

**BELIZE:**

**ELECTRICITY (POWER PURCHASE AND PROCUREMENT) BY-LAWS, 2021**

**S.I. NO. #### OF 2021**

**ARRANGEMENT OF BY-LAWS**

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**BELIZE:**

**STATUTORY INSTRUMENT**

No. #### of 2021

**BY-LAWS made by the Public Utilities Commission pursuant to the powers conferred upon it by Section 7 of the Electricity Act, Chapter 221 of the Laws of Belize, Revised Edition 2000-2003, and all other powers thereunto it enabling and with the approval of the Minister.**

(Gazetted ..... 2021)

**PART I – INTERPRETATION AND APPLICATION**

Short title

1. These By-Laws may be cited as the **ELECTRICITY (POWER PURCHASE AND PROCUREMENT) BY-LAWS, 2021.**

2. As used in these regulations:

Interpretation

“Annual Tariff Period” or “ATP” means the twelve-month period that is the subject of an Annual Review Proceeding

“Annual Review Proceeding” or “ARP” means a proceeding held by the Commission to determine the regulated values, mean electricity rates, tariffs, rates, charges and fees to be applied over the next twelve-year tariff period

“Commission” means Public Utilities Commission as defined in the Public Utilities Commission Act

“Cost of Power” means the cost of power purchased in accordance with the terms and conditions of any Power Purchase Agreement approved by the Commission together with the variable and fixed operating costs of generation production of the licensee

“Distributed Energy Generator” or “Prosumer” means any customer of the Single Buyer which establishes distributed renewable energy systems under a net billing arrangement subject to the technical limitations as outlined in these Regulations.

“Distributed Renewable Energy”(DRE) means the electricity fed into the electric system using solar PV system [or such other forms of renewable sources as may be approved by the Commission from time to time or as recognized by the Ministry.

“Full and open competition” refers to an RFP process in which all approved tenderers are permitted to compete.

“Full Tariff Period” or “FTP” means the four-year period that is the subject of a Full Tariff Review Proceeding

“Full Tariff Review Proceeding” or “FTRP” means a proceeding held by the Commission to determine the regulated values, mean electricity rates, tariffs, rates, charges and fees to be applied over the next four-year tariff period

“Group of companies” means two or more companies with shared ownership or where two or more companies form part of a vertical or horizontal integration supply chain for a third company or legal person.

“Independent Power Producer” means a licensee that owns or operates facilities for the generation of electricity for use primarily by the public by way of the Single Buyer, and that is not the same legal entity as a Single Buyer

“LCEP” means Least Cost Expansion Plan, a plan for an FTRP which a utility files with the Commission to show how it intends to meet the future energy and capacity needs of its customers through a “least-cost, least-risk” combination of supply-side and demand-side resources.

“Merit Order Stack” means the list showing the order in which generation plants are scheduled to supply electricity to meet demand.

“Net Billing” means an arrangement as defined under Regulation 28 of these Regulations;

“Operational Determination” is a decision flowing from a hearing conducted by the Commission during an ARP wherein the Utility shall file with the Commission it plans to meet demand for an upcoming twelve-month period, including Unanticipated Demand

or shortfall in capacity or energy within a threshold to be set by the Commission at the conclusion of the hearing.

“Planning Determination” is a decision flowing from a hearing conducted by the Commission wherein the Single Buyer shall file its least cost expansion plan (LCEP) for the Commission’s review.

“Power Purchase Agreement” or “PPA” means a contract, other than a Short-Term contract, for the wholesale purchase of power and that governs the commercial relationship between an Independent Power Producer and a Single Buyer which is approved by the Commission and which requires the Single Buyer to buy electricity from the Independent Power Producer and the Independent Power Producer to sell electricity to the Single Buyer, in accordance with the terms and conditions thereof;

“Re-powering” is the process of replacing equipment and components of older power stations with the latest generation of the same technology that shall be more efficient and may have a greater nameplate capacity, resulting in increased efficiency.

“RFP” or “Request for Proposals” means the PUC process, after a Planning Determination or a Commission finding of Unanticipated Demand, of inviting interested parties to submit a tender to satisfy demand for electricity capacity

“Shared ownership” means financial or voting interest of 25% or more in both companies to any PPA being held by the same company or group of companies;

“Short-Term Contract” means a contract of no more than 365 days duration for the purchase of electrical capacity or energy and includes 365-day or shorter renewable contracts for the purchase of electricity from distributed energy resources

“Single Buyer” means any licensee whose licence obligates it to purchase electricity generated by Independent Power Producers and persons having Net Billing arrangements and also to supply electricity to the public;

“Unanticipated Demand” means demand for energy or capacity that exceeds the upper limit of anticipated values determined by the Commission during a Planning Determination or Operational Determination; and

“Utility” means a licence holder, licensee or licensee as defined by the Electricity Act.

3. (1) These By-Laws shall govern the procurement processes for wholesale, distributed energy resources and short term power purchasing by addressing the role of the Commission and utilities.
- (2) These By-Laws seek to:
  - (a) secure public welfare, national security and service at the best value for money,

- (b) further clarify the exercise by the Commission of its duties under the Public Utilities Commission Act and Electricity Act in relation to the regulation of the electricity industry in Belize and
  - (c) provide for increased conservation of electric energy, increased efficiency in the use of facilities and resources by electric utilities, and equitable retail rates for electric consumers, improved wholesale distribution of electric energy, reliability of electric service and the encouragement and prioritization of locally available resources.
- (3) The RFP and PPA processes are regulatory tools to achieve the Commission's public interest mandate of setting tariffs for the provision of electricity service to the public. These tools ensure that the services rendered by a public utility provider are satisfactory and that the charges imposed in respect of those services are reasonable and that the tariff is correctly formulated to afford a reasonable rate of return to utilities.

## **PART II – PLANNING DETERMINATIONS AND REQUEST FOR PROPOSALS**

4. (1) No less than 365 days before the commencement of an FTRP, the Commission shall issue guidelines to the Single Buyer for the purpose of preparing the LCEP
- (2) No less than 180 days before the commencement of the FTRP, the Single Buyer shall file the LCEP with the Commission.
- (3) Once the LCEP has been submitted the Commission shall not change its guidelines;
- (4) Not less than 45 days after the Single Buyer has filed its LCEP, the Commission shall convene a public hearing on the adequacy of the LCEP.
- (5) At the hearing any interested person may make comments to the Commission regarding the contents and adequacy of the LCEP.
- (6) The hearing shall conclude with the Commission making a Planning Determination which shall speak to whether:
- (a) The Single Buyer's forecast requirements are based on substantially accurate data and an adequate method of forecasting;
  - (b) The LCEP identifies and takes into account any present and projected demand-side energy resources that may be exploited as a consequence of technological advancement in the industrial, commercial, residential, and energy-producing activities;
  - (c) The LCEP adequately demonstrates the economic, environmental, and other benefits to the country and to customers of the utility, associated with the following possible sources of supply:
    - (i) Facilities that operate on the principle of cogeneration;
    - (ii) Facilities which operate on alternative forms of energy and are dispatchable;

- (iii) Facilities which operate on alternative forms of energy having variable characteristics;
  - (iv) Facilities which operate on conventional forms of energy;
  - (v) Purchases of power from neighbouring states;
  - (vi) Energy storage facilities; and
  - (vii) Other generation facilities and demand-side options including repowering of existing power plants
- (d) The LCEP has adequate flexibility in allowing for uncertainty and adjustments in response to changing circumstances going forward.
- (7) The Commission may direct the Single Buyer to file any additional forecasts, demand-side resource options, supply-side resource options and model relevant supply mix scenarios as may be necessary to aid in making the Planning Determination.
- (8) The Commission shall make the Planning Determination when it is satisfied that the LCEP provides sufficient scope and depth to make a sound planning decision.
- (9) The Commission's Planning Determination shall forecast how the Commission intends to meet demand for electricity for the period under assessment and shall indicate how much capacity will be procured by PPA and Short-Term contracts respectively

5. (1) Subject to subsection (2), the Commission shall conduct an RFP where:
- (a) A Planning Determination determines that the local demand for additional capacity and or energy will be satisfied through PPAs or
  - (b) It determines that Unanticipated Demand shall persist for the remainder of an ATP
- (2) Where Unanticipated Demand is not expected to persist for the remainder of an ATP, or the time remaining in an ATP is so short as to not in the Commission's view make it necessary, the Commission shall meet the Unanticipated Demand by way of Short term Contract procurement in lieu of conducting an RFP
- (3) For the terms of the RFP:
- (a) The standards of performance identified in the Planning Determination shall be the minimum service levels prescribed for the identified supply-side option
  - (b) The rates assumed in the Planning Determination shall be the upper bound for the identified supply-side option; and
  - (c) The latest date for the identified supply-side option coming into service shall be as per the Planning Determination.
- (4) The initiation of an RFP process or successful selection of an RFP tender shall not constitute an offer by the Commission to enter into agreement.
- (5) Successful approval of an RFP tender shall not constitute a successful extension of any pre-existing licence issued under the Electricity Act.

RFPs

6. The Commission shall cause to be entered in any newspaper with national circulation and on its website, no more than 60 days before the initiation of any RFP hearing, notice publicizing the upcoming RFP and inviting tenders.

Codes

7. (1) The Commission shall create a code to detail the entirety of the RFP process and which shall explain the processes to choose the successful tender.

(2) The code shall seek to ensure full and open competition.

(3) The Commission shall promote full and open competition by using competitive procedures to solicit tenders and approve proposals unless it can justify not using full and open competition

(4) The code shall utilize competitive procedures including but not limited to:

(a) sealed bidding,

(b) contracting by negotiation (other than by sealed bidding) based on techniques such as best value continuum, trade-off processes and lowest price technically acceptable

(c) two-step sealed bidding

(d) reverse auction/ descending clock auction

(e) Restricted procedure or negotiated process,

(f) Interaction process or dialogue process

Fairness and transparency

Equal access

8. The RFP process shall avoid unfair advantage by taking such means as are necessary including but not limited to ensuring equal access to:

(1) any proprietary information that may influence the Commission,

(2) source selection information that is relevant to the eventual contract but may not be available to all tenderers.

Transparency in decision-making

9. The Commission shall adopt all reasonable measures to prevent collusion or "bid-rigging".

Written justifications

10. (1) On completion of the RFP process and in conjunction with the resulting decision or order, the Commission shall prepare a written justification which shall certify its accuracy and completeness.

(2) The justification shall reference preliminary findings on market forces that triggered the RFP and also the findings that justify the successful tender.

Past Performance

11. In choosing the successful tender, the Commission may take into account the past performance of the tenderer under a previously awarded PPA.

Protests

12. (1) Any party which participated in the RFP process may protest the resulting decision or order of the Commission.



- (2) For a protest herein to be valid it shall follow the concordant process for protests of objections to Commission decisions as may be detailed in any relevant regulation.
- (3) a valid protest shall specify the nature of the protest, if it takes issue with the solicitation itself, the anticipated or actual decision or order, or speaks to economic interest or undisclosed material fact.
- (4) a valid protest shall be under oath.
- (5) Nothing in this section shall operate to oblige the Commission to re-consider any final decision or order.

Force majeure

13. (1) Where the Commission has made a material mistake or force majeure has affected relevant market forces, the Commission may cancel an RFP.
- (2) Where the Commission cancels an RFP process for reason other than force majeure, it shall compensate for costs wasted in preparing documentation in furtherance of a tender, all tenderers whose bid had been accepted by the Commission for advanced consideration.

Uneconomical  
Power Plants

14. (1) Where the Commission determines during an ARP or FTRP that a power plant subject to a PPA is uneconomical and not critical for the security and stability of the national grid, it may elect to review the PPA and direct the parties to ameliorate the circumstances
- (2) Where no solution is found, the Commission may terminate the agreement before the expiration date of the PPA.
- (3) In such situation the Commission shall make such orders as are equitable to:
  - (a) give adequate notice
  - (b) protect public interest and
  - (c) discharge any prudent and reasonable obligations that the Independent Power Producer has incurred up to the time of the determination referenced in subsection (1) above.

### **PART III –PROCUREMENT**

15. (1) Every utility is obliged to enter into a PPA and failure to do so shall be an offence.
- (2) It shall be an offence for any Single Buyer to show undue preference to or unduly discriminate against an Independent Power Producer.
- (3) Save as for provided herein,
  - (a) any PPA that is not approved by the Commission shall be invalid and shall be unenforceable against any person; and

Power Purchase

- (b) Where a party performs any act under a PPA that is not approved by the Commission it commits an offence under these regulations.
- (4) No PPA made in accordance with these regulations shall be valid beyond its 15<sup>th</sup> 12-month cycle.
  - (5) Past performance may be taken into account for similar past PPAs when awarding a PPA or setting its terms.
  - (6) The Commission shall not approve any PPA that is not the result of a hearing, successful RFP process or finding of Unanticipated Demand.
  - (7) Where the economic life of the generation facilities is attained, renewal of a PPA shall not require an RFP or hearing, but shall always be subject to Commission approval
  - (8) The Commission shall prepare codes which specify deadlines for various stages of the PPA agreement process including for the presentation to the Commission of the bilaterally-agreed PPA document for Commission approval.
  - (9) Where the parties are unable for any reason to present a bilaterally agreed PPA document to the Commission for approval the Commission may set the terms of the document and order the parties to enter into a PPA agreement
  - (10) The Commission shall prepare codes to show the valid format of a PPA. A PPA shall be invalid if it is not in a prescribed format.
  - (11) Save for where the Commission finds that there is Unanticipated Demand or where an Independent Power Producer has had its RFP tender accepted for PPA, any amendment to a PPA that increases any rate or total output capacity or energy shall be invalid.
16. Any Single Buyer that enters into a PPA with an Independent Power Producer that is not licenced by the Commission under the Electricity Act commits an offence under these regulations.
17. The Commission shall not approve a PPA unless it finds that:
- (1) The electricity services procured under the PPA are prudent and useful;
  - (2) The rates in the PPA are just and reasonable;
  - (3) The PPA will provide savings in capacity and energy or the provision of essential auxiliary services as compared to other generation and power supply options over the term of the PPA;
  - (4) The PPA is required by public convenience and necessity;
  - (5) The PPA is necessary to supplement or replace the utility's existing generation sources; and
  - (6) Approval of the PPA is in the public interest.
18. (1) Not less than 45 days before the commencement of every ARP, every party to an active PPA shall file with the Commission it plans to meet demand for the ATP.

Prerequisites  
for Commission  
approval

Prohibition on  
unapproved  
agreements

Operational  
Determination

- (2) The submitted plan shall include provisions for Unanticipated Demand or shortfall in capacity or energy as set in the corresponding period of the relevant Planning Determination.
- (3) The plan submitted by every Single Buyer shall:
  - (a) be in conformity with the Planning Determination for the corresponding FTRP;
  - (b) forecast, with the use of historic data where possible, the availability and cost of energy procurable on Short-Term Contracts including distributed energy resources
  - (c) forecast scheduled maintenance
  - (d) include a short-term spot trade plan
  - (e) include a procurement plan for each quarter (3 months) of the ATP
  - (f) detail plans to implement the Avoided Cost measures in Part IV herein
- (4) The plan submitted by every Independent Power Producer shall use the PPA as its basis but make the requisite extrapolations as required by this section and where applicable.
- (5) The Commission shall make an Operational Determination at the conclusion of every ARP which shall speak to provisions to address Unanticipated Demand over the period in review.
- (6) An Operational Determination, insofar as it speaks to Unanticipated Demand, shall not create an obligation on the part of the Commission or the utility

PPA  
Approval  
Order

19. Where the Commission makes the findings required by section 16, it shall enter an order approving the Power Purchase Agreement and providing for the utility to recover the operational, investment and all other reasonable costs incurred in the performance of the PPA over the term of the said PPA.

Rate-setting  
methodology

20. (1) The methodology applicable to setting rates in a PPA shall mirror that applicable to tariff setting processes used under the Electricity Act and its subsidiary laws.
- (2) One of the following rate-setting methodologies shall be used to determine the rate in a PPA:
  - (a) variable renewable energy source,
  - (b) dispatchable renewable energy source, or
  - (c) conventional (dispatchable) energy source

Codes

(3) The Commission shall make codes detailing the methodologies herein.

PPA to have RFP  
values

21. All costs, rates and values in a PPA shall mirror the values present in the successful RFP that leads to the PPA so that the levelized cost of the PPA is no greater than that from the RFP.

Uneconomical  
plants

22. (1) Subject to Section.14(13), where the Commission determines during an RFP, Planning

Determination or Operational Determination that a power plant subject to a PPA is uneconomical and not critical for the security and stability of the Grid, it may elect to review the PPA and request the parties involved to propose remedies to resolve the situation. Where the parties cannot reach an agreement, the Commission may terminate the PPA before the termination date of the said PPA.

- (2) For the avoidance of all doubt, any rate agreed upon shall be subject to Commission approval.
- (3) In such situation the Commission shall make such orders as are equitable to:
  - (a) give notice to any interested parties;
  - (b) protect public interest; and
  - (c) as far as it is fair and practical, make modifications to the PPA effective at end of the term;

Implied  
Approval

23. A Single Buyer may form a Short-Term Contract for the procurement of electricity with the implied approval of the Commission where:
- (1) The contract creates no obligations beyond its duration;
  - (2) The rate payable by the public for the electricity procured under the Short-Term Contract is less than or equal to the feed-in tariff set by the Commission for distributed energy resources in the corresponding period; and
  - (3) The Short-Term Contract is in accordance with the Single Buyer's short term power procurement plan as approved by the Commission

short-term  
power  
procurement  
plan

24. (1) The Single Buyer shall in every quarter (3 months) of every ATP tender to the Commission for approval its short-term power procurement plan indicating its projections and plan for the ensuing quarter.
- (2) The proposed short-term power procurement plan shall cover:
- (a) the balance requirement of power and energy during the quarter after accounting for the existing agreements / arrangements
  - (b) time when power is required
  - (c) possibility for short term trade
  - (d) demand curtailment measures
  - (e) proposed method of competitive solicitation
  - (f) criteria for evaluation of alternative options
- (3) The Commission shall, when it is satisfied with the plan, communicate its approval to enable the Single Buyer to enter into commercial agreements in time before the commencement of the ensuing quarter and make purchases.
- (4) The Commission shall make a review of the following at the time of finalizing procurement plan for each quarter:
- (a) the process adopted by the licensee in the previous quarter to ensure that commercial sense and financial prudence are strictly observed

- (b) correctness of the assessment made by the licensee in regard to demand and availability
- (5) On receipt of approval from the Commission for the short-term power procurement plan, the Single Buyer shall prepare forecast of demand on month-wise and week-wise bases. The weekly forecast shall be made on an hourly basis taking into consideration the forecasted changes in weather, upcoming holidays, etc.
- (6) The Single buyer shall only:
  - (a) enter into Short-Term Contracts based on the Commission-approved plan and tariffs; and
  - (b) enter into the said contracts complying with the criteria laid down by the Commissionand also take into consideration the Commission's directives on power purchase, allocation of power from different sources.

Invalidity

25. Where any Short-Term Contract is in breach of these By-Laws the economic cost of the contract, insofar as it exceeds any rate or tariff set by the Commission, shall not be recoverable from the public.

Feed-in tariffs

26. (1) During every FTRP and ARP the Commission shall set feed-in tariffs applicable to Distributed Energy Generation and tariffs for Short term Contracts based on marginal costs. The feed-in tariffs may take the form of bands of prices for various levels of projected demand to enable the Single Buyer to make short term purchases expeditiously without obtaining approval from the Commission each time.
- (2) Distributed energy resources shall be its own separate class of provider.
- (3) To participate as a distributed energy generation supplier, the prospective supplier shall:
- (a) meet all standards and pay all fees that the Commission may set;
  - (b) and obtain confirmation from the Single Buyer that it meets its standards for distribution and supply as approved by the Commission.
- (4) The methodology applicable to setting the feed-in tariff rates shall mirror that applicable to tariff setting processes used under the Electricity Act and its subsidiary laws
- (5) The distributed energy resource class of provider shall bear the costs in relation to interconnection and distribution as prescribed by the Commission

#### **PART IV – DISTRIBUTED ENERGY GENERATION**

27. Net Billing is the arrangement where the distributed energy generation plant is:
- (a) Installed to serve a specific consumer,

Net billing defined

- (b) Connected on the Single Buyer's side on the consumer meter,
- (c) Selling power to a Single Buyer under Short term Contract, and
- (d) Entire power generated is consumed by the consumer.

Interconnection  
point

28. In the case of Net Billing for distributed energy generation, the interface point shall be on the Single Buyer's side of the meter.

Agreement  
terms

29. (1) The Single Buyer and Prosumer shall only enter into Short term Contracts using the tariffs as set by the Commission

(2) The entire quantum of electricity generated by the Prosumer's plant shall be procured by the Single Buyer

(3) The power procured by the Single Buyer shall be sold to the distributed energy generator in accordance with the terms set by the Commission.

(4) The rate of sale of power to the Prosumer shall be the same rate as determined by the Commission for procurement of power from the generator's plant

30. (1) The Single Buyer shall bill the Prosumer in accordance with the following equation:  

$$\text{Energy Bill of consumer} = \text{Fixed charges} + \text{other applicable charges and levies} + (\text{EDL} * \text{TRST}) - (\text{ERE} * \text{TPSA}) - \text{Billing Credit}$$

Where:

(a) Fixed charges means the fixed/demand charges as applicable to the consumer category as per any applicable retail supply tariff;

(b) Other charges and levies means any other charges such as tax, cess, etc.;

(c) ERE means the energy units recorded for the billing period by the DRE plant's generation meter;

(d) TPSA means the energy charges as per the Short term Contract signed between the Prosumer and Single Buyer;

(e) EDL means the energy units supplied (i.e. Gross Electricity Consumption) by the Single Buyer as recorded by the consumer meter for the billing period;

(f) TRST means the applicable retail supply tariff of the concerned consumer category as per the retail supply tariff set by the Commission;

(g) Billing Credit is the amount by which the value of distributed energy generation in a particular month is more than the value of all other components of consumer bill

(2) Where the consumer is subjected to time of day tariffs, energy bill ( $\text{EDL} * \text{TRST}$ ) shall be computed accordingly.

(3) Where ( $\text{ERE} * \text{TPSA}$ ) is more than ( $\text{Fixed charges} + \text{other applicable charges and levies} + (\text{EDL} * \text{TRST})$ ), the Single Buyer shall give credit of amount equal to difference (Billing Credit), which shall be carried forward to the next billing cycle.

(4) Such Billing Credit shall be carried forward for the settlement period. At the end of the settlement period, if there is any outstanding Billing Credit, it shall not be paid by the Single buyer.

Billing  
formula

- (5) For each billing period, the Single Buyer shall make the following information available on its bill to the Prosumer:
  - (a) Distributed energy generation recorded in generation meter;
  - (b) Electricity injected by the distributed energy generation plant in the grid in the billing period, including opening and closing balance;
  - (c) Electricity supplied by the Single Buyer in the billing period, including opening and closing balance;
  - (d) Billing Credit carried forward from the last billing period;
  - (e) Billing Credit carried forward to next billing period.
- (2) (1) In case of defective/failure/burnt condition of any meter, the distributed energy generator shall report the failure, to the Single Buyer in the format specified by the Single Buyer.
- (3) The Single Buyer shall replace the meter as specified in the Electricity Supply Code.
- (4) The electricity generated by the distributed energy system during the period in which the meter is defective shall be computed on a normative basis.

Application  
process

31. (1)
  - (a) The Prosumer (applicant) shall apply to the Single Buyer
  - (b) The Single Buyer shall issue to the applicant, on application, an acknowledgement of submission of the application.
  - (c) The acknowledgement shall provide a unique registration number assigned to each applicant for future correspondence.
  - (d) The Single Buyer shall maintain a separate Application Register (manual or online) for reference and records.
- (2)
  - (a) After submitting the application form, the Single buyer shall perform a technical feasibility assessment within 15 days of the date of acknowledgement issued to the applicant.
  - (b) The Single Buyer shall perform a feasibility check and if technical feasibility is found satisfactory, the it shall approve the application and notify the applicant by providing a Letter of Approval (LoA) within 15 days from the issuance of acknowledgement of the application.
  - (c) In case of any deficiencies found in the application, on account of the renewable energy system capacity and available transformer loading, same shall be indicated by the Single buyer to the applicant by written notification within 22 days from the date of issuance of acknowledgement of the application.
  - (d) The applicant shall remove all identified deficiencies within a period of 15 days from the receipt of notification and shall notify the Single Buyer, in writing, upon the resolution of deficiencies.

- (e) The Single buyer shall assess the resolution of deficiencies and provide LoA to the applicant upon satisfaction. Where deficiencies are not rectified within the said period, the application shall stand cancelled.
  - (f) Where the technical feasibility is negative/non-satisfactory, it shall be indicated to the applicant within 22 days from the issuance of the acknowledgement of the application.
  - (g) Where the technical feasibility is negative/unsatisfactory, the application shall not stand rejected but shall be put on a priority wait list and, when the technical feasibility is established, the application shall be considered first before processing any new application
  - (h) Provided always that no application shall be permitted to remain on the waiting list for more than 90 days without being reviewed.
- (3)
- (a) The applicant shall install the renewable energy system within 180 days of receiving the LoA, as per the Codes specified under these Regulations.
  - (b) The aforesaid duration of 180 days is the maximum permissible time for the applicant to install the renewable energy system, until an extension is provided in writing by the Single Buyer. The applicant shall be at liberty to complete the installation process before this period and request that the Single Buyer initiate subsequent steps.
  - (c) In case the prosumer fails to install the system within 180 days, the application shall stand cancelled and the prosumer shall need to re-apply.

#### **PART V – AVOIDED COST**

32. (1) The Dispatch Centre for the Single Buyer shall be responsible for the scheduling of electricity suppliers in order to meet expected demand in a manner consistent with sound utility practice. In carrying out its function, the Dispatch Centre shall prepare and submit for the Commission's approval its Dispatch Code detailing the dispatch processes.
- (2) The Dispatch Code shall prioritise efficiency in accordance with the principles in this part to minimise system-wide supply costs after due consideration of system security requirements and network constraints. It shall:
- (a) Draw up the Merit Order Stack (MOD stack) after taking into account the energy costs of each generating stations as submitted by Independent Power Producers along with transmission losses, wherever applicable;



- (b) Consider not only the energy charges as per the MOD stack but also other costs such as Start-up and Shut-down costs, compensation charges due to lower unit loadings of generators, and any other variable costs as specified in the PPA;
  - (c) consider system constraints such as island operations, power system stability, voltage and frequency profiles when addressing power purchase and load management
- (3) subsection (2) shall apply insofar as it is possible, taking into account diurnal and seasonal availability and the need to optimize forward looking pricing, including but not limited to:
- (a) Giving preference for generation having very low variable costs, which may include:
    - (i) run of river hydro stations
    - (ii) renewable energy sources such as wind and solar from which generation may waste; or generation from storage type hydro plants from which generation may result in spillage of water
    - (iii) co-generation power plants from which generation may waste on because of the production of electricity sequentially from thermal resources
  - (b) Curtailing the generation from storage type hydro plant in the present despite its rates being lower in the MOD, because in future weeks or months the generation costs it will displace will be even higher; and
  - (c) Cycling energy storage facilities in a matter that smooths out peaks and valleys in respect of both demand and inputs costs thereby minimizing operational costs.

33. (1) The Dispatch Centre shall be responsible for implementation of the MOD scheduling power plants at least one day in advance of use, considering the principles specified in the Dispatch Code.
- (2) Any dispatch and production costing that exceeds 0.75% of a Commission-determined retrospective optimal dispatch in any given month shall not be recoverable from customers
- (3) The Single Buyer shall provide to the Commission, every month, a Dispatch and Production Costing which shall include:
- (a) the hourly demand,
  - (b) hourly supply and hourly price from each contracted energy supplier,
  - (c) reservoir levels and any other storage information,
  - (d) bulk supply points, and
  - (e) any other information relating to the Cost of Power as may be requested by the Commission
- (4) The Dispatch and Production Costing for each month shall be submitted no later than 20 days after the end of the month that is the subject of the said report.

Prioritization in supply

34. (1) The Single Buyer shall prioritize its supply of electricity to the public so that at any time-of-day the costs of providing electricity service to the public are the most cost-effective.
- (2) In undertaking the consideration and making the determination required under subsection 1 with respect to the standard for time-of-day rates, a time-of-day rate charged by a utility for providing service to each class of consumers shall be determined to be cost-effective with respect to each such class if the long-run benefits of such rate to the utility and its consumers in the class concerned are likely to exceed the metering costs and other costs associated with the use of such rates.

Methodology of prioritization

35. (1) The costs of providing electricity service to each class of consumers shall be determined on the basis of methods prescribed by the Commission.
- (2) Such methods shall to the maximum extent practicable—
- (a) permit identification of differences in cost-incurrence, for each such class of consumers, attributable to daily and seasonal time of use of service and
  - (b) permit identification of differences in cost-incurrence attributable to differences in customer demand, and energy components of cost.
- (3) In prescribing such methods, the Commission shall take into account the extent to which total cost to a utility is likely to change if—
- (a) additional capacity is added to meet peak demand relative to base demand; and
  - (b) additional output of energy is delivered to consumers.

Unanticipated Demand

36. (1) Where the Commission determines that there is Unanticipated Demand it shall:
- (a) examine the Operational Determination in respect of the Single Buyer and each Independent Power Producer for the corresponding ATP; and
  - (b) assess available capacity or energy otherwise available for purchase; and shall, after conducting a hearing, order the relevant utilities to meet the demand in accordance with the cost-saving principles in this part.
- (2) Where the Commission's order is in relation to an Operational Determination for an Independent Power Producer it shall, if necessary, direct the Single Buyer and Independent Power Producer to amend the existing PPA to account for the increased output of capacity and energy and any effect on associated rates.
- (3) Where the Commission's Order is favour of an Independent Power Producer that does not have a PPA with the Single Buyer, the utilities shall form a PPA in accordance with Part III (Power Purchase) of these by-laws
- (4) Where the Commission determines that Unanticipated Demand is projected to persist for the remainder of the ATP above the threshold set in the Planning Determination or Operational Determination, it shall conduct an RFP to satisfy the Unanticipated Demand.

Inflation

37. The Commission shall not increase any rate solely on account of inflation, provided that where the said inflation in any calendar year exceeds that which was explicitly forecasted in any Commission-accepted RFP proposal that resulted in a PPA, such upward adjustment may be permitted at the Commission's discretion.

No adjustment  
without PUC  
approval

38. (1) Where any utility proposes to adjust a rate that is the subject of any PPA it shall obtain approval from the Commission before making any adjustment

(2) Every utility shall report its rates, fees and charges to the Commission when directed to do so.

(3) Any utility that contravenes this section commits an offence

### PART VI – ARBITRATION

39. Where any dispute arises over a finalized PPA or Short-Term Contract the matter shall be referred to arbitration.

PPA disputes  
may be  
arbitrated

Non-  
delegation of  
legal duty

40. Where part of an arbitration ruling speaks to a matter that is the sole legal purview of the Commission it shall be voidable at the discretion of the Commission

Rates, fees not  
to be  
determined by  
arbitration

41. No matter directly concerning any rate or fee determinable by the Commission shall be submitted to arbitration but instead shall be subject to hearing by the Commission.

42. Any arbitration ruling or award that affects any rate, fee or regulated value shall be void insofar as it affects the said regulated item.

Void rulings

Qualifications  
of arbitrators

43. The arbitration process shall be conducted by one arbitrator. The arbitrator shall be either an engineer with no less than 10 years' experience in electricity generation, transmission or supply or shall be an attorney-at-law in good standing at the bar of an English-speaking CARICOM country and possess no less than 10 years' experience in utility regulation or related fields.

Law for  
arbitration

44. Save as provided in this part, the relevant law and jurisdiction applicable to any part of the arbitration process and the resultant ruling shall be the law of Belize regardless of where the arbitration was conducted or determined.

### PART VII MISCELLANEOUS

offences

45. A utility that contravenes any provision of these regulations shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding five thousand dollars or to a term of imprisonment not exceeding six months, or to both such fine and term of imprisonment.

Breach of codes is an offence

46. A breach of any of the Commission-issued codes herein shall constitute an offence under these regulations

Timeline for codes

47. The Commission shall prepare and promulgate each of the required codes herein within 120 days of the appointed day, for the general direction of utilities in respect of the matters within the scope of each of the codes.

Publication of codes

48. The Commission shall cause the codes, and every revised edition thereof, to be gazetted and published on its website or in any other manner that it considers appropriate.

Review of codes

49. (1) The Commission shall review the codes no less than once in every three-year period, and in conducting that review shall consult stakeholders in such manner as the Commission considers appropriate.

(2) The Commission shall not unreasonably refuse to review any code herein when requested to do so by any Utility within 60 days of the commencement of an ATP

**MADE** by the Public Utilities Commission this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**(MR DEAN MOLINA)**

*Chairman*

*Public Utilities Commission*

**APPROVED** by the Minister of Public Utilities this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**(RODWELL FERGUSON)**

*Minister of Public Utilities, Energy & Logistics*

*Minister responsible for Electricity*