

OUR No Longer Responsible for Net Billing

(KINGSTON, Jamaica; 2015 November 12): The Office of Utilities Regulation (OUR) no longer has responsibility for the Net Billing Programme.

Under Condition 18 of the Amended and Restated All-Island Electric Licence, 2011 (Licence), the OUR was specifically responsible for generation planning and prescription of a simpler process for certain situations which included additions of up to 25 MW of generation capacity from renewable energy sources. Following an amendment to the Licence in 2014 July, Condition 18 was removed. However, the two-year Net Billing pilot programme, which began in 2012, was extended beyond 2014 as the 2% system peak demand threshold was not met. It was subsequently suspended pending the outcome of a review.

The deletion of Condition 18 of the Licence, along with the provisions in the Electricity Act, 2015 which came into effect 2015 August 27, means that the OUR no longer has authority to lawfully engage in the addition of generating capacity to the national grid.

Specifically, Section 9 (2) of the Electricity Act excludes the OUR's involvement in accepting applications and making recommendations to the Minister of Science, Technology, Energy and Mining (MSTEM) for licences, and provides that the Minister has exclusive authority over the issuing of licences. Therefore, the OUR cannot lawfully assume responsibility for the licensing process.

Except for amendments to the form of the Standard Offer Contract as required, and responding to consultation initiated by the Minister, the OUR now considers its substantive role in the Net Billing Programme at an end.

BACKGROUND

Under the Electricity Act, 2015, the OUR's role in the Net Billing Programme is confined to matters relating to Standards Offer Contracts. The OUR has already approved a form of standard offer contract and will, where necessary, consult on amendments on this document.

Earlier this year, the OUR conducted a review of the Net Billing programme. This follows a two year pilot programme. The OUR began its review on January 1, 2015 with technical assistance from the United States Agency for International Development (USAID). As part of its support, USAID contracted National Renewable Energy Laboratory (NREL), a national laboratory of the U.S. Department of Energy's (DOE's), Office of Energy Efficiency and Renewable Energy, to undertake the work. A review workshop was held with all the major stakeholders including the Jamaica Public Service Company Limited (JPS).

Following the workshop the OUR submitted to the Ministry of Science, Technology, Energy and Mining, a matrix summarising the recommendations and comments of NREL, OUR, JPS and the Jamaica Solar Energy Association. It also submitted to the Ministry a report prepared by NREL. -30-

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