



Getting the Policy Right

Presented by:

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TOPICS TO BE DISCUSSED

- 1. Practical Definition of Policy**
- 2. Legislative and regulatory Imperatives**
- 3. Key Sectoral Linkages to draft National Sustainable Energy Policy**
- 4. Importance of Policy Synchronization**
- 5. Reshaping the regulation of electricity services**
- 6. Role of Domestic Capital Investment**
- 7. Establishing a Facilitation and Implementation Strategy**
- 8. Reshaping government's fiscal strategy**

Practical Definition of Policy

- *...the means by which a government maintains order or addresses the needs of its citizens, through actions defined by its constitution. ... a term used to describe a collection of laws, mandates, or regulations established through a political process.*
- David White, "What is Public Policy? - Definition, Types, Process & Examples"

Importance of Policy Synchronization

- **Greater level of Ministerial Co-ordination Required**
- **Strategic Link between harnessing RE and Transportation, Agriculture, Waste Management, Manufacturing and Tourism**
- **Reshaping government's fiscal strategy**
- **Reposition key government entities – BNOCL, NPC and BNTCL**
- **Establishing an interim strategy for fossil fuel suppliers and retailers (Sol & Rubis)**

Reshaping the regulation of electricity services

- Disaggregation of the costs for Utility Services
- Delinking Avoided Fuels Costs from RE pricing
- Adoption of Cost based pricing for RE generated electricity
- Creation of Dual Tariff System to address RE and EE investments alongside the FCA
- Clarity on the extension of the current utility's licence

Fostering Domestic Capital Investment in RE

- Focus on Local Capital Investment in RE generation and storage
- Educating local financial institutions on the opportunity for offering competitive financing for local investors in RE
- Encouraging investment of locals capital in the credit union and banking system
- Providing the Macro- Economic data in support of a case for Domestic Wealth Creation.

Establishing a Facilitation and Implementation Strategy for RE

- **Clarity, Certainty and Public Awareness in the licensing and regulatory processes**
- **Updating the island's physical development plan in line with the NSEP**
- **Ensuring the stability of Fiscal Incentives for RE & EE Investment**
- **Creation of national standards**
- **Provision of adequate capacity in the various regulatory and government departments.**

Revenue from Energy

- Estimated \$400 million or 20% of annual government revenue of approximately \$2.5 billion from VAT on Electricity Sales and Excise on Diesel and Gasoline.
- Domestic and Imported Natural Gas sales to the Hotel Sector & Fast Foods via NPC
- Increased fuel sales from expansion of motor vehicle stock- 55,000 in 1993
120,000 in 2016 .
- Increased residential usage of electricity – 33% of total sales
- Civil Appeal No. 20 of 2009 – Fair Trading Commission v. Barbados National Oil Company Ltd

Economic Analysis Needed

- Establishment of a National Sustainable Energy Fiscal Policy Working Group –
- Leveraging assistance of the CBB, MOF, DOE in accessing current and up to date data from Various Government Agencies on energy usage
- Preparation of a Sustainable Energy Fiscal Policy position paper by June 30th 2017...
Or before...



QUESTIONS & COMMENTS

THANK YOU

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