



OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefit of All

PUBLIC NOTICE

The Office of Utilities Regulation (OUR) validation of monthly Energy Rates in relation to the Net Billing Arrangement for the month of 2020 May.

2020/ELE/011/PUN.005

WHEREAS:

- (i) The Net Billing Arrangement is governed by the provisions of the Electricity Act, 2015, the Office of Utilities Regulation Act (as amended), the National Energy Policy, 2009, the Electricity Licence, 2016, (Licence) and Office of Utilities Regulation's (OUR's/Office's) Determination Notice re Jamaica Public Service Company Limited (JPS) Standard Offer Contract (ELE2011006_DET004_REV001) dated 2012 May 01.
- (i) The Net Billing Energy Rate shall satisfy the principle of the Short-term Variable Avoided Cost of generation plus a premium of fifteen percent (15%) allowed for Renewable Energy (RE) Generation. The Short-term Variable Avoided Cost represents the short-run marginal cost of generation, which mainly reflects the cost of fuel used for electricity generation on a monthly basis. This rate is expressed on a per kWh basis by dividing the total fuel cost (J\$) for a given billing month by the net system generation (kWh) for the same billing period.
- (ii) JPS has represented to the OUR that it has complied with the relevant provisions of the legal and regulatory framework, including the Fuel Cost Adjustment Mechanism (FCAM) set out under Schedule 3, Exhibit 2, of the Licence in respect of the Net Billing Arrangement and computation of the monthly Standard Offer Contract (SOC) rates.
- (iii) JPS has submitted to the OUR, the relevant documentation and schedules to support the SOC rates, including inter-alia, the fuel input parameters, electrical outputs and related computations and that it has appropriately applied the relevant parameters.

The OUR having reviewed and evaluated JPS' submission, has **ACCEPTED** JPS' representations as true and accurate and has **VALIDATED** the energy rates calculated by JPS for energy payments applicable to customers/self-generators who supplied electrical energy

to the System from small RE Generation Facilities (0-100 kW) under Net Billing Arrangement for the month of 2020 May.

The Office in exercise of the powers conferred on it by section 4 (4) of the Office of Utilities Regulation Act (as amended), **HEREBY PUBLISH THE VALIDATED** Net Billing Energy Rates for the said month as follows:

2020 May	
Validated Net Billing Rates	(J\$/kWh)
SAC*	12.432
Premium*	1.865
Net Billing Energy Rate	14.296

*SAC – Short -Term Variable Avoided Cost

*Premium – 15% Premium of SAC

AND TAKE FURTHER NOTICE that this validation is voided in the event that the representations specified herein, prove to be false and or inaccurate as may be reflected by any audit, regulatory returns or the annual audit of JPS' financial operations, or other regulatory assessments.

Dated: 2020 June 22

BY ORDER OF THE OFFICE



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Courtney Francis

Manager of Engineering & Technical Analysis – On behalf of the RPME Department