

#### Newsletter of the Office of Utilities Regulation

## Vol. 9, No. 1 January - March 2011



In the first part of my article on this topic, I outlined how nuclear energy can be included in diversifying Jamaica's energy supply through the use of Small Modular Reactors (SMRs). I will continue my discussion by looking at the provisions that Policy-makers have made for including nuclear in the country's energy mix.

The critical role of nuclear energy within the framework of the Energy Policy (the Vision 2030) cannot be overstated. The Policy outlines options that Jamaica must consider in order to identify least economic cost strategies that would ensure long term energy security and affordability. Including nuclear energy in Jamaica's long term energy supply mix is one such option and strategy that must be given serious consideration.

The reasons for considering these options are many. Recent breakthroughs in the cost of SMRs have now made it feasible for small and stand-alone electricity supply systems to deploy cheaper and sustainable nuclear technology. The new breed of passive or below the ground SMRs contain evolutionary designs that offer a high level of safety; longer fuel cycles that ensure fuel price stability and certainty; national energy security; enhanced climate change benefits and job creation opportunities. At present there are more than 50 small reactors under development in some 13 countries and in the United States about 23 different designs are at different stages.

Operating costs also need to be considered. SMRs operating costs are estimated at less than US 2¢/Kwh and expected capacity factor is over 90%. It is my belief that SMRs have opened up real options for the Small Island Developing States to generate cheaper electric power over the medium to long term and are appropriate to form a part of Jamaica's energy supply mix.

Following informal discussions with the Japanese diplomatic mission in Jamaica, indications are that the Japanese government is favourably disposed to supporting Jamaica's nuclear initiatives. Many of the SMRs design goals coincide with the objectives of the Global Nuclear Energy Partnership (GNEP) program (123 Agreement) which was launched by By: Zia Mian – **Director General** 

Jamaica's Sustainable Energy Future (Part 2)

the Bush Administration in the United States. The Obama administration's initiative to support the manufacturers for export markets, in order to create domestic jobs, offers opportunities of obtaining SMRs. Jamaica will however need to sign the 123 Agreement which would clear the way for establishing the appropriate regulatory framework.

The national vision statement in the Vision 2030 Jamaica National Development Plan (the Vision 2030) is to make "Jamaica, the place of choice to live, work, raise families, and do business". One required "Outcome" (#10) to achieve the goal that 'Jamaica's Economy is Prosperous' will be to: "create a modern, efficient, diversified and environmentally sustainable energy sector providing affordable and accessible energy supplies with long-term energy security that contributes to international competitiveness throughout all the productive sectors of the Jamaican economy."

Jamaica's National Energy Policy 2009-2030 (the Energy Policy) that was formulated within the framework of the "Outcome" # 10 (Energy Security and Efficiency" of the Vision 2030) articulates ten strategies. Of the strategies, one seeks to promote "An energy sector that possesses the flexibility and creativity to adopt and adapt to new and appropriate energy technologies (such as fuel cells, small nuclear plants) that may emerge over the long-term."<sup>1</sup>

To achieve its objectives, the Energy Policy has established seven goals. One of these goals states:

#### "Jamaica's energy supply is secure and sufficient to support long-term economic and social development and environmental sustainability

"Under this Goal, Jamaica will reduce the percentage of petroleum in the country's energy supply mix from the current 95%. Diversification priorities for the short, medium, and long term will be based on cost, efficiency, environmental considerations and appropriate technologies. This will protect the country from disruptions in oil supply and price volatility. Components in the more diversified energy source mix will include both indigenous and foreign options such as natural gas, coal, pet-coke, nuclear sources as well as renewable energy sources...

"Develop the institutional capacity and regulatory framework to explore the establishment of small nuclear power generation plants in the event that nuclear power generation proves feasible for Caribbean Small Island Development [Developing!] States (SIDS)."<sup>2</sup>

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Regulating Utilities for the Benefit of All

#### THE OFFICE

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Director, Information Technology Sidney M. Abrahams

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## SuDuko answers from last edition

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## Jamaica's Sustainable Energy Future

Cont'd from page 1

However, before Jamaica can proceed with the deployment of nuclear technology, there is a long list of issues from the International Atomic Energy Agency (IAEA) that would need to be addressed. If we start now, it is likely that Jamaica can commission its first nuclear plant by the 2020s. The recommendations of the Minister's Task Force on Nuclear Energy (Chaired by Prof. Gerald Lalor) should be considered by the Cabinet and the relevant agencies/ministries should be directed to proceed with the necessary plan of action to include nuclear energy in Jamaica's long term energy supply mix.

<sup>1</sup> Jamaica's National energy Policy 2009 – 2030, Ministry of Energy and Mining, October 2009 (page: x).

<sup>2</sup> Jamaica's National energy Policy 2009 – 2030, Ministry of Energy and Mining, October 2009 (pages: xv and 35). [Developing] is my addition

## Your Avenue of Appeal

The OUR provides an avenue of appeal for utility consumers. If you have a problem with any of the utility companies, you should:

- Go to the utility company and complete the complaints procedure there; meaning, where necessary, take the matter to the attention of the supervisor and/or manager. It is your right to speak with a supervisor or manager - exercise it.
- 2. Ensure that the company acknowledges receipt of your written complaint within 5 business days as well as complete its investigation and advise you of the findings within 30 business days, in keeping with the guaranteed standards. Where the JPS or NWC fail to meet any of the standards, you should file a claim where compensation is not automatic.

#### Still not satisfied?

You may appeal the utility company's decision to the OUR. This must be in writing and you should include copies of all relevant correspondence such as the final response from the utility company.

## **EDITORIAL TEAM**



Michael Bryce

Collette Goode

Marsha Minott

Kishana Munroe

# **OUR's Objectives**

- To ensure that consumers of utility services enjoy an acceptable quality of service at reasonable cost.
- To establish and maintain transparent, consistent and objective rules for the regulation of utility service providers.
- To promote the long-term efficient provision of utility services for national development consistent with Government policy.
- To provide an avenue of appeal for consumers who have grievances with the utility service providers.
- To work with other related agencies in the promotion of a sustainable environment.
- To act independently and impartially.

## INSIDE THE O.U.R SCHEDULE (RADIO)



STATION	DAI			
RJR 94 FM	Mondays	12:25 - 12:30 p.m.		
Kool 97 FM	Tuesdays	7:30 - 7:35 a.m.		
Nationwide News Network	Tuesdays	10:05 - 10:10 a.m.		
Power 106 FM	Wednesdays	7:20 - 7:25 a.m.		
Love 101 FM	Thursdays	8:32 - 8:37 a.m.		

# Highlights from the





ORGANISATION OF CARIBBEAN UTILITY REGULATORS

HELD ON NOVEMBER 3-5, 2010 OCHO RIOS, JAMAICA











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## **DIVISIONAL SPOTLIGHT** UTILITY MONITORING



[From Left] David Geddes - Director, Utility Monitoring & Secretary to the Office (Acting); Garfield Bryan - Utility Analyst; Marsha Minott - Utility Analyst; Peter Johnson - Principal Utility Analyst.

The Utility Monitoring Division has primary responsibility for, among other things: determining whether the regulated entities are in compliance with Office Directives, relevant pieces of legislation and tariff requirements. The Division also has responsibility for assessing licence conditions as well as to conduct regulatory impact assessments.

Be an informed consumer – get information on your rights under the Guaranteed Standards Scheme and submit your claim for breaches to the service provider, where compensation is not automatic. Copies of the Guaranteed Standards are available at the JPS and NWC offices islandwide as well as the OUR website at www.our.org.jm. You can also get information on utility subjects through our Information Centre. If you remain dissatisfied with the service provider's response to your complaint, you may appeal the utility company's decision to the OUR in writing.

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But how do I do it?

The object is to insert the numbers in the boxes to satisfy only one condition: each row, column and 3x3 boxes must contain the digits 1 through 9 exactly once.

## **OUR's Role**

The Office of Utilities Regulation Act of 1995 established the Office of Utilities Regulation ('the Office'/OUR) as a body corporate. Under the Act, the OUR is charged with the responsibility of regulating the provision of utility services in the following sectors:

- Electricity
- Telecommunications
- Water & Sewerage
- Public transportation by road, rail and ferry

The OUR is headed by the Director General, who along with the Deputy Directors General comprise 'the Office'. The Director General is appointed by the Governor General and the Deputy Directors General are appointed by the Prime Minister.

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