

Our Ref: NEP



Govt . Admin Bldg. Box 107
133 Elgin Avenue
Grand Cayman KY1-9000
CAYMAN ISLANDS

Tel: (345) 244-2437
Fax: (345) 949-2922
e-mail: alan.jones@gov.ky

CAYMAN ISLANDS
GOVERNMENT

Ministry of
Commerce, Planning and Infrastructure (CPI)

September 15 2020

Mr. Malike Cummings
Chief Executive Officer
Utility Regulation and Competition Office
P.O. Box 10189
Grand Cayman KY1-1002
GRAND CAYMAN

RE: TRANSFER OF CAPACITY FROM DER TO CORE AT A TARIFF OF \$0.134

Dear Mr. Cummings,

Thank you for your email on the approved transfer of capacity from DER to CORE.

Unfortunately, we are disappointed, albeit not surprised, with the proposed tariff rate. We have concerns as to whether such a low rate would incentivize consumers to invest in renewable energy. For clarity, a primary goal of the NEP, in particular Goal 4, states *the Cayman Islands will foster and promote the development and application of existing and new technologies, practices in sustainable energy solutions and the development of a sustainable energy industry reflecting its commitment to the socio economic wellbeing of its people and to its international and national obligations relating to climate change and environmental sustainability*. To attain such a goal, it is necessary for solar installations to be feasible for consumers.

While we understand that such a rate is supposedly justified on the hypothesis that each additional solar applicant is subsidized by the remaining non-solar consumer, a further aim of the NEP is that of reduced emissions. However, each solar installation reduces the need to burn fossil fuels which in turn benefits all consumers; as a result, there is an argument that all consumers should subsidize this goal.

Whilst in no way questioning OfReg's authority to approve the tariff, I would be most grateful if you could please provide details of how the rate of \$0.134 was determined and the impact on the return on investment for customers. In other words, how much does a solar installation raise the cost of power to the remaining consumer?

We look forward to hearing from you. Happy to meet in person if that is easier.

Respectfully yours,


Alan Jones MRICS, JP

Chief Officer

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