty waiver agreed between CUC and the Government has not been recovered by CUC, they wish to now recover that through a Z-Factor charge, on the basis that the Government have not yet reimbursed them. The BoD were of the unanimous opinion that this is a matter between CUC and the Government to which neither the Office or the 	<p>21</p> <p>22</p> <p>23</p> <p>24</p>

		<p>consumer base is privy to or responsible for. This is the subject of a contractual agreement between two parties and is not for a decision by the Office. It would therefore appear that this might not be an appropriate basis for implementing a Z-Factor charge, but in light of CUC's recent protestations about the need to consult all stakeholders, it was decided to go to public consultation on this matter before making a determination on the matter.</p> <ul style="list-style-type: none"> • Resilience substation: the BoD require justification for the expenditure which is just short of \$10.5M. RFI requested. • Temp Gen tranche 2: After discussion, the BoD were unanimous in their decision that there can be no Z-factor pass-through in respect to this temp gen. A final Determination can be issued on this matter, document to be produced by Friday 16 May 2025. • The proposal by CUC that the three (or multiple) Z Factor charges should be a single line item on consumers bills, thereby showing a collective charge for multiple projects, was not accepted as appropriate by the Board, unanimously. • BoD authorised the Office to go to public consultation on the matter of the BESS. • BoD authorised an RFI to CUC on the resilience project. • BoD authorised the Office to send a final Determination on the matter of the second tranche of temp gen, denying Z-factor pass-through. • BoD authorised an RFI to CUC in respect of Z Factor charges being placed together as one line item on bills. 	<p>25 26 A10 A11 A12 A13</p>
	Decision	Board Paper deferred until General BoD Meeting to be held 12 June 2025.	D4
4.2.4	CUC RORB	<ul style="list-style-type: none"> • Board Paper was discussed. • BoD questioned whether the return on rate base should be considered in light of CUC's performance. This requires a requisite degree of scrutiny and competence from the Office. In the last year there have been fires and fuel spills: should these make a difference in considering this request. There was an offsetting of performance standards with rewards and penalties and this should be weighed up before providing a decision; with the DERA being familiar with SAIDI and SAIFI this could be passed to him to provide an opinion. • It was noted the decision was required by 1 June 2025. • BoD discussed CUC's main agreement which it noted also includes the form for a CON at schedule 4.2 (p92). The General Principles at the end of the agreement was read out and the BoD asked whether any of the requirements had been implemented by the Office. ESRA s9(5)(d) states: "...this Office shall have regard to – (d) whether licensees have promoted or will promote safety, sound environmental practices, technical proficiency and efficiency in the generation, transmission and distribution of electricity." The BoD were of the opinion the Office should have a legally defensible system of penalising CUC for poor performance. • VB as DERA, to provide opinion on Board Paper. • BS to arrange RR decision once opinion received. 	<p>27 28 29 30 A14</p>

			A15
	Decision	Matter deferred until opinion received by the BoD from the Office. Thereafter a RR decision can be made.	D5
4.3	ICT		31
4.3.1	Dashboard	<ul style="list-style-type: none"> • Included in the Board folder. • Updates: <ul style="list-style-type: none"> - Significant market power review; project moving forward now meetings have taken place; - Submarine cable investigation; RFI sent but only partial submission made so the Office has requested further information; - Satellite determination responses; when received and finalized this will be presented to the BoD for approval. 	32 33 34 35
4.3.2	RFI's	<ul style="list-style-type: none"> • BoD had read through the RFI's included in the Board folder. These were questions for various Licensees on different subject matter: <ul style="list-style-type: none"> - Understanding how FLOW is managing providing billing information for people without digital access, as they have gone paperless. - FLOW and Digicel for clarification on subscriber numbers as FLOW went up, but revenues reflect something else; and the opposite for Digicel. - FLOW for an update on what tower infrastructure they have used for 5G network; and - Digicel and FLOW retail stores as anyone selling top-ups are marking up the top-up, in which case a reseller's licence would be required. 	36 37 38 39 40
	Decision	BoD unanimously approved all RFI's presented by the EDI.	D6
4.3.3	Reservation Fees Determination (FYI)	<ul style="list-style-type: none"> • EDI spoke to an update on this matter. Final Determination almost complete to present to the BoD. Currently for final review with [REDACTED] and this will be submitted with a Board Paper, for BoD decision. This Board Paper speaks to a JR in respect of CUC's subsidiary Datalink receiving payment from telcos to reserve a space on a pole for a fee. This could be whether the pole was in existence, or was planned to be erected at a future date. The Office was of the opinion a reservation fee should not have been charged. Datalink do not charge any longer. Logic wishes the Office to rule in their favour to say that CUC or Datalink should pay those reservation fees back to the telcos. The Office's stance is that this was an agreement between two parties external to the Office and if one party is in dispute, they should take Court action. This is a contractual dispute, not an infrastructure sharing dispute. • General discussion in respect to standards for pole attachments and telcos leaving unnecessary coils and drops of cable at poles. Once standards are in effect there would be a clean-up of the poles happening, and the Office will give telcos a grace period of 24 months in order to complete this clean-up across the Island. 	41 42
		<ul style="list-style-type: none"> • EDI to submit final Board Paper on this matter to BoD w/c Monday 12 May 2025, for RR decision. 	A16
4.3.4	Consumer Protection	<ul style="list-style-type: none"> • EDI explained these were for the BoD preliminary review 	43

		<ul style="list-style-type: none"> • Phased approach to rebranding with new website starting out as basic information once the logo is agreed upon, which will be a showcase site only holding key information to begin with. • Discussion on finalising a logo for URCO. 	57 58
6.2	Member Reappointments	<ul style="list-style-type: none"> • BS confirmed all but one of the BoD reappointments had been confirmed by the Ministry. BS to chase-up the remaining confirmation. 	A21
6.3	Energy Committee FOI Act (2021 Revision) s21(1)(a)(ii)	<ul style="list-style-type: none"> • [REDACTED] BS to place on next General BoD meeting agenda for 12 June 2025. 	59
7	Adjournment	Meeting was brought to a close at 19:54hrs. Next meeting is Thursday 12 May 2025.	60

Signed:  _____
Samuel Jackson, Chairman

Signed:  _____
Joanne Conolly, Secretary