



**OUR**  
**OFFICE OF UTILITIES REGULATION**

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*Regulating Utilities for the Benefit of All*

## FOR IMMEDIATE RELEASE

### OUR to Return to the Market in Early 2014 for 115MW Project

**(KINGSTON, Jamaica; October 18, 2013):** The Office of Utilities Regulation (OUR) will return to the market in early 2014 to find a qualified bidder offering firm capacity for the 115 MW project. The OUR was only able to award 78MW of the 115MW of renewable energy to the national grid.

The decision to return to the market is subject to Government resolving policy and administrative issues regarding waste to energy.

The OUR-led evaluation panel recommended three entities as preferred bidders comprising two projects offering energy from wind amounting to 58MW, and one offering solar amounting to 20 MW. The project offering firm capacity was not selected as it did not meet the evaluation requirements of the RFP for the Supply of 115 MW of Electricity Generation Capacity from Renewable Energy Based Power Generation Facilities on a Build, Own and Operate (BOO) basis issued on November 26, 2012.

According to the projected system configuration for 2015, 115 MW (417,000 MWh) from renewable energy sources is required to be commissioned by 2015. However, it is imperative to have an appropriate mix of energy only and firm capacity for the proper operation of the Jamaican power system.

The importance of receiving firm capacity projects was highlighted in paragraph 159 of the RFP which stated: *“Proposals with Firm Capacity which is dispatchable, will be given priority in that regard. **Proposals with Firm Capacity and lowest evaluated tariff will be ranked highest.**”*

The RFP issued was consistent with the objectives contained in Jamaica’s National Energy Policy (NEP) 2009-2030. One of seven goals identified in the NEP is for Jamaica to realise its energy resource potential through the development of renewable energy sources.

The NEP states: *“Opportunities for further development of indigenous renewable energy resources such as solar, hydro, wind and biofuels will be explored under this goal. The strategies and actions undertaken will be designed to Increase the percentage of renewables in the energy mix with proposed targets of 11% by 2012, 12.5% by 2015 and 20% by 2030. Increased percentage of renewable in the country’s energy mix will reduce the dependence on imported oil. Increased use of renewables also will result in lowering the level of air pollution, a smaller carbon footprint for Jamaica and better compliance with international conventions on climate change.” (p 31)*

The OUR therefore invited interested entities to submit proposals for the supply of one or more plants of varying configurations greater than 100kW and up to 115 MW of renewable energy; the equivalent of 78 MW of energy only generation (which includes solar and wind), and 37 MW of firm capacity (which may include hydro, biomass and waste-to-energy).

	Additional RE (MWh)	RE Capacity (MW)
RET	2015	2015
<b>RE – Firm Capacity</b>	<b>212,084</b>	<b>37</b>
<b>RE - Energy Only</b>	<b>204,872</b>	<b>78</b>
<b>Total RE</b>	<b>416,956</b>	<b>115</b>

RE – Renewable Energy

*\*Source: RFP - Supply of 115 MW of Electricity Generation Capacity from Renewable Energy Based Power Generation Facilities on a Build, Own and Operate (BOO) basis (Issue Date; 26/11/2012)*

‘Energy Only’ is defined as a variable quantity of electricity generated from an intermittent resource, while ‘Firm Capacity’ represents a guaranteed quantity of electricity that is generated from a directly controlled source of fuel. These are not interchangeable. In addition, the benefits of Firm Capacity generation for the reliability, stability and security of the power system are far superior to those of ‘Energy Only’ generation.

Therefore, it is not prudent utility practice to increase the amount of ‘Energy Only’ generation on the grid in an unrestrained manner as the addition of large amounts of intermittent energy can introduce disruptive operational issues.

Bidders were made aware that if the capacity of selected firm power projects was below the target, the excess capacity would not be assigned to energy only projects. Having not shortlisted a firm capacity project, the OUR believes that it would not be prudent to revise the original target for energy only projects set by the OUR.

The preferred bidders selected to provide energy only capacity are: Blue Mountain Renewables LLC, to supply 34MW of capacity from wind power at Munro, St. Elizabeth; Wigton Windfarm Limited, to supply 24MW of capacity from wind power at Rose Hill, Manchester; and WRB Enterprises Inc., to supply 20MW of capacity from Solar PV from facilities in Content Village, Clarendon.

**All three entities have met the October 15, 2013 deadline to submit their bid security.** Upcoming milestones for this initiative are:

- Complete negotiation of Project Agreements - June 18, 2014
- Highest Ranked Successful Applicants Post Performance Security Deposit by - June 28, 2014
- Begin Construction - Aug 2014
- Proposed Commissioning Date – July 2016

The OUR remains committed to its mandates under the NEP and Vision 2030 to ensure a viable energy solution for Jamaica.

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**Contact:**

**Elizabeth Bennett Marsh**



Public Education Specialist  
Office of Utilities Regulation

36 Trafalgar Road

3<sup>rd</sup> Floor PCJ Resource Center

Kingston 10

Phone: 968-6053-4 / Fax: 929-3635

Mobile: 322-7539

email: [ebennett@our.org.jm](mailto:ebennett@our.org.jm)

website: [www.our.org.jm](http://www.our.org.jm)

[facebook.com/officeofutilitiesregulation](https://facebook.com/officeofutilitiesregulation)