



**PURC's Responses to Stakeholder Comments on
Draft Regulations on Rules and Procedures for
Applying for Licences and Permits**

Consultation Process

The PURC's propensity to hold public consultations is derived from both the PURC Act, 2016 and the Electricity Act, 2016. Section 31 (a) (2) of the PURC Act avers, "The Commission may hold public hearings and issue consultation documents in order to ask opinions about matters having significant impact on the society related to public utilities to which this Act applies". Section 32 (8) (1) (c) of the Electricity Act states, "The Commission may hold public education and consultation meetings to afford an opportunity to members of the public to ask questions related to the regulation of rates for the supply of electricity and other matters by the Commission".

The PURC has produced and published its Consultation Guidelines with the objective of informing all stakeholders of the process by which it will develop its required key regulatory instruments and documents. In setting the consultative guidelines international best practice has been drawn upon. The PURC's consultative process will comprise the following discrete but related components:

- Pre –Consultation;
- Initial Consultation;
 - Public Hearing
 - Working groups
- Comment and Reply; and
- Final Decision.

The reference and time table for this consultation is as follows:

Document Title: Draft Regulations on the Rules and Procedures for Applying for Licences and Permits for the Electricity Sector of Grenada

Event	Date
Publication of Document	December 11, 2019
Public Forum	March 3-9, 2020
Written Comments Close	June 2, 2020
Publication of Responses to Comments Received	February 2021
Working Groups Session	February 2021
Final Decision by the Commission	To be Announced

Draft Regulations on the Rules and Procedures for Applying for Licences and Permits for the Electricity Sector of Grenada

Introduction

The Public Utilities Regulatory Commission established pursuant to the Electricity Act No. 19 of 2016 has the responsibility for regulating the Electricity sector of Grenada. Amongst its principal responsibilities is the duty to set tariffs that are cost-reflective and balance the interest of consumers and service providers alike.

The Commission issued the consultation document – Regulations on the Rules and Procedures for Applying for Licences and Permits- on December 11 2019 and invited comments to be submitted by January 17, 2020. Requests for an extension were subsequently made by stakeholders, and the Commission made a decision to extend the consultation period to June 2, 2020, to allow for the submission of written comments.

Four respondents including GRENLEC provided formal written comments on the consultation document, which are available on the Commission’s website at www.purc.gd.

The Commission now sets out its responses to all comments. The Commission thanks all the respondents and attendees of the public forum meetings for their participation in this important discussion and looks forward to continued discussion as we meet in smaller working groups towards the finalization of this very important regulation.

For ease of reference, the relevant comment from GRENLEC and other respondents are reproduced in bold italics and the PURC’s response is inserted immediately below. Thereafter, the Commission will state significant changes that were made to the regulations and were not addressed fully by the comments raised by respondents.

PURC's Responses on all Written Comments

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Respondent Four - Part I 3. (2) A person who self-generates or who intends to self-generate electricity ***must apply for a Permit and*** may be exempted from the obligation to obtain a licence in the following circumstances:

The Commission proposes that section 3 (3) should read, "(3) A person who, due to the reasons indicated in sub-section (2) (a), (b) and (c) is not obliged to obtain a licence and who intends to connect his/her electricity generating facility to the electrical system of a network licensee and/or to supply excess of electricity to a network licensee, shall obtain a Permit in accordance with these regulations."

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Respondent Four – Part I 3. (2.b) if he/she generates electricity from renewable resources for his or her own consumption and use on ~~any~~ ***the same*** premise;

The Commission acknowledges respondent four suggestion however section 3 (2.b) should read “generating electricity from renewable resources for his or her own consumption.” as per the amendment of the Electricity Act, 2016.

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Respondent Three – Part I 3. (2.d) ***suggested the removal of subsection d “if he/she applies for the exemption in accordance with the regulations”***

The Commission accepts respondent three suggested change. Part I 3 (2) should state

“(2) A person who self-generates or intends to self-generate electricity may be exempted from the obligation of obtaining a licence in the following circumstances:

(a) if he/she possesses electricity generation capacity and equipment for such generation, and use of electricity from any source for its or his or her own use during periods when the network licensee in whose authorised area the self-generator is located is prevented by weather or other emergent circumstances from supplying electricity to such self-generator;

(b) if he/she generates electricity from renewable resources for his or her own consumption and use on the same premises;

(c) if he/she generates electricity exclusively for his or her own consumption and use and located in an area not supplied with electricity by a network licensee.”

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Respondent Two – Part I 3. (2.a-d) ***In order to qualify as a self-generator does one need to satisfy all requirements (a to d)? Is a self-generator permitted to send excess electricity that they do not consume back into the grid or would they need a Generation License in order to do this?***

A self-generator is required by law to obtain a permit and an IPP a licence once he or she is connected to the electricity grid. Section 2 (a-c) of this regulation outlines the criteria that will exempt such self-generators from being required to obtain a licence; note, at least one of the criteria has to be fulfilled for the exemption to be assessed. The excess energy produced by a self-generator who is already connected to the grid will be transferred to the system; once exempted, no licence is needed only the permit already granted to said self-generator.

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Respondent Four - Part I 3. (4) Self-generators exempted from the obligation of obtaining a licence in accordance with sub-sections (2) and (3), but who intend to connect their electricity generating facility to the electrical system of a network licensee and/or to supply excess of electricity to a network licensee, ***shall must*** also obtain a Permit.

The commission proposes that section 3 (3 and 4) should read,

"(3) A person who, due to the reasons indicated in sub-section (2) (a), (b) and (c) is not obliged to obtain a licence and who intends to connect his/her electricity generating facility to the electrical system of a network licensee and/or to supply excess of electricity to a network licensee, shall obtain a Permit in accordance with these regulations.

(4) A person who, due to the reasons indicated in sub-section (2) (a), (b) and (c) is not obliged to obtain a licence and who is not connected or does not intend to connect his/her electricity generating facility to the electrical system of a network licensee:

(a) is exempted from the obligation of obtaining a permit or a licence provided that he/she complies with the obligation prescribed by paragraph (b) of this sub-regulation;

(b) is obliged to submit the Non-Interconnected Self-generators Form, in the manner and with all the information and requirements prescribed by these regulations."

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Respondent Four - Part I 3. (5.d) ***Suggested the capitalization of "Network's Licensee's" because it is a defined term.*** "fees or charges payable by self-generators to licensees in order to contribute to the operation and maintenance of the Network's Licensee's electrical system;

Respondent four suggested change was accepted.

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Respondent Three – Part I 3. (5.d) “fees or charges payable by self-generators to licensees in order to contribute to the operation and maintenance of the network’s licensee’s electrical system;

Why is the self-generator paying Network Licensee fees for maintenance of the system? This may be applicable if the rate paid to the self- generator is equivalent to the retail rate. If the retail rate is higher how then can an additional charge be payable to the Network Licensee?

The Commission proposes that section 3 (5.d) remain as stated. It is necessary for self-generators’ to contribute towards a small fraction of the grid's maintenance cost. The Commission with its mandate to determine rates is currently reviewing possible methods that can be used to ensure that the rates paid to self-generators by the utility are justified and reasonable; further details will be provided in the self-generator program.

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Respondent Four - Part I 4. “transmission system” means ~~***the transport of electricity through high voltage electricity systems, and the transport of electricity for interconnecting the island of Grenada with another island or country as prescribed.***~~ ***the devices and structures used to enable the transport of electrical energy between substations at a High Voltage (as defined in the Transmission and Distribution Grid Code).***

Respondent Three - Part I 4. “transmission system” means the ~~***transport of electricity through high voltage electricity systems, and the transport of electricity for interconnecting the island of Grenada with another island or country as prescribed.***~~ process of delivering generated electricity at a high voltage to the distribution systems, and sub-stations for interconnecting the island of Grenada

The Commission proposes the following definition to be used in the regulation; "Transmission System" - That portion of the electric system which transfers electric energy at a high voltage from the Generating Facilities to the Distribution System. This is consistent with the definition as per the Grid Code - Introduction Code.

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Respondent Four – Part II 7. “Application fee and Licence fee” ***To whom is the application fee paid? PURC? Government?***

The application fee is payable to the Public Utility Regulatory Commission and the Licence fee is payable to the Government of Grenada.

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Respondent Three – Part II 7. “Application fee and Licence fee” ***This fee is high since it is applicable to both small and large systems. Additionally, this fee does not include nor alleviate Grenlec’s fees thus adding to application cost. The current Grenlec application fee is more than three times lower than this draft regulation.***

The Commission agrees that the fees should be revised to differentiate the Permit application fee from the Licence application fee and proposes that the statement in Annex 1. (A) should read “The fee for each application submitted will be non-refundable and equal to EC \$500 for licence and EC \$150 for

permits.” The application fee is paid by each applicant for the administrative processes that are required for the Permit or Licence; which is not dependent on the size of the system being applied for. The Licence fee on the other hand is dependent on the size of the system as depicted in the table presented in Annex 1 B. Any additional fees as it relates to interconnection will be provided in the self-generator program.

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Respondent Four – Part II 8. (2.b) “all the information, studies and forms required by these regulations, including the annexes, are complete and attached; (*“studies” very broad. What type of studies, technical, EIA, etc.?*)

The studies include but are not limited to those mentioned in Annex 2.

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Respondent Three – Part II 8. (2.g) “the procurement process is concluded and all the corresponding procurement ~~contracts have been signed, approved and submitted by the applicant as~~ prescribed.”

NB: No investor will engage in a procurement contract without knowing if a license will be granted. This is therefore restrictive and will inhibit investors furthermore the installation of Grid-tie solar on a whole. If (g) is designed to check or prevent a number of unfulfilled license, a time period can be given as part of the condition of the applicant to submit the necessary procurement contract documents after license is approved if not the license will be revoked

The Commission acknowledges the respondent's comment and would like to clarify that the procurement contracts highlighted in this section make reference to the PURC’s procurement process. In reference to generation licence please see Annex V and VI in the Generation Expansion Planning and Competitive Procurement regulations or part VI in this regulation. Further discussions on this will be encouraged in our upcoming working group session on *Tuesday, Feb. 23rd, 10:00 a.m. to 3:00 p.m., National Stadium, Queen’s park.*

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Respondent Three – Part II 8. (8-11) Recommendation: Removal of item # 8, # 9, #10 and # 11.

***NB: The conditions outlined in the sections are prohibitive for the installation of Renewable Energy in Grenada hence it needs to be revisited or removed.
Item 11: The matter as it relates to the procurement contract outlined in item 11 should not be a requirement for the application processing as the suggestions in 2 (g) above***

The Commission notes the suggestion of respondent three and would encourage further discussion in the upcoming working group session on *Tuesday, Feb. 23rd, 10:00 a.m. to 3:00 p.m., National Stadium, Queen’s park.*

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Respondent Three – Part III 11. (2)

If the applicant is required to provide financial statements, would those statements be kept confidential in the event the applicant is a private company?

The Commission would like to advise applicants that all information received in the application process will be kept confidential.

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Respondent Three – Part IV 15. (6) Application for the grant of new generation or network licenses shall also include a certified copy of procurement contracts duly signed and approved.

NB: the fact that it would be difficult for the investor (generator) to sign a procurement contract guaranteeing the purchase of equipment not knowing if he will be granted a licence should remove him from such and requirement.

Recommendation: This should only apply to network licences

The Commission acknowledges respondent three comment and would like to clarify that the procurement contracts highlighted in this section make reference to the PURC's procurement process. In reference to generation licence please see Annex V and VI in the Generation Expansion Planning and Competitive Procurement regulations or part VI in this regulation. Further discussions on this will be encouraged in our upcoming working group session on ***Tuesday, Feb. 23rd, 10:00 a.m. to 3:00 p.m., National Stadium, Queen's park.***

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Respondent Four – Part IV 15. (7.a) The application shall be accompanied by:(a) the official legal document issued by the environmental authority approving the environment ***and social*** impact assessment study required for the activity or for the construction of electricity facilities mentioned in the application; and

The Commission acknowledges respondent four suggested adjustment, part IV 15 (7.a) should read,

“(7) An application for a licence shall be accompanied by:

(a) the official legal document issued by the environmental authority approving the environment and social impact assessment study required for the activity or for the construction of electricity facilities mentioned in the application; and”

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Respondent Three – Part IV 15. (7)

“(1) In addition to the requirements of applications established Parts II, III, IV and in this Part, any application for the modification of a licence shall be subject to the specific procedure and conditions indicated in this regulation.

(2) Within ten (10) business days from the date of application, the Commission shall:

(a) transmit a copy of the application to the Minister;

(b) cause a notice of such application to be published in the Gazette and in its website;

(c) require the applicant to publish or cause to publish the prescribed notice

of such application at its own expense and in at least two newspapers in general circulation in Grenada, which shall include the prescribed information with regard to:

(i) the application, the modifications proposed, their legal effects, the legal rights, and other reasons, therefore;

(ii) rights that all interested persons have to submit to the Commission their opinions or objections to the application, in writing.

(iii) addresses, manners and other requirements to submit opinions and written presentation, and availability of the documents and application for consultation; and

(iv) the term during which any interested person or authority may submit an opinion or objection to the Commission, which shall be specified by the Commission and which shall not be inferior to thirty (30) calendar days.

(d) receive and consider the opinions and objections that any interested person or authority may submit in accordance with paragraph (c) (iv) of this subsection.”

Clarification: Why is a public hearing required for a modification/renewal of a license however it is not applicable for a new license?

Recommendation: Public hearing should not be required when all the standards remain the same and no complaint from the general public is lodged.

The Commission acknowledges the comments made by respondent three and would consider public hearing for both new and modified/renewal of licences.

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Respondent Three and Four – Part IV 20. (5.a) “In addition, if the application relates to a matter of significant public interest, the Commission may:

- (a) convene a public hearing to hear opinions from all interested persons and authorities with regard to the modifications proposed by the applicant, and

“Significant public interest” definition required.

The Commission notes respondent three and four comments and is open for further discussion in our upcoming working group session on ***Tuesday, Feb. 23rd, 10:00 a.m. to 3:00 p.m., National Stadium, Queen’s park.***

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Respondent Four – Part IV 21. (1.b) An application for the extension of the period of validity of a licence shall be subject to the following requirements:

- (b) the extension that may be applied for, and granted, under this kind of application shall be for a period not exceeding five (5) years, except in the cases where the Commission recommends that a longer period would best achieve the objects and purpose of the acts.

Extension of 5 years except in cases.... Seems a short time for the recoupment of investments. Recommend at least 15 years.

The Regulation states “the extension that may be applied for, and granted, under this kind of application shall be for a period not exceeding five (5) years, except in the cases where the Commission recommends that a longer period would best achieve the objects and purpose of the acts.” The original licence is valid for 25 years, extension times may vary based on the results of assessments made by the Commission and related to the intent of the Electricity Act, 2016, the Integrated Resource Plan (IRP) and best industry practices.

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Respondent Four – 22. (5-6)

(5) The decision of the Minister shall:

- (a) be made in writing;
- (b) be notified to the applicant;
- (c) be duly justified;
- (d) be published in the Gazette; and
- (e) inform the applicant about his/her rights to appeal the decision, including the kind of available appeals and terms for submitting any appeal.

(6) (a) if the decision of the Minister is to grant the exemption the applicant will be granted a Permit

(b) If the decision of the Minister *is* to refuse an application, or adopts a decision which differs from the recommendation of the Commission, such decision shall be duly justified, stating facts of the case and the corresponding legal reasons for such refusal, and notified to the applicant and to the Commission. ***The applicant will be informed of his/her right to appeal the decision, including the kind of available appeals and terms for submitting any appeal.***

The Commission notes the comments of Respondent four. However, the Commission proposes that section 22 (6) (b) should state "If the decision of the Minister is to refuse an application, or adopts a decision which differs from the recommendation of the Commission, such decision shall be duly justified, stating facts of the case and the corresponding legal reasons for such refusal, and notified to the applicant and to the Commission. The applicant will be informed of his/her right to appeal the decision, including the kind of available appeals and terms for submitting any appeal."

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Respondent Four-Part VI 26. Responsibility for preparation of PPA

For the competitive procurement process will the PURC be providing a form of Power Purchase Agreement that the applicants will be required to execute? Or is it the responsibility of the applicant to draft and negotiate a Power Purchase Agreement with the Network License holder?

The Power Purchase Agreements will be negotiated by the Network Licensee (utility) and the IPP's and the Commission will have oversight and approve this agreement.

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Respondent Four – Part VI 23 (1) Assessment of unsolicited proposals

This entire section seems to only apply to network licences. What about unsolicited proposals for generation licences?

The unsolicited generation licence application should be treated as mentioned in Part VI section 23 (1) of this regulation.

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Respondent One – Part VI 27. (1) The award of a network licence allowing a person to transmit, or to transmit, distribute and supply electricity shall be decided by the Minister in accordance with this regulation and with the result of the corresponding procurement process.

While I agree that the Minister should have overall responsibility, or to put it another way, “the buck stops with him”. It should be seen that the decision to award of licence was reached by a cross-section of representative or a Board, and rubber-stamped by the Minister. (let’s avoid the party-political issue).

The Commission as an independent body will provide written recommendations for permits and licences for each applicant to the Minister and where the Minister does not agree with the recommendations it has to be duly justified; stating facts and legal reasons. These procedures set in the Laws and Regulations are put in place to avoid any issues of concern.

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Respondent Four – Part VI 27. Procurement methods: competitive tendering, selecting tendering or negotiated procurement

Would it not be better to cover Sections 27 through 37 in the Draft Generation Expansion and Competitive Procurement Regulations? These sections seem inappropriate for a licence document.

The Commission acknowledges the comment made by respondent four, however, sees that the information provided in these sections is necessary for guidance in the regulation and relevant for the application process.

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Respondent Four – Part VI 31. (2) If the competitive tendering or of a selective tendering is regional or international, the information related to the procurement process shall be published:

- (a) in ~~one~~ two newspaper of general circulation in Grenada; and
- (b) in two (2) newspapers of wide regional or international circulation.

Not consistent with previous publication. Why publish in only one (1) local newspaper for international tender?

The Commission notes the comment of respondent four but suggests that Part VI 31. (2) should remain as stated.

Respondent Four – Part VI 36. (1) The procuring entity may debar a person from participating in the procurement proceeding where it is proven that such person-

- (a) has committed a prescribed offence under any act in force in Grenada;
- (b) has breached a public procurement contract to which he is party;
- (c) has, in procurement proceedings, given false information about his qualifications;
- (d) has refused to enter into a written procurement contract; or
- (e) is declared bankrupt.

Are there any time limits considering how long ago the offence or breach, etc. was committed? A list of the prescribed offences is needed?

The Commission proposes that the offences and the time limits will be in line with the Governing legislation of Grenada.

Respondent Three – Annex 1. (A) The application fee due for each application submitted by the applicant, applicable to all kind of applications is equal to EC\$ 500 non-refundable.

Suggested re-wording “ The fee for all applications will be EC\$500 and is non-refundable.”?

Respondent Four – Annex 1. (A) ~~***The application fee due for each application submitted by the applicant, applicable to all kind of applications is equal to EC\$ 500 non-refundable. There is a non-refundable application fee of EC \$500 due for each application submitted.***~~

The Commission proposes that the statement in Annex 1. (A) should read “The fee for each application submitted will be non-refundable and equal to EC \$500 for licence and EC \$150 for permits.”

Respondent Three and Four – Annex 1.(B)

B- Licence fees

Type of Licence	Amount due in EC
Grant, modification or renewal of generation licence – electricity generation plant 1 MW	EC\$ 10,000
Grant, modification or renewal of generation licence – electricity generation <i>between greater than</i> 1MW and <i>up to</i> 10MW	EC\$ 20,000

Grant, modification or renewal of generation licence – electricity generation <i>between greater than 1110MW and up to 20MW</i>	EC\$ 30,000
Grant, modification or renewal of generation licence – electricity generation plant <i>from greater than 2120MW</i>	EC\$ 40,000
Grant, modification or renewal of a network licence which allows its holder to just carry out transmission of electricity	EC\$ 50,000
Grant, modification or renewal of a network licence which allows its holder to carry out transmission, distribution, and supply of electricity	EC\$ 100,000

The Commission accepts the changes suggested by respondent four and the Commission also made changes to the first generation licence fee in the regulation to account for the following tiering for Grant, modification or renewal of generation licence – electricity generation plant under 1 MW:

Description	Amount due in EC
Grant, modification or renewal of generation licence – electricity generation plant up to 100 kW	EC\$ 1,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 100kW and up to 200 kW	EC\$ 2,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 200kW and up to 300 kW	EC\$ 3,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 300kW and up to 400 kW	EC\$ 4,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 400kW and up to 500 kW	EC\$ 5,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 500kW and up to 600 kW	EC\$ 6,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 600kW and up to 700 kW	EC\$ 7,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 700kW and up to 800 kW	EC\$ 8,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 800kW and up to 900 kW	EC\$ 9,000
Grant, modification or renewal of generation licence – electricity generation plant greater than 900kW and up to 1 MW	EC\$ 10,000

Respondent Four: ***Changed made to cover the gaps between the generation capacity ranges in the above table. These are assumed to be the initial licence fees. There is no mention in the document of annual license fees for any of the licences. There will be difficulty collecting annual fees if the regulations do not stipulate it. This section must be added as we note that GRENLEC will be assessed annual license fees on both its generation and network license (in addition to the initial fees).***

The Commission agrees with respondent four suggested changes in relation to the tiering for the generation licence. There will be no annual licence fee charge however, there will be an annual regulatory fee as stated in the PURC Act section 14.

The environmental assessments may be costly and require a significant investment from the applicant. What happens in the event the applicant incurs significant costs on an environmental assessment and does not get approved for a license? Consider having some sort of environmental pre-assessment which can be done at the license application stage.

The interconnection assessment and process of getting a connection agreement may be costly and require a significant investment from the applicant. What happens in the event the applicant incurs significant costs on an interconnection assessment and agreement and does not get approved for a license? Consider having an interconnection pre-assessment from the Utility which can be done at the license application stage.

The Commission acknowledges respondent two comments and would encourage further discussion in the upcoming working group session on *Tuesday, Feb. 23rd, 10:00 a.m. to 3:00 p.m., National Stadium, Queen's park.*

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Respondent One – Annex 2 Licence application Part 6, 7, 8 & 9

In regards to Licence Application. Are we saying no one entity is allowed to Generate, transmit, distribute and sell electricity to consumers, as it is now?

While that I appreciate that the Minister wishes to introduce a competitive edge to the generation, transmission, distribution, and supply of electricity on the island (a 21st-century approach). One has to consider the size of our island, its terrain, the ability of our organisations to offer a join-up approach to doing business. We need to avoid heading back to those dark days!

The word “transmission” was left out of Annex 2, section 2 part nine in error; this will be corrected when updating the regulations. One entity can generate, transmit, distribute and supply electricity; the current electricity supplier can be granted a generation and a network licence (transmission, distribution, and supply of electricity) once the regulation is fully implemented.

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Respondent Three – Payment of the Application Fee

Applicant must pay an Application Fee of EC\$ 500 which must be submitted with this Form.

This does not speak to permits. Is there a fee for Permit? Or is it just the application fee?

Payment of the Applications Fee may be made by any of the following ways (or “shall be made by” if only one options is possible):

- (a) Bank draft; or
- (b) Personal or Company Cheque

Afterwards, the Public Utilities Regulatory Commission will contact you to confirm whether the application is complete or incomplete.”

Fees are high for a self-generator wanting to sell his excess from a small system on his home rooftop.

The Commission proposes that Annex 1 A should read “The fee for each application submitted will be non-refundable and equal to EC \$500 for licence and EC \$150 for permits.” Additionally, Annex 1 C

would be included to reflect permit fees; Grant of new Permit EC \$150 and Modification or renewal of a Permit EC \$75.

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Respondent Four – Significant Shareholders

A list of all significant shareholders of the applicant and their respective ownership shares shall be provided. For the purpose of this application “significant shareholder” means any shareholder who owns or has voting rights of at least ~~20% (twenty percent)~~ 10% (ten percent) of shares in the applicant. ***See suggested limit for determining a “significant” shareholder. We further suggest that where such a shareholder is a corporation, the beneficial owner(s) of said corporation should also be listed.***

The Commission is in agreement with respondent four in that significant shareholders should be shareholders who own or has voting rights of at least 10% (ten percent) shares. We also agree that where such a shareholder is a corporation, the beneficial owner(s) of said corporation should also be listed. However, the Commission is open for further discussion in the upcoming working group.

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Respondent Four– PART FIVE: ***PLEDGE DECLARATION*** BY THE APPLICANT

The Commission proposes that the word pledge remain as stated. The applicant is required to make a solemn assurance in that section of the form and so the word “pledge” is applicable. The applicant's pledge is an affirmation that they comply with all that was requested and that they stand by their statement; any changes made thereafter must be communicated, accepted, and approved by all parties involved.

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The interconnection assessment and process of getting a connection agreement may be costly and require a significant investment from the applicant. What happens in the event the applicant incurs significant costs on an interconnection assessment and agreement and does not get approved for a license? Consider have an interconnection pre-assessment from the Utility which can be done at the license application stage.

The Commission notes respondent two comments, however, feasibility studies will be necessary at the expense of the interesting party to allow them to prepare an accurate offer. Nevertheless, some level of basic engineering will be provided to all bidders by the PURC to aid in their evaluation of any potential project.

PURC’s Responses on Oral Comments

Licence / Permit Application Process

If an application is approved by the commissioners but disapproved by the Minister, can the commission’s recommendation be used as defence by the applicant?

The Commission recommendations to the Minister will be made after thoroughly reviewing each application; it's a robust and transparent process. The Minister does have the right to overturn the Commission's recommendation, however, such an overturn must be duly justified. Once the Minister's overturn has **merit** and is **defensible** the original recommendations of the Commission may be modified to reflect those changes.

Licence Application

In regards to licence fees and the correspondence fees based on generating capacity. Since Grenlec generates at different capacities, i.e Grenada, Carriacou, and Petite Martinique added to that, they do PV also. How does the PURC address such, are three separate licence required or one inclusive licence?

Grenlec will be granted a generation licence for their current generation capacity. However, if Grenlec decides to take part in a project based on competitive procurement for renewable energy generation then their generation licence will have to be modified or a new generation licence for that project will be issued.

Licence Application (Local Investors)

Will local investors get preference over foreign investors when applying for a licence?

The Commission would want to promote fairness and transparency throughout the procurement process. In the adjudication of a project, the selected bid will be based on a solid business case and a technical, financial, and legal adherence to the requirements. There will be an opportunity within the procurement process for local investors as provided for in section 28 (5) of the draft Generation and Expansion Planning and Competitive Procurement Regulation.

Licence Extension

The application of extension, limited to 5 years, is that going to be special for a particular network licence or will this be the order of things?

The Commission will like to inform applicants that the application of extension is an option available for all licencees who see the need for an extension.

Permit Modification

Does granted modification also apply to permits?

Grant modification also applies to permits.

Permits (Size Caps)

Is there a cap for who would qualify to have a permit?

There is no cap, however, the individuals should meet the requirements of the self-generator program.

Permits (Size Caps)

Is there a limit to the size of self-generation someone can have? E.g. A person with multiple buildings having renewable energy for them all

The Commission proposes that a self-generator who intends to connect to the utility can produce up to 120% residential and 60% commercial of average annual electricity consumption.

RE - Wheeling

Is there any allowance/provision for wheeling of electricity in your regulations for the sector?

The Legislation currently has no allowance or provision for wheeling of electricity. The PURC welcomes further discussions on this in our upcoming working group session on ***Tuesday, Feb. 23rd, 10:00 a.m. to 3:00 p.m., National Stadium, Queen's park.***

RE Permit Process (Existing Self Generators)

Will homeowners and other small energy producers who already have agreements with Grenlec have to reapply with the Minister under the new PURC regulations or does this need a public hearing?

Homeowners who are already registered to self-generation and interconnect with Grenlec will have to register with the PURC to apply for a permit at a cost of EC \$75.

Further to the changes made in responding to the stakeholders' comments the Commission also made the following adjustments to the draft Regulations on the Rules and Procedure for Applying for Licences and Permits.

1. The word "Permit" was included throughout the document to clarify the rules and procedures for applying for a permit.
2. The Exemption from Licence obligation form was removed from the document.
3. A non-interconnected self-generator application form was included in the document.