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Utility Regulation and Competition Office

PRESS RELEASE

PROPOSED RENEWABLE ENERGY AUCTION SCHEME

GRAND CAYMAN, CAYMAN ISLANDS: 26 September 2019.

On 23 September 2019 the Utility Regulation and Competition Office (“the Office”/“OfReg”) published on its website [Consultation Document – E&U 2019 – 2](#) which provides members of the public and other interested parties the opportunity to submit written responses on the proposed Renewable Energy Auction Scheme that will apply to electricity sector renewable energy procurement.

The renewable energy auctions will promote the steady deployment of renewable energy whilst maintaining competition in the Cayman Islands energy generation market.

Under the proposed scheme, OfReg will issue a request for statement of qualifications from potential bidders followed by a call for tenders from qualified bidders to submit proposals to install renewable energy projects, as per the specified goals set out by the regulator. Qualified bids will be evaluated on the basis of cost, technical, and other criteria. CUC will sign a Power Purchase Agreement (PPA) with the winning bidder which provides the bidder with guaranteed purchase of all generation at an agreed PPA price for the duration of the contract. Some of the benefits envisaged for consumers include more stable long-term electricity rates, cleaner energy generation, less reliance on fossil fuels and keeping rates as low as reasonably possible.

Gregg Anderson, EDEU, said “The competitive bidding process supports the deployment of renewable energy whilst keeping electricity costs at bay for consumers. The scheme when implemented, will contribute to Cayman’s transition to low carbon and environmentally sustainable energy supplies, in line with the National Energy Policy (NEP) goals. Additionally, as more renewables come online more homes will be powered by clean energy and more rate stability for consumers.”

The scheme will help the Cayman Islands achieve its national aspirational target share of renewable energy sources in gross final energy generation of 70% by 2037. The renewable energy scheme will be applicable until 2045, or alternatively, until the 70% target is reached.

The Office is seeking feedback from members of the public, businesses in the electricity sector and any other interested parties.

A full copy of the consultation document can be found at the following link:

<https://www.ofreg.ky/upimages/commonfiles/1569277118EU2019-2-ConsultationPaper-RenewableEnergyAuctionScheme1.pdf>

Submissions should be made in writing and must be received by the Office by 5pm on Monday 21st October 2019.