

Respondent No.1 - Generation Expansion Planning and Competitive Procurement Regulations

1. It is proposed that the definition of *"Independent Power Producer"* should be amended to not restrict the sale of power only to a Network Licensee but to create exceptions whereby qualified or approved generation licensees may also be permitted or authorized to sell to approved consumers. By virtue of this proposed amendment, it naturally follows that Section 14 of the Electricity Act should be amended to create the exception to the general rule.
2. We recommend that in addition to defining a *"Network Licensee"*, another category of licensee be included to provide for an applicant who is interested in implementing, for example, a Solar Photo Voltaic (PV) facility or some similar facility that permits such person/applicant to generate, distribute and sell power to approved consumers.
3. It is further proposed that the definition of *"Power Purchase Agreement"* be amended to include the generation and sale of power to other approved consumers.
4. It is recommended under **Part III (Identification of Generation Projects) Section 5 (Identification of potential projects)** that a provision be drawn in to provide for the inclusion of circumstances whereby an *"Independent Power Producer"* who has the ability, the technical skills and capacity, financial and other relevant resources may be able to construct, install and operate its own Solar PV facility or any other form of renewable energy source with relevant guidance and oversight by the Commission and to an extent, the a network licensee. It is therefore understood that the Commission with the aid and support of the Network Licensee, must of course be empowered to implement prescribed technical and operational standards in such a case. It appears however, that the power given to the Network Licensee in **Part III** is absolute.
5. As it relates to the draft provisions of Part V, we recommend an inclusion of a provision that will accommodate a generation licensee who wishes to generate and sell to specified customers and should therefore remove the requirement of the Network Licensee having such large scale and broad based powers, as in our view, alternative forms of renewable energy sources such as Solar PV facilities do not necessarily require the use and support of the infrastructure of an existing network licensee to generate and sell to its customers. It is however recommended that the construction and implementation of any other form of renewable source of energy such as a Solar PV facility will require the oversight and regulation of the Commission.
6. Likewise, Part IV grants almost exclusive responsibilities to the Network Licensee in matters concerning transactions and procurement, preparation of procurement documents and the drafting of licences and power purchase agreements. This section precludes the possibility of, for example, a generation licensee who may wish to also sell electricity produced by renewable energy sources from being able to present its own draft power purchase agreement. It is expected that purchase agreements in respect to different sources of energy than traditional sources may require specialized contractual terms. It is therefore recommended that this section be more inclusive and expansive.
7. The Network Licensee appears to have absolute control over all projects which may not necessarily be compatible with a type of renewal energy source regarding the generation of

electricity. There appears to be hardly any provisions that relate to or provide for a consultation process or dialogue with a network licensee, the Commission and a proposed independent power producer. It is important that these recommendations are considered, as a major flaw in electricity networks is their incapacity to store large amounts of energy.

8. Part V, Section 20, should be amended to include provisions permitting a renewable energy generation licensee to directly enter into a power purchase agreement with an approved consumer and to present its own draft power purchase agreement for the Commission's consideration and approval.
9. The draft provisions of Part VI exclude the possibility that an independent power producer may be well skilled and capable of managing its own processes. It is recommended that this Section be more inclusive on condition that the Commission maintains its regulatory powers.

Thank you,