

DRAFT – August 2019

NETWORK LICENCE

Granted to

GRENADA ELECTRICITY SERVICES LIMITED

under

SECTIONS 14 AND 67 OF THE ELECTRICITY ACT, 2016

_____, 2019

ARRANGEMENT OF SECTIONS

PART I: GRANT OF THE LICENCE	5
1. Grant of Licence.	5
2. Citation.	5
3. Effective Date.	5
4. Governing Law.	5
PART II: TERMS AND CONDITIONS	6
A. Interpretation	6
1. Words and Expressions.....	6
2. Definitions.	6
3. Other Interpretative Provisions.	7
B. Authorisation	8
1. Scope of Licence.....	8
2. Transmission, Distribution and Supply of Electricity by Other Suppliers.	8
3. Prohibition on Cessation of Licensed Operations.....	8
C. Term	9
1. Initial Term.	9
2. Procedure for Amendments and Extensions.....	9
3. Procedure for Renewals.	9
D. Technical and Performance Standards	9
1. General and Specific Obligations.	9
2. Reports on Compliance with Technical and Performance Standards.....	9
3. Periodic Review of Technical and Performance Standards.	10
4. Enforcement of the Technical and Performance Standards.....	10
5. Catastrophic Failures.	10
E. Dispatch of Sufficient Generation Capacity; Purchase of Electricity from Independent Power Producers and Self-Generators and Interconnection	10
1. Dispatch of Sufficient Generation Capacity.	10
2. Access and Interconnection to the Network.	11
3. Renewable and Efficient Energy Portfolio Mandates.....	12
4. Availability of Sufficient Generation Reserve Capacity and Long Term Reliability and Security.	12
5. Compliance with Legislation.	12
F. Network Operating Standards and Performance Targets	13
1. Establishment of Network Operating Standards and Performance Target.	13
2. Review and Amendment of the Network Operating Standards and Performance Targets.	13
3. Reports on Compliance with the Network Operating Standards and Performance Targets.	13
4. Monitoring and Enforcement of the Network Operating Standards and Performance Targets.	13
G. Supply of Electricity to Consumers	14

1.	Duty to Provide a Universal Supply.	14
2.	Connection and Supply of Electricity and Other Consumer-Related Matters.	14
3.	Reports on Compliance with Consumer-Related Requirements.	14
4.	Monitoring and Enforcement of Consumer-Related Requirements.	14
5.	Public Information.	14
	H. Rates	15
1.	Rates to Be Set by the Commission.	15
2.	Savings of Rates in Effect on the Effective Date.	16
3.	Cooperation in Public Education and Consultation Meetings.	16
	I. Reporting Requirements; Books, Accounts and Other Records	16
1.	Required Reports and Other Information.	16
2.	Inspections.	17
3.	Books, Accounts and Other Records.	17
	J. Sustainability Programmes, Expansion Studies and Renewable Generation Projects	17
1.	Initial Sustainability Programmes.	17
2.	Subsequent Sustainability Programmes.	17
3.	Amendment of Sustainability Programmes.	18
4.	Expansion Studies.	18
5.	Renewable Generation Projects.	19
	K. Procurement of Goods and Services	20
1.	Competitive Procurement.	20
2.	Transactions with Affiliates.	20
3.	Submissions on Procurement to the Commission.	20
4.	Procurement of Transmission and Distribution Systems included in Sustainability Programmes.	20
	L. Activities Requiring the Prior Consent of the Minister	20
1.	Conditions in Section 20 of the Act.	20
2.	Transfer of Shares in or Assets of the Licensee.	21
3.	Void Agreements and Revocation of Licence.	22
4.	Applicability	22
	M. Other Obligations of the Licensee; No Waiver	22
1.	General Obligations.	22
2.	Sharing of Poles and Other Facilities with Other Public Utilities.	22
3.	No Waiver.	23
	N. Licence Fees and Contributions	23
1.	Initial Fee.	23
2.	Annual Fee.	23
3.	Fees upon Extension of the Term.	23
4.	Universal Service Fund.	23
5.	Social Fund.	23

O.	Suspension and Revocation of Licence	23
1.	Grounds for Suspension or Revocation.	23
2.	Procedures.	24
3.	Disposition of the Licensee upon Revocation of the Licence.....	24
4.	Valuation of the Authorised Network Electrical System.....	24
5.	Continued Operation during Acquisition Proceedings.	25
P.	Force Majeure	25
1.	Prevention of Performance Due to Force Majeure.	25
2.	Notification of an Event of Force Majeure.	25
3.	Approval of the Commission.	26
4.	Extension of Time for Performance.....	26
5.	Termination for Force Majeure.....	27
6.	Definition of “force majeure”.	27
Q.	Termination of Licence for Expiration of its Term	27
1.	Transfer of shares of GRENLEC to the Government.	27
2.	Subsequent actions after transfer of shares of GRENLEC to the Government.	27
R.	Notices and Other Communications	28
1.	Contacts and Addresses for Written Notices and Other Communications.....	28
2.	Deemed Receipt of Notices.	28
3.	Primary Contact for the Licensee and the Government.....	28
SCHEDULE A: Authorised Network Electrical System: Specifications of the Interconnection, Transmission, Distribution, and Supply Network		29
SCHEDULE B: NETWORK OPERATING STANDARDS AND PERFORMANCE TARGETS		30
SCHEDULE C: INITIAL FIVE-YEAR SUSTAINABILITY PROGRAMMES		35

MODEL NETWORK LICENCE
F
Granted to
GRENADA ELECTRICITY SERVICES LIMITED
under
SECTIONS 14 AND 67 OF THE ELECTRICITY ACT, 2016

[_____], 2019

PART I: GRANT OF THE LICENCE

1. Grant of Licence.

The Minister with responsibility for the electricity sector (the “Minister”), in the exercise of the powers conferred by sections 14 and 67 of the Electricity Act, 2016 (the “Act”) and all other powers exercisable by him for that purpose, **HEREBY GRANTS** to Grenada Electricity Services Limited (“GRENLEC” or “Licensee”) a non-exclusive network licence for the transmission, distribution and sale of electricity to consumers in the Authorised Area (the “Licence”), for the period specified in Part II(C)(1) (the “Term”) and subject to the terms and conditions specified in Part II.

2. Citation.

This Licence shall be cited as the GRENLEC Network Licence.

3. Effective Date.

This Licence shall come into effect on the ____ day of _____, 2019 (“Effective Date”), and shall continue in full force and effect until the expiration of the Term, as it may be modified from time to time and unless suspended or revoked pursuant to the Act and the other terms and conditions set forth herein.

4. Governing Law.

This Licence shall be governed by and construed, enforced and performed in accordance with the Act; the regulations; the Public Utilities Regulatory Commission Act (“PURCA”); and all other applicable laws of Grenada, including any laws for the protection of the environment.

Sealed and executed on the ____ day of _____, 2019.

Minister with responsibility for the electricity sector

PART II: TERMS AND CONDITIONS

A. Interpretation

1. Words and Expressions.

Except as defined otherwise in Part II (A) (2), words and expressions used in this Licence shall have the same meanings as set forth in section 2 of the Act; to the extent not otherwise defined in the Act, in section 2 of the PURCA; and to the extent not defined in the Act or the PURCA, as set forth in the Interpretation and General Provisions Act. All words, expressions, terms and conditions of this Licence shall be construed consistent with the Interpretation and General Provisions Act.

2. Definitions.

In this Licence, the following terms shall have the following meanings:

“Act” has the meaning provided in Part I(1);

“Affiliate” has the same meaning as the term “affiliated corporations” in section 538 of the Companies Act of Grenada and shall also include any individual person who holds ten (10) percent or more of the ownership interest of the Licensee or any such affiliated corporation;

“Authorised Area” has the meaning provided in section 2 of the Act and, for purposes of this Licence, consists of all of the islands comprising the state of Grenada, including Carriacou and Petit Martinique and the adjacent islands and all internal waters.

“Authorised Generation Electrical System” means the Generation Electric Plants and related electric lines and other apparatus between the Generation Electric Plants and the Authorised Network Electrical System, as set forth on Schedule A of the GRENLEC Generation Licence;

“Authorised Network Electrical System” means the electrical system through which the Licensee is authorised to transmit, distribute and sell electricity to consumers under this Licence, as set forth on Schedule A;

“Business Day” means a day on which banks are open for business in Grenada;

“Catastrophic Failure” means a sudden and unexpected failure of any part of the Authorised Network Electrical System and that renders any part of the Authorised Network Electrical System economically or technically unfit to operate or deliver electricity to consumers in whole or in part;

“Effective Date” has the meaning provided in Part I(3);

“Generation Electric Plants” means the electric plants owned and operated by the Licensee as of the Effective Date, set forth on Schedule A to the GRENLEC Generation Licence;

“GRENLEC Generation Licence” means the generation licence issued to the Licensee of even date herewith;

“GRENLEC Network Licence” has the meaning provided in Part I(2);

“Licensee” and “GRENLEC” have the meaning provided in Part I(1);

“Network Operating Standards and Performance Targets” means the operating standards and performance targets for the Authorised Network Electrical System set forth on Schedule B, to be reviewed from time to time by the Commission and the Licensee and amended by the Minister as set forth in Part II(F) and Schedule B;

“Renewable and Efficient Energy Portfolio Mandate” means a programme established by the Minister from time to time for the Licensee’s supply of electricity to itself from its Authorised Generation Electrical System, and its purchase from independent power producers and/or self-generators of electricity generated from renewable and/or efficient energy sources, for the Licensee’s transmission, distribution and/or supply of such electricity to consumers pursuant to this Licence;

“rural electrification” means the extension of electricity service to an area located outside the area that can be economically served by the then-existing facilities of the Licensee or that for any other reason have not previously been served by such facilities;

“Schedule” means a schedule to this Licence;

“Term” has the meaning provided in Parts I(1) and II(C)(1).

3. Other Interpretative Provisions.

- (a) The Schedules shall form an integral part of this Licence.
- (b) A reference to a Part, Subpart, or Schedule is a reference to the relevant Part or Subpart of, or Schedule to, this Licence, and a reference to “this Licence” includes the Schedules hereto.
- (c) Headings in this Licence are for convenience and reference only and shall be disregarded in interpreting this Licence.
- (d) Words of inclusion shall not be construed as terms of limitation, so that references to included matters shall be regarded as non-exclusive, non-characterising illustrations.
- (e) The terms “hereof,” “herein,” “hereto” and similar words refer to this entire Licence and not to any particular Part, Part, Subpart, Schedule or any other subdivision of this Licence.
- (f) References to the Licensee or any other person shall be construed to include the Licensee’s or such other person’s successors and permitted assigns.

- (g) References to “this Licence” or any other written law or agreement or other document shall be construed as a reference to this Licence or such other written law, agreement or other document as amended, modified or supplemented from time to time, and shall include a reference to any written law, agreement or document that amends, modifies or supplements, or is entered into, made or given pursuant to or in accordance with its terms.

B. Authorisation

1. Scope of Licence.

This Licence authorises and gives the Licensee the non-exclusive right, in the Authorised Area, to:

- (a) obtain electricity from its Authorised Generation Electrical System, and purchase electricity from independent power producers and self-generators, for supply to the Authorised Network Electrical System;
- (b) ensure that sufficient generation reserve capacity is available;
- (c) transmit and distribute such electricity, and supply it to consumers, by means of the Authorised Network Electrical System; and
- (d) construct, reconstruct, modify, and replace the components of the Authorised Network Electrical System to maintain and extend it for the foregoing purposes, subject to and in accordance with any Renewable and Efficient Energy Portfolio Mandate, Sustainability Programmes, Orders or decisions of the Minister or the Commission adopted or established pursuant to and in compliance with the Electricity Act, 201(6), Regulations and the terms and conditions of this Licence.

2. Transmission, Distribution and Supply of Electricity by Other Suppliers.

The manner in which this Licence shall be non-exclusive is limited to instances in which –

- (a) the transmission, distribution and/or supply of electricity by any other licensee in residential, commercial, industrial, governmental and/or educational developments, which developments are commenced after the Effective Date; and
- (b) the transmission, distribution and/or sale of electricity to consumers by any other licensee in any area within the Authorised Area that is not served with electricity as of the Effective Date.

3. Prohibition on Cessation of Licensed Operations.

Further to the provisions of section 18 of the Act, except as this Licence expires or is revoked or suspended in accordance with its terms and the Act, the Licensee shall not cease to operate all or any part of the Authorised Network Electrical System and supply electricity through it to consumers

in the manner provided for herein, without first obtaining the written consent of the Minister, who shall consult with the Commission prior to determining whether to give any such consent.

C. **Term**

1. **Initial Term.**

Pursuant to section 14(1) of the Act, the initial term of this Licence shall be 25 years from the Effective Date.

2. **Procedure for Amendments and Extensions.**

The provisions of sections 21 and 22 of the Act shall apply to the procedure for, respectively, amendments

3. **Procedure for Renewals.**

The renewal of this licence shall be subject to the following:

- a) the Minister may upon an application by the licensee in the prescribed form and on the recommendation of the Commission renew this licence;
- b) an application for renewal of this licence shall be made at least (two/three) years prior to the expiry of the licence;
- c) Section 21 of the Electricity Act shall apply *mutatis mutandis* to an application for renewal of this licence;

D. **Technical and Performance Standards**

1. **General and Specific Obligations.**

The Licensee shall develop, operate, provide, and maintain a regular, efficient, coordinated, safe and economical supply of electricity from the Authorised Network Electrical System in accordance with the technical and performance standards established in the regulations and otherwise develop, operate and maintain the Authorised Network Electrical System in accordance with such regulations. Pending the issuance of such regulations, the Licensee shall comply with the technical and performance standards applicable to, and/or under which it has been operating and maintaining the Authorised Network Electrical System and supplying electricity to consumers prior to the Effective Date. In such event, the Licensee shall, within the sixty days after the Effective Date, provide to the Commission and to the Minister detailed information on the technical and performance standards under which it has been and is operating and maintaining the Authorised Network Electrical System and supplying electricity to consumers, and shall provide such additional information as the Commission may require, pending the issuance of the relevant regulations.

2. **Reports on Compliance with Technical and Performance Standards.**

Except as may be provided otherwise in regulations, by 15 January, April, July and October of each year of the Term, the Licensee shall file a quarterly report with the Commission, and shall provide a copy thereof to the

Minister, providing such information as the Commission may require on the Licensee's compliance and/or non-compliance with the technical and performance standards applicable to the Authorised Network Electrical System during the previous quarter. In addition to the quarterly report, the Licensee shall also file an annual report with the Commission, and shall provide a copy thereof to the Minister, on the fulfilment of all its legal and licensing obligations during the previous year. The Commission may decide to publish this annual report on its website.

3. **Periodic Review of Technical and Performance Standards.**

The Commission may require the Licensee to review the technical and performance standards applicable to the Authorised Network Electrical System, or the Licensee may of its own volition conduct such reviews, from time to time, and the Commission or the Licensee, or both jointly, may propose to the Minister any amendments to the technical and performance standards regulations that may be necessary or desirable to develop, operate and/or maintain the Authorised Network Electrical System and/or to meet the needs of consumers. If such proposals are recommended by the Commission and approved by the Minister (in the case of proposals made unilaterally by the Licensee); or approved by the Minister (in the case of proposals made jointly by the Commission and the Licensee), the Minister shall amend the relevant regulations accordingly.

4. **Enforcement of the Technical and Performance Standards.**

Without prejudice to the Minister's powers under section 23 and 24 of the Act, the Commission shall be responsible for monitoring and enforcing the Licensee's compliance with the technical and performance standards established in the regulations, or pending the issuance of the regulations, as otherwise provided above, including the imposition of any penalties for non-compliance and other violations provided for in the Act, the PURCA, and/or the regulations.

5. **Catastrophic Failures.**

Notwithstanding any other provision of this Licence and in accordance with any applicable provisions in the regulation, in the event of a Catastrophic Failure the Licensee shall replace the failed part of the Authorised Network Electrical System on an urgent basis, with the approval of the Minister and the Commission.

E. **Dispatch of Sufficient Generation Capacity; Purchase of Electricity from Independent Power Producers and Self-Generators and Interconnection**

1. **Dispatch of Sufficient Generation Capacity.**

Subject to the Act, the PURCA, and the regulations and to the oversight of the Commission, the Licensee shall be responsible for procuring and dispatching sufficient generating capacity by means of the Authorised

Network Electrical System to meet the electricity requirements of consumers, in a prudent manner taking into consideration operating considerations, including least-cost supply to consumers, safety to the public and to the Authorised Network Electrical System, planned and forced generator maintenance schedules and operating reserves (both on-peak and off-peak), and the terms and conditions of power purchase agreements to which the Licensee is a party. For these purposes, the Licensee must also ensure the availability to the Authorised Network Electrical System of adequate reserve generating capacity, both spinning and cold stand-by, at all times.

2. **Access and Interconnection to the Network.**

Subject to the other terms and conditions of this Licence and the regulations and in addition to providing interconnection and access to its transmission and distribution network to the Authorised Generation Electrical System for the supply of electricity to the network and onward to consumers, the Licensee shall provide interconnection and access to its Authorised Network Electrical System to independent power producers and to self-generators on a non-discriminatory basis and as promptly as practically possible, subject to the safety and technical capability of such independent power producers' electrical systems and self-generators' generation facilities. For those purposes, the Licensee shall:

- a) on a rolling basis, determine and ensure the safety and technical capability of its electrical system to interconnect with the electrical systems of independent power producers and the electricity generation facilities of self-generators;
- b) facilitate the interconnection of independent power producers and self-generators to the Authorised Network Electrical System;
- c) provide the Minister and the Commission with the reports required under section 12(1)(c) of the Act;
- d) conclude power purchase agreements that have been approved by the Commission with, and purchase, transmit and distribute to consumers electricity generated by, independent power producers; and
- e) purchase, transmit and distribute to consumers excess electricity generated by self-generators whose generating facilities have been issued a permit to interconnect with and provide electricity to the Authorised Network Electrical System.
- f) grant non-discriminatory access to and use of its electricity transmission and distribution systems, and do not deny such access to and use of its electricity systems except if there were not sufficient capacity provided that such fact were properly justified;
- g) make available and publish in its website:

- i. the rules established in Codes and Regulations governing access and use of its electricity system;
 - ii. the procedures that self-generators and independent power producers must comply with to request interconnection to the transmission and distribution systems of the Licensee;
 - iii. the interconnection agreements models approved by the Commission and offered to self-generators and independent power producers;
 - iv. any limitation of capacity in the transmission and distribution systems of the Licensee.
3. **Renewable and Efficient Energy Portfolio Mandates.**
The Licensee's fulfilment of its obligations in this Part II (E) shall be subject to the Renewable and Efficient Energy Portfolio Mandates established by the Commission from time to time, and the Licensee shall cooperate with the Commission in the establishment and carrying out of, and compliance with, such Renewable and Efficient Energy Portfolio Mandates in order to facilitate the supply of electricity to consumers from renewable and efficient energy resources on a least-cost and reliable basis.
4. **Availability of Sufficient Generation Reserve Capacity and Long Term Reliability and Security.**
The licensee shall ensure
- a) the availability of sufficient generation reserve capacity as necessary to comply with its obligations and in accordance with the regulations of the Minister and instructions of the Commission, and
 - b) mid and long term security and reliability in compliance of section 37 of the Electricity Act, of the Generation Expansion Planning and Competitive Procurement Regulations and of any other applicable regulation related to the establishment of new generation capacities in Grenada.
5. **Compliance with Legislation.**
The Licensee shall comply with all the obligations established in the Act, the PURCA, Regulations, Orders and decisions of the Minister and the Commission. In particular, the Licensee shall comply with the Grid Code and Regulations ruling scheduling and dispatch of generation, system operation, and access and use of its transmission and electricity systems. The Licensee shall also comply with all environmental legislation and any other legislation applicable to its operations and to the activities allowed to carry out pursuant to this Licence.

F. Network Operating Standards and Performance Targets

1. Establishment of Network Operating Standards and Performance Target.

The Licensee shall operate the Authorised Network Electrical System and supply electricity and services to consumers in accordance with the Network Operating Standards and Performance Targets set forth on Schedule B, as may be revised from time to time by the Minister in accordance with this Part II(F) and section 21 of the Act.

2. Review and Amendment of the Network Operating Standards and Performance Targets.

In addition to the studies and recommendations by the Commission to the Minister provided for in Schedule B, the Commission shall require the Licensee to review the Network Operating Standards and Performance Targets, and the Licensee may of its own volition conduct such reviews, periodically, but in any event not less than once in every two-year period after the Effective Date. Based on such reviews and discussions between the Commission and the Licensee and after any public consultations that the Commission may deem desirable, either the Commission or the Licensee may propose to the Minister (and in the case of proposals made by the Commission, also to the Licensee) any amendments to the Network Operating Standards and Performance Targets that may be necessary or desirable to ensure the efficient and cost-effective operation of the Authorised Network Electrical System and high quality supply of electricity to consumers. For the avoidance of doubt, the provisions of this Part II(E)(2) are without prejudice to the Minister's power to propose modifications to Schedule B (or any other provision of this Licence) under section 21 of the Act.

3. Reports on Compliance with the Network Operating Standards and Performance Targets.

Except as may be provided otherwise in the regulations, by January, April, July and October 15 of each year of the Term, the Licensee shall file a quarterly report with the Commission, and shall provide a copy thereof to the Minister, providing such information as the Commission may require on the Licensee's compliance and/or non-compliance with the Network Operating Standards and Performance Targets during the previous quarter. The Licensee shall also provide the Commission with reports and other information in such other instances as the Commission may require with regard to the Licensee's compliance and/or non-compliance with the Network Operating Standards and Performance Targets.

4. Monitoring and Enforcement of the Network Operating Standards and Performance Targets.

Without prejudice to the Minister's powers under sections 23 and 24 of the Act, the Commission shall be responsible for monitoring and enforcing the Licensee's compliance with the Network Operating Standards and Performance Targets, including the imposition of the penalties and allowance of the incentives provided for on Schedule B and/or in the regulations from time to time.

G. Supply of Electricity to Consumers

1. Duty to Provide a Universal Supply.

Subject to the Act, the regulations and the provisions of Part II(B)(2), the Licensee shall have a duty to, and shall, connect and supply electricity to every person who requests such a connection and supply and who becomes a consumer by entering into an agreement for the Licensee's connection and supply of electricity.

2. Connection and Supply of Electricity and Other Consumer-Related Matters.

The Licensee shall connect and supply electricity to consumers, and otherwise conduct its relationships with and services to consumers, in accordance with the requirements of the Act, the regulations and the PURCA and under the oversight of the Commission.

3. Reports on Compliance with Consumer-Related Requirements.

Except as may be provided otherwise in the regulations, by February 1st of each year of the Term, the Licensee shall file a report with the Commission, and shall provide a copy thereof to the Minister, providing such information as the Commission may require on the Licensee's compliance and/or non-compliance with the Act, the regulations, the PURCA and any directions of the Commission with regard to the connection and supply of electricity to consumers and the conduct of its relationships with and services to consumers.

4. Monitoring and Enforcement of Consumer-Related Requirements.

Without prejudice to the Minister's powers under section 23 and 24 of the Act and subject to the relevant regulations, the Commission shall be responsible for monitoring and enforcing the Licensee's compliance with connection and supply of electricity to consumers and its conduct of its relationships and services to them, including the imposition of any penalties for non-compliance and other violations provided for in the Act, the PURCA, regulations and/or, this licence.

5. Public Information.

The Licensee shall inform at least in its website and in any other manner as required by the Commission:

- i The economic and technical requirements and conditions that consumers interested in being supplied with electricity by the Licensee must comply with in accordance with this Licence and with Regulations, including but not limited to meter requirements; charges, costs and rates, more specific obligations in cases of disconnection and reconnection of consumers, etc.;
- ii The model agreements approved by the Commission that consumers must sign to be supplied with electricity by the Licensee;
- iii The different categories of consumers, the criteria for identifying each category of consumer, and the corresponding tariffs and

charges applicable to them that have been approved by the Commission;

- iv Detailed information about the obligations of the Licensee in areas currently supplied by the Licensee and in areas without geographic coverage, and the corresponding charges and costs that the Licensee may require in each case to connect and supply new consumers in areas with and without geographic coverage;
- v The Regulations on Terms and Conditions for the Supply of Electricity by the Network Licensee(s), the Network Operating Standards and Performance Targets contained in Schedule B and any other quality of service standard applicable to the Licensee;
- vi The procedures, forms and requirements that consumers must comply with to submit a complaint against the Licensee in relation with the supply of electricity, including but not limited to complaints related to breaches of obligations by the Licensee related to billing, metering, disconnection, reconnection, terms to connect or reconnect a consumer, outages and quality of service and compensations due pursuant to Regulations, etc. The Licensee shall also indicate the terms within which in accordance with Regulations such that the Licensee is obliged to give a response to such complaints;
- vii Any other information required by the Commission.

H. Rates

1. Rates to Be Set by the Commission.

Subject to Part II(H)(2) and sections 4, 31 and 32 of the Act, the rates that the Licensee shall—

- a) charge to consumers for the supply of electricity and any other services or charges of any kind;
 - b) pay to self-generators who provide excess electricity from their electricity generation facilities to the Authorised Network Electrical System,
- shall be set by the Commission, and rates that the Licensee shall—
- c) charge to consumers under special agreements;
 - d) pay to independent power producers under power purchase agreements between the Licensee and such independent power producers; and
 - e) charge to telecommunications entities and any other person for the joint use of the Licensee's poles and other apparatus,

shall be subject to approval by the Commission, and in all instances under Subparts (a) through (e), shall be established by the Commission in accordance with the Act, the regulations, and the PURCA.

2. Savings of Rates in Effect on the Effective Date.

The rates being charged by the Licensee on the Effective Date for the supply of electricity and any other service by it, and the rates payable by the Licensee to self-generators for their provision of excess electricity from their electricity generation capacity, shall not be changed after the Effective Date except in accordance with the Act and the regulations:

- (a) Provided, however, that until such time as regulations governing the establishment of rates are made under the Act, but without prejudice to the operation of those regulations to the settling of any rate once effective, the Commission and the Licensee may agree upon the rate payable for any service by the Licensee, or the rate payable by the Licensee to self-generators for their provision of excess electricity to the Licensee.
- (b) Provided further that, commencing on the Effective Date, the Licensee shall pay to and charge any self-generator from which it, respectively, purchases excess electricity and supplies electricity only for the net amount of electricity actually taken or supplied, respectively, by the Licensee.

3. Cooperation in Public Education and Consultation Meetings.

The Licensee shall cooperate with the Commission with regard to, and if requested by the Commission shall make presentations at, the public education, consultations meetings and public hearings provided for in section 32(8) of the Act, and in section 48A of the PURCA.

I. Reporting Requirements; Books, Accounts and Other Records

1. Required Reports and Other Information.

Without prejudice to the Licensee's reporting requirements under the Act, the regulations, the PURCA, and as otherwise provided in this Licence, the Licensee shall submit to the Commission, with a copy to the Minister, or to the Minister, with a copy to the Commission, any reports or other information reasonably requested by the Commission or the Minister in writing, within the time periods specified by the Commission or the Minister. Except as otherwise permitted by the Act, the PURCA, or the regulations, or expressly by the Commission or the Minister, the Licensee shall provide reports and other information under this Licence separately from reports and other information submitted under the GRENLEC Generation Licence, in a manner that allows the Commission and the Minister to determine the Licensee's adherence to the terms and conditions of, respectively, this Licence and the GRENLEC Generation Licence and to obtain information relevant to their respective powers, functions and

duties under the Act, the regulations, the PURCA, this Licence and the GRENLEC Generation Licence.

2. **Inspections.**

The Licensee shall permit such inspections of the Authorised Network Electrical System, as the Minister, the Commission and/or the Government Electricity Inspector may require from time to time in the exercise of their respective powers under the Act, the regulations, the PURCA and this Licence.

3. **Books, Accounts and Other Records.**

The Licensee shall comply with the requirements of the Act, the regulations, and the PURCA with regard to the establishment and maintenance of its books, accounts and other records. The Licensee shall maintain entries in its books, accounts and records for the Authorised Network Electrical System that are separate from the entries for the Authorised Generation Electrical System, in a manner and detail to allow the Commission and/or the Minister to determine the Licensee's adherence to the terms and conditions of this Licence and the GRENLEC Generation Licence, and to obtain information from the Licensee relevant to the Commission's and the Minister's exercise of their respective powers, functions and duties under the Act, the regulations, the PURCA, and this Licence.

J. **Sustainability Programmes, Expansion Studies and Renewable Generation Projects**

1. **Initial Sustainability Programmes.**

In accordance with section 37(3)(a) of the Act, the initial five-year sustainability programmes of the Licensee for its activities under this Licence shall be as set forth on Schedule C, and shall remain in effect until subsequent sustainability programmes have been submitted by the Licensee to the Minister and approved by him or her as provided in Part II(G)(2) and section 37 of the Act.

2. **Subsequent Sustainability Programmes.**

No later than sixty days prior to the end of the first full financial year of the Licensee subsequent to the Effective Date. The Licensee shall prepare and submit to the Minister for approval the sustainability programmes for the Authorised Network Electrical System required under section 37 of the Act, in the manner and containing the content required by such section. In addition, the Licensee shall include in its five-year sustainability programmes

- (a) forecasts of circuit capacity, forecasts of power loads/flows, fault levels for each conveyance node, conveyance capacity, system capacity, and generation feed-in requirements, and plans for meeting the Network Operating Standards and Performance Targets;

- (b) capital investment plans;
- (c) projections on the retirement of assets and their replacements;
- (d) plans for new connections and for extensions and upgrades of services to consumers, including subject to Part II(B)(2) any requests that the Licensee intends to make with regard to rural electrification and as to other areas in Grenada not previously served by the Authorised Network Electrical System;
- (e) projections of its plans for compliance with the Network Performance Standards and the regulations (or other standards in effect pending issuance of the regulations) governing technical and performance matters and consumer-related matters;
- (f) projections for cooperation with the Commission regarding, and compliance with, Renewable and Efficient Energy Portfolio Mandates; and
- (g) any other information regarding the sustainability of the Authorised Network Electrical System that the Minister may reasonably request or the regulations may require.

Except as otherwise permitted by the Act, the PURCA, or the regulations, or expressly by the Minister, the Licensee shall provide its sustainability programmes under this Licence separately from its sustainability programmes under the GRENLEC Generation Licence, in a manner that allows the Minister and the Commission to understand and fully assess the information contained in such sustainability programmes.

3. Amendment of Sustainability Programmes.

During the course of its implementation of its approved sustainability programmes, the Licensee may amend such programmes in accordance with section 37(5) of the Act.

4. Expansion Studies.

In accordance with section 37 of the Act and in addition to sustainability programmes, the Licensee shall periodically prepare and submit in accordance with regulations and with the instructions of the Commission the following expansion studies:

- (a) studies assessing demand growth in the country in the short, mid and long-term;
- (b) studies identifying new generation that will be necessary to meet increased demand of electricity;

- (c) new electricity generation projects necessary to meet increased demand or to replace existing power generation from fossil fuels by more efficient electric plants or by electricity generated from renewable energy resources;
- (d) studies assessing the investments necessary to increase the transport capacity in transmission and distribution systems in areas already supplied by such network licensee in order to meet new demand of electricity in those areas or to connect new generation capacities;
- (e) studies assessing the investments necessary to expand transmission and distribution to new areas in order to connect new consumers not supplied with electricity or to interconnect new generation capacities.

5. **Renewable Generation Projects.**

In accordance with section 37 of the Act, with Regulations and with instructions or decisions of the Commission, the Licensee shall also regularly identify new Renewable Generation Projects, and shall prepare and submit-

- (a) Pre-feasibility studies and the business case of Renewable Generation Projects in accordance with the requirements established in the Generation Expansion Planning and Competitive Procurement Regulations identifying:
 - (i) economic, commercial, technical, environmental, social and fiscal feasibility of the project;
 - (ii) all kind of risks;
 - (iii) associated costs including necessary expansion of transmission and distribution capacities; and
 - (iv) any other aspect of the project that may be required by the Minister or the Commission.
- (b) Draft documents and agreements that the Minister or the Commission may request and which are necessary to develop the Renewable Generation Project and to procure new generation pursuant to section 17 of the Act including-
 - (i) a draft power purchase agreement;
 - (ii) a model connection agreement;
 - (iii) any other kind of contract or agreement.

K. Procurement of Goods and Services

1. Competitive Procurement.

The Licensee shall procure goods and services for the development, operation and maintenance of the Authorised Network Electrical System prudently and on a competitive basis, having regard to the quantity, timing and nature of the goods and services to be procured. For purposes of this Part II(K), “goods and services” shall not include the supply of electricity from independent power producers and self-generators, the supply of which to the Authorised Network Electrical System shall be subject to the legal and policy regime for the introduction of electricity generation from renewable and efficient energy sources and the Licensee’s purchase of such electricity for transmission and distribution to consumers.

2. Transactions with Affiliates.

An Affiliate of the Licensee, and Affiliates of such Affiliates, shall not be precluded from participating in the competitive procurement for goods and services carried out by the Licensee in accordance with Part II(K)(1), so long as every such Affiliate is treated on the same arm’s length basis and on the same terms and conditions that apply to unaffiliated parties participating in the competitive procurement process. As further provided for in Part II(K)(3), the Licensee shall bear the burden to prove that the award to an Affiliate under a competitive procurement process meets such standards.

3. Submissions on Procurement to the Commission.

At the conclusion of each competitive procurement process, the Licensee shall bear the burden to prove, and shall promptly submit to the Commission evidence demonstrating, that its procedures for, conduct of, and award of the procurement was carried out on a fair, transparent and arm’s length basis as to prospective participants and all parties that actually participated in the competitive process.

4. Procurement of Transmission and Distribution Systems included in Sustainability Programmes.

In accordance with regulations, the Commission may decide that the authorisation of the construction of new transmission and/or distribution systems proposed by a network licensee in sustainability programmes shall be subject to competitive procurement.

L. Activities Requiring the Prior Consent of the Minister

1. Conditions in Section 20 of the Act.

The Licensee shall not, without the prior written consent of the Minister:

- (a) acquire, by purchase or otherwise, the licence or the business of, or for the purpose of supplying electricity associate itself with,

any person supplying or intending to supply, electricity under any other licence;

(b) assign or encumber this Licence or transfer, or divest itself of, its rights or obligations hereunder, or any part thereof;

(c) lend funds or give credit to any of its officers or directors, or to any company by –

(i) becoming surety, guarantor or endorser upon any obligations, contingent or otherwise, of such officer, director or company;

(ii) loaning funds, securities or other like assets to such officer, director or company;

(iii) purchasing any obligation upon which the officer, director or company may be liable solely or jointly with others;

(d) supply electricity to any person or to any electrical system other than in accordance with this Licence, the Act, the regulations, the PURCA and other applicable written law; or

(e) purchase electricity from any person other than licensed independent power producers, under power purchase agreements approved by the Minister and the Commission, and self-generators who have been issued a permit to supply excess electricity to the Authorised Network Electrical System.

2. Transfer of Shares in or Assets of the Licensee.

a) The Licensee shall promptly notify the Minister in writing of any proposal to transfer:

(i) shares or other ownership interests in the Licensee that would have the effect of changing the controlling ownership interest in the Licensee or in any parent company of the Licensee; and

(ii) all or any part of the assets (including but not limited to all or any part of the Authorised Network Electrical System) of the Licensee,

and shall provide the Minister with such information as the Minister may require regarding such proposed transfer.

b) Where, taking into account the factors provided for in section 64 of the Act, as well as national security and the public interest, the Minister has determined that the person or persons to whom a transfer provided for in Subpart (a) of this Part II(L)(2) would, or is likely to, be contrary to the fulfilment of such factors, or contrary to national security or the public interest, the Minister may:

- (i) impose conditions on the Licensee with regard to the transfer and/or its authorised activities under this Licence; or
- (ii) deny consent to the transfer.

3. Void Agreements and Revocation of Licence.

- a) Any agreement relating to any transaction of the nature described in Part II(L)(1) and (2) unless made with the written consent of the Minister, shall be void.
- b) The Minister may revoke a licence if the Licensee transfers shares or assets without complying with all the requirements established in Part II(L)(1) and (2).

4. Applicability.

This Part II (L) shall extend to the renewal or extension of any agreements provided for in this Part and existing on the Effective Date. In accepting this Licence, the Licensee represents and warrants that it has disclosed any and all such agreements to the Minister prior to the Effective Date, and the Minister has given his consent to each such agreement.

M. Other Obligations of the Licensee; No Waiver

1. General Obligations.

Throughout the Term, the Licensee shall –

- a) remain a company incorporated under the Companies Act of Grenada, and shall maintain its headquarters, books, accounts and records in Grenada;
- b) comply with any directive, order, rule, decision or approval issued, made or granted by the Minister or the Commission;
- c) not take or omit to take any action or otherwise conduct itself in a manner which is intended to have, or has or is likely to have, the effect of restricting, distorting or preventing competition in the Grenada electricity sector or the development of the provision of electricity from renewable and efficient energy resources.

2. Sharing of Poles and Other Facilities with Other Public Utilities.

The Licensee shall allow other public utilities, upon any other such public utility's written request, to access and jointly use the Licensee's tracks, conduits, poles, wires, and other works, installations or facilities. Where any such written request is made to the Licensee, it may deny such access and/or joint use only where it first demonstrates to the satisfaction of the Commission that there is insufficient capacity on or in such work, facility or installation, taking into account the reasonably anticipated requirements of such public utility itself, or for reasons of safety, security, reliability of

service or difficulty of a technical or engineering nature that it would be unreasonable to require the Licensee to overcome.

3. **No Waiver.**

The failure of the Minister or the Commission to insist upon strict performance by the Licensee of any obligation under, or term or condition of, this Licence and/or applicable law shall not be construed as, and shall not constitute, a waiver of the Minister's or the Commission's rights and powers to demand strict compliance therewith, nor shall a waiver of any one event of default be construed as a waiver of any other event of default.

N. **Licence Fees and Contributions**

1. **Initial Fee.**

Upon issuance of this Licence on the Effective Date, the Licensee shall pay to the Government of Grenada and for deposit into the Consolidated Fund, the initial licensing fee of EC\$100,000.

2. **Annual Fee.**

On each anniversary of the Effective Date during the Term, the Licensee shall pay to the Government of Grenada and for deposit into the Consolidated Fund, an annual licensing fee which shall be determined in accordance with Regulations of the Minister.

3. **Fees upon Extension of the Term.**

Upon any extension of the Term, the Licensee shall pay (to the Government of Grenada) the fee for the extension and the annual fees provided for in the regulations in effect on the effective date of the extension.

4. **Universal Service Fund.**

The Licensee shall contribute with the Universal Service Fund. The Licensee shall comply with the obligations established in section 69 of the Act, in Regulations and Orders of the Minister, and shall submit all the information, documents and reports that the Commission may require in order to monitor compliance of the obligations established in section 69 of the Act

5. **Social Fund.**

The Licensee shall contribute every financial year five percent (5%) of its net income before taxes to the Social Fund. The Licensee shall comply with the obligations established in section 70 of the Act, in Regulations and Orders of the Minister, and shall submit all the information, documents and reports that the Commission may require in order to monitor compliance of the obligations established in section 70 of the Act.

O. **Suspension and Revocation of Licence**

1. **Grounds for Suspension or Revocation.**

The Minister may, by notice in writing served on the Licensee, suspend or revoke this Licence on any of the following grounds:

- (a) any of the grounds set forth in sections 23(1)(a) and (c) – (g) of the Act;
- (b) a material violation of a law of Grenada applicable to the Licensee that the Licensee has failed to cure within a reasonable period of time;
- (c) the ground set forth in Part II(L)(2)(b)(ii);
- (d) the ground set forth in Part II(P)(4);
- (e) if the GRENLEC Generation Licence is suspended or revoked or otherwise terminates;
- (f) if the Licensee is struck off the Register of Companies and fails to be reinstated in good standing within ninety (90) days thereof; or
- (g) for reasons of national security or in the public interest.

2. **Procedures.**

The procedures provided for in section 23 of the Act and any relevant provisions of the regulations shall apply to any proceeding for the suspension or revocation of this Licence.

3. **Disposition of the Licensee upon Revocation of the Licence.**

Upon revocation of this Licence, the Minister may give the Licensee written notice requiring the Licensee to compulsorily divest the Authorised Network Electrical System to a third party selected in accordance with the regulations. In such case, the Licensee shall take such reasonable steps, and shall cooperate with efforts by the Minister, to identify a third party purchaser for acquisition of the Authorised Network Electrical System. If no such acquisition is concluded within the twenty-four (24) months following the revocation of this Licence, the Government may acquire the Authorised Network Electrical System.

4. **Valuation of the Authorised Network Electrical System.**

Any acquisition of the Authorised Network Electrical System by a third party or by the Government under this Part II(O) shall be concluded (at Fair Market Value,) determined in accordance with the following procedures:

- i within ten days of the Government's service of a written notice upon the Licensee under Part II(O)(3), the Minister, or the third party purchaser, as the case may be, and the Licensee shall agree upon an independent and qualified valuator to determine the Fair Market Value of the Authorised Network Electrical System;
- ii failing agreement between the Minister, or the third party purchaser, as the case may be, and the Licensee within forty days of the

Government's service of the written notice under Part II(O)(3), the valuator shall be appointed by the President of the Institute of Chartered Accountant of the Eastern Caribbean, at the written request of the Licensee, the Government, or if a third party purchaser has been selected, such purchaser;

- iii the valuator appointed under Subpart (i) or (ii) shall prepare and submit a report on the Fair Market Value of the Authorised Network Electrical System and submit copies of the same to the Government, any selected third party purchaser, and the Licensee;
- iv the expenses incurred in determining the Fair Market Value of the Authorised Network Electrical System shall be borne equally by the Licensee and the selected third party purchaser or (if none has been selected at the time of the valuation) the Government;
- v the Fair Market Value purchase price for the acquisition of the Authorised Network Electrical System shall be paid in full to the Licensee within such time and in such manner as may be agreed upon between the Licensee and the selected third party purchase or, if the Government elects to acquire the Authorised Network Electrical System in accordance with Part II(O)(3), the Government, and where there is no such agreement, no later than twenty-four months after the Minister's service of the written notice provided for in Part II(O)(3).

5. Continued Operation during Acquisition Proceedings.

Notwithstanding the revocation of this Licence. the Minister's issuance of a divestiture notice under Part II(O)(3) and/or an on-going valuation procedure under Part II(O)(4), the Licensee shall, unless instructed otherwise by the Minister in writing, continue to operate the Authorised Network Electrical System and otherwise conduct its activities in accordance with the Act, the regulations, the PURCA, this Licence and all other applicable law, as if this Licence remained in force and effect, until such time as divestiture to a third party or to the Government has occurred pursuant to this Part.

P. Force Majeure

1. Prevention of Performance Due to Force Majeure.

To the extent that the Licensee is prevented by an event of force majeure from carrying out, in whole or in part, its obligations under this Licence, the Act, the regulations or the PURCA and it has given the notice required under Part II(P)(2) to the Minister and the Commission, the Licensee shall be excused from the performance of such obligations, subject to the other provisions of this Part II(P).

2. Notification of an Event of Force Majeure.

- (a) Upon the occurrence of an event of force majeure, the Licensee shall:

promptly notify the Minister and the Commission in writing, furnishing all material information relevant to the event of force majeure, including the nature of the event, the event's impact upon the Licensee, and an estimate of how long the Licensee expects that the event of force majeure is likely to delay or prevent the performance of its obligations under this Licence, the Act, the regulations and/or the PURCA;

- (b) provide all the documents and material proofs necessary to prove that the event of force majeure actually happened and that it was beyond the control of the licensee; and
- (c) require the approval of the Commission in accordance with paragraph 3.

3. Approval of the Commission.

An event shall not be considered as force majeure and shall not excuse the Licensee from carrying out its licence and legal obligations unless:

- (a) the Licensee complied with the requirements of paragraph 2 of Part II (P); and
- (b) the Commission expressly approves and declares the event as force majeure.

4. Extension of Time for Performance

If the Licensee is delayed in performing any of its obligations under this Licence, the Act, the regulations or the PURCA by an event of force majeure of which notice has been duly given under Part II(P)(2), the Licensee shall be entitled to the extension of time provided for in Part II(P)(4) to resume its performance of such obligations.

5. **Termination for Force Majeure.**

If the event of force majeure subsists for more than thirty (30) days from the date of occurrence of such event, the Licensee shall discuss with the Minister and the Commission in good faith alternatives to the obligations that the Licensee has been delayed or prevented from performing, any reciprocal or related obligations hereunder, and any extension of time for the Licensee to perform such obligations. Except as may be agreed between the Licensee and the Minister, the Minister may terminate this Licence if the Licensee has not resumed its performance of the obligations it has been delayed in performing within sixty (60) days of the date of occurrence of the event of force majeure.

6. **Definition of “force majeure”.**

“Force majeure” means any of the following circumstances, to the extent that such circumstance is beyond the reasonable control of the Licensee: earthquake, hurricane, flood, and other Acts of God; riot or civil commotion; strikes, lock-outs and other industrial disturbances; wars, blockades, invasions, terrorist actions, civil unrest, and insurrection; fire and explosions; outbreak of pestilence or epidemic; government rationing of electricity or other wartime or emergency controls imposed by government or other shortage of adequate power or transportation; and embargoes, and trade restrictions.

Q. **Termination of Licence for Expiration of its Term**

1. **Transfer of shares of GRENLEC to the Government.**

When the Term of this Licence expires in accordance with Part II.C.2, the property of all shares of GRENLEC held by private persons shall be irrevocably transferred to the Government of GRENADA free of charge and without payment for such transfer.

2. **Subsequent actions after transfer of shares of GRENLEC to the Government.**

Once all the shares of GRENLEC by private persons were transferred to the Government of Grenada, the Government may decide:

- a) Grant new licences to GRENLEC pursuant to section 14 of the Act.
- b) The dissolution of GRENLEC and transfer to the Government of Grenada (or to the State of Grenada) all the assets, personnel, contracts, all kind of rights, obligations and property of GRENLEC,
- c) The dissolution of GRENLEC and/or creation of one or more new companies to which all the assets, personnel, contracts, all kind of rights, obligations and property of GRENLEC will be transferred. The Government will be allowed to sell all or part of the shares of these new companies.

R. Notices and Other Communications

1. Contacts and Addresses for Written Notices and Other Communications.

All notices and other documents required or permitted to be given under this Licence, the Act, the regulations, and the PURCA shall be in writing and shall be mailed by pre-paid registered mail or delivered personally by hand against receipt, addressed as follows:

- a) To the Minister responsible for the electricity sector, at the address of the Ministry of which he or she is the head;
- b) To the Commission, addressed to the Chairperson at the address of the Commission; and
- c) To the Licensee, care of the General Manager, at the following address:

Grand Anse
St. George, Grenada

2. Deemed Receipt of Notices.

All notices and other documents shall:

- a) if delivered personally by hand, be deemed to have been given and received at the place of receipt on the date of delivery, provided that if such date is a day other than a Business Day, such notice or document shall be deemed to have been given and received at the place of receipt on the first following day that is a Business Day; and
- b) if mailed, be deemed to have been given and received at the place of receipt on the date of actual receipt, provided that, in the event of postal disruption, such notices and/or other documents must be delivered personally by hand.

3. Primary Contact for the Licensee and the Government.

The General Manager of the Licensee shall serve as the primary contact with the Chairperson and all other public officers and public bodies, and the Chairperson shall serve as the primary contact with the Licensee, for purposes of this Licence, the Act, the regulations and the PURCA.

SCHEDULE A: Authorised Network Electrical System: Specifications of the Interconnection, Transmission, Distribution, and Supply Network

[To be provided by GRENLEC in-depth for the Government’s review and, after any required revisions/additions, approval: Detailed description of the technical parameters of the entire GRENLEC existing network, including interconnection facilities with the Authorised Generation Electrical System, substations, electric lines, etc.]

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SCHEDULE B: NETWORK OPERATING STANDARDS AND PERFORMANCE TARGETS

The Network Operating Standards and Performance Target applicable to the Licensee shall be as provided in this Schedule, to be reviewed, revised, monitored and enforced as provided for in Part II(F) and this Schedule.

A. Technical and Financial Losses Standards and Targets

1. System Technical Losses, Collection Rate, and Outstanding Sales Standards and Targets

The Licensee shall achieve and maintain the following standards and targets with regard to technical and financial losses:

Standard	Unit	Minimum/ Maximum	2018 Baseline	2021 Target
System technical losses ¹	%	Maximum	7.3%	6.9%
Commercial losses ²	%	Maximum	To be determined and added to this Licence	To be determined and added to this Licence
Collection rate ³	%	Minimum	85	95
Outstanding sales ⁴	Days	Maximum	55	45

2. Staff to Consumer Ratios Standards and Targets

Within the six months following the Effective Date, the Commission shall undertake a study, and the Licensee shall cooperate with the Commission in such study, to analyse the Licensee's staffing levels and number of consumers, and on the basis of such data, shall calculate the number of Licensee employees per consumer (i.e., number of consumers divided by the number of employees). The study shall also take into account the reasons for the Licensee's current staffing levels, demand projections for the number of consumers to be supplied with electricity by the Licensee, employee efficiency, staff to consumer ratios prevailing in other relevant countries,

¹ "System technical losses" means the maximum allowable percentage of electricity generated that is lost before reaching consumers.

² "Commercial losses" means the maximum allowable percentage of electricity generated that is not correctly metered, billed and revenue collected.

³ "Collection rate" means the percentage of revenue collected on a yearly basis, calculated as revenues collected from consumers divided by revenues billed to consumers.

⁴ "Outstanding sales" means the maximum allowable average number of days outstanding for the Licensee's collection of accounts receivable from consumers.

and other relevant factors, including those that are specific to the supply of electricity to consumers in Grenada. On the basis of the study, the Commission shall make recommendation to the Minister, with a copy to the Licensee, for the standards and targets for the staff to consumer ratio. The final staff to consumer standard and target shall be concluded by agreement between the Minister and the Licensee under the procedure set forth in Part II(F), and such agreement shall be reflected by the completion of the following table and amendment of this Schedule accordingly:

Standard	Unit	Minimum/ Maximum	2018 Baseline	2021 Target
Staff to consumer ratio	Number of consumers per staff	Maximum	234	200?

2. Penalties for Non-Compliance, and Incentives for Compliance, with the Technical and Financial Losses Standards and Targets

The penalties for non-compliance and the incentives for compliance with the technical and financial losses standards and targets set forth above shall be as provided for in the rates that the Licensee may charge to consumers for its supply of electricity to them under this Licence, as set by the Commission from time to time in accordance with the Act, the regulations governing the setting of such rates, and the PURCA.

B. Quality of Service Standards and Targets

1. Standards and Targets for Service Interruption, Connections, and Reconnections and Initial Consumer Invoicing

The Licensee shall achieve and maintain the following standards and targets with regard to interruptions, consumer connections and reconnections, and initial consumer invoicing:

Standard	Unit	Minimum/ Maximum	2018 Baseline	2021 Target
SAIDI ⁵	Hours	Maximum	5.8	5.5
SAIFI ⁶	Interruptions per consumer	Maximum	6.7	6.4
CAIDI ⁷	Unit	Maximum	0.88	0.85

⁵ "SAIDI" means System Average Interruption Duration Index, being the average outage duration for each consumer served and calculated as the sum of all consumer interruptions, in hours, divided by the total number of consumers served by Licensee.

⁶ "SAIFI" means System Average Interruption Frequency Index, being the average number of interruptions that a consumer experiences in a year and calculated as the total number of consumer interruptions divided by the total number of consumers served by Licensee.

⁷ "CAIDI" means Customer Average Interruption Duration Index, being the average outage duration per consumer and calculated as the sum of all interruptions, in hours, divided by the total number of interruptions.

Response to consumer complaints ⁸	Days	Maximum	5	4
Connection of new residential and other simple installations ⁹	Days	Maximum	5	5
Connection of new complex installations ¹⁰	Days	Maximum	30	30
Issue of first bill ¹¹	Days	Maximum	30	30
Reconnection after wrongful disconnection ¹²	Hours	Maximum	5	4
Reconnection after payment of arrears ¹³	Hours	Maximum	24	24

2. Standards and Targets for Demand Increases and Decreases, Notices of Termination of Service, and Other Quality of Service Matters

Within the six months following the Effective Date, the Commission shall undertake a study, and the Licensee shall cooperate with the Commission in such study, to analyse appropriate standards and targets for (a) consumer notice to the Licensee for increases (in terms of kVA) in the consumer’s service requirement; (b) consumer notice to the Licensee for decreases (in terms of kVA) in the consumer’s service requirements; (c) consumer notice to the Licensee for the termination of service; and (d) such other quality of service matters as the Commission deems necessary. On the basis of the study, the Commission shall make recommendation to the Minister, with a copy to the Licensee, for such standards and targets. The final standards and targets for the matters included in the study shall be concluded by agreement between the Minister and the

⁸ “Response to consumer complaints” means the maximum allowable average number of days to acknowledge and begin addressing a consumer’s complaint.

⁹ “Connection of new residential and other simple installations” means the maximum allowable number of days required to connect a consumer after the consumer has submitted a complete application and any necessary permits. “Simple installations” means installations that do not require complex connections, for example, those installations not requiring line extensions or construction.

¹⁰ “Connection of new complex installations” mean the maximum allowable number of days required to connect a consumer’s complex installation after the consumer has submitted a complete application and any necessary permits, and “complex installation” means installations that require complex connections, such as line extensions or construction.

¹¹ “Issue of first bill” means the allowable average number of days required to issue the first electricity bill after a consumer is first connected at a given premises.

¹² “Connection after wrongful disconnection” means the maximum allowable average number of hours required to reconnect a consumer who, in the opinion of the Commission after review of any evidence submitted by the consumer and/or the Licensee, has been wrongfully disconnected.

¹³ “Reconnection after payment of arrears” means the maximum allowable average number of hours required, after a consumer has paid outstanding debts to the Licensee, to reconnect the consumer who has been disconnected due to non-payment of such debts.

Licensee under the procedure set forth in Part II(F), and such agreement shall be reflected by the completion of the following table and amendment of this Schedule accordingly:

Standard	Unit	Minimum/ Maximum	2018 Baseline	2021 Target
Implementation of increases in consumer service requirements after notice from the consumer ¹⁴	Days	Maximum	To be determined and added to this Licence	To be determined and added to this Licence
Implementation of decreases in consumer service requirements after notice from the consumer ¹⁵	Days	Maximum	To be determined and added to this Licence	To be determined and added to this Licence
Termination of service after notice from consumer	Days	Maximum	To be determined and added to this Licence	To be determined and added to this Licence
[Additional quality of service standards]				

3. Penalties and Incentives for Quality of Service Standards and Targets

The penalties assessable to the Licensee for its failure to comply with any quality of service standard and target set forth in this Schedule from time to time, and any incentives applicable to its compliance with them, shall be established by Order of the Minister and, once established, assessed by the Commission. Prior to making such Order and contemporaneously with the other studies provided for above in this Schedule, the Commission shall carry out, and the Licensee shall cooperate with the Commission in its carrying out of, a study and consultations with the public and the Licensee of the penalties and any incentives that should be made applicable to the Licensee's compliance and non-compliance with the quality of service standards included and to be included on this Schedule. In conducting such study and consultations, the Commission shall take into account:

- the Licensee's current quality of service standards with regard to any relevant quality of service standard;

¹⁴ These standards and targets may vary depending upon the kVA involved in the increase.

¹⁵ These standards and targets may vary depending upon the kVA involved in the decrease.

- the harm to consumers in general and in particular for the Licensee's failure to comply with each relevant quality of service standard;
- the instances in which a penalty to compensate consumers in general (e.g., non-compliance with SAIFI, SAIDI, and CAIDI standards) or in particular (e.g., non-compliance with connection and reconnection standards) should be imposed;
- the appropriate level of compensatory penalties and the relation such penalties should have to the fee that the Licensee would otherwise be permitted to charge for a service (e.g., reconnection fee);
- the instances in which a consumer should be required to file a complaint in order to obtain a compensatory penalties and the instances in which a compensatory penalty should be automatic, without the need for the consumer to file a complaint;
- penalties and incentives prevailing in other relevant countries for the same or similar quality of service standards; and
- any other factor that the Commission shall deem relevant.

SCHEDULE C: INITIAL FIVE-YEAR SUSTAINABILITY PROGRAMMES

[GRENLEC to submit for the Government's review and, after any required revisions/additions, approval, after which per section 37(3)(a) of the Act the GRENLEC Board of Director must approve the initial plans. Initial five-year sustainability programmes must address the content required under section 37(2) of the Act and Part II(J)(2) of this Licence.]

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