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UTILITY REGULATION AND COMPETITION OFFICE

9 June 2021

**PRESS RELEASE**

**INCREASE OF DISTRIBUTED GENERATION RESOURCES**

*The Utility Regulation and Competition Office ('OfReg') is launching a consultation on the Proposed Distributed Generation Resources ('DGR') 3 Megawatts (MW) Capacity Increase.*

OfReg considers that it is in the interests of the electricity sector to implement an additional capacity of 3MW of DGR to Caymans' transmission and distribution system. This will enable continuity of the existing Customer-Owned Renewable Energy ('CORE') and DER programmes, until the battery energy storage system ('BESS') project is activated. Renewable energy systems providers will therefore be able to continue the sale and installation of these systems to consumers.

The main objective of this proposed determination is to increase the installed renewable energy capacity beyond the 17MW limit, which was agreed between the former Electricity Regulatory Authority and Caribbean Utilities Company, by adding 3MW of distributed generation resources to the electricity grid. The capacity increase will only relate to the DGR programmes that are approved by OfReg.

As with previous DER programme allocations, individual system size would be limited to 250kW AC output rating to improve locational diversity (ie, reduce cloud impacts), and avoid needing a System Impact Study. The previously established system sizes for the CORE systems will remain.

"The proposed 3MW capacity increase will continue to incentivise the growth and use of renewable and alternative energy, and assist in reducing the Cayman Islands' dependence on fossil fuels used for the generation of electricity and, more importantly, reducing the nation's carbon footprint." - **Gregg Anderson, Executive Director of Energy & Utilities at OfReg.**

"Energy security and sustainability are essential for the Cayman Islands. Therefore, it is important to ensure that the future development of the solar industry is consistent with the need to provide reliable, clean, and affordable electricity. OfReg remains committed to promoting the goals of the National Energy Policy, and recognises the important role rooftop solar plays, and will continue to play in Cayman's energy future. Cognisant of our obligation to protect the short- and long-term interests of consumers, the release will allow consumers choice to interconnect their systems to the grid, while ensuring rates are reasonable.

Increasing the installed renewable energy capacity contribute towards achieving the NEP target, and towards socio-economic and environmentally sustainable growth, and also aims to stimulate the renewable industry in the Cayman Islands." - **Malike Cummings, CEO at OfReg.**



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OfReg expects to issue a Final Determination regarding the Proposed Distributed Energy Resources 3MW Capacity Increase before the end of the third (3rd) quarter, 2021.

This public consultation will be conducted as a single-phase consultation over a period of thirty (30) days. All submissions should be made in writing and must be received by 5pm on 8 July 2021, at the latest.

To access the consultation document, please visit OfReg's website at [www.ofreg.ky/consultations](http://www.ofreg.ky/consultations).

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### **ABOUT OFREG**

The Utility Regulation and Competition Office ('OfReg' or the 'Office') is the independent regulator established by section 4 of the Utility Regulation and Competition Act (as revised) (the 'URC Act') for the electricity, information, and communications technology, water, wastewater, and fuel sectors in the Cayman Islands.

OfReg provides the opportunity for consistency and collaboration in regulation across the energy, fuel, ICT, and water sectors; better utilisation of skills and resources resulting in more efficient and effective regulatory processes; encouraging competition where appropriate and feasible; championing sustainability and innovation across markets, contributing to the economic and social goals of the Cayman Islands.

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