



PUBLIC UTILITIES COMMISSION

Summary of Comments received regarding:

**Proposal to Repeal and Replace the Electricity Licensing and Consent Regulations
(S.I. 39 of 2024)**

April 2026

Background

On November 20, 2025, the Public Utilities Commission (PUC) notified the public of its intent to introduce enhancements to the Electricity Licensing and Consent Regulations, Statutory Instrument (S.I.) 39 of 2024 (“S.I. 39”).

The full draft of the revised Regulations was made available online at www.puc.bz as well as at the PUC’s office located at Marina Towers, New Town Barracks in Belize City. Affected and interested parties were invited to submit written comments to info@puc.bz or mailed to P.O. Box 300, Belize City by 4:00 p.m. on Friday, December 19, 2025.

This report summarizes the comments received during the consultation period and includes the PUC’s responses as to how those comments have been accounted for in the final draft of the Regulations to be tabled before the Minister with responsibility for electricity.

Summary of Comments and Responses

Feedback on regulations contained in PART I – Preliminary

Regulation 2 – Interpretation	
Belize Electricity Limited	<p>1. Supports the introduction of a flexible “capacity limit” concept in principle but recommends that the Regulations require transparent criteria, consultation, and, most importantly, alignment with system planning, when the Commission sets or revises capacity limits by Order. Draft language for an amendment provided.</p> <p><i>The PUC has amended the regulations to include a provision for consultation prior to finalizing capacity limits by Order.</i></p> <p>2. Supports community generation and supply license category but recommends the Regulations define “unserved and underserved communities” to prevent overlaps and protect efficient utility service. Specifically, BEL wishes to avoid disputes, duplication, and cherry-picking of low-cost areas by other licensees. BEL proposes a designation or approval framework which seemingly confers pre-emptive control over license eligibility and market entry on incumbent licensees. Draft language for an amendment provided.</p> <p><i>The PUC does not consider it appropriate or consistent with the Act to condition the designation of communities, or the exercise of the Commission’s licensing powers, on prior endorsements, recommendations, or approvals by incumbent operators, or on planning instruments prepared or controlled by such operators. Consequently, “unserved” and “underserved” communities will be determined by the Commission with reference to the circumstances prevailing at the time of application. Any objections or concerns a</i></p>

	<p><i>licensee has regarding infrastructure duplication or potential disputes with other licensees competing in the area can be addressed during the public consultation process required for community generation license applicants.</i></p> <p>3. Recognises that, in exceptional circumstances, non-competitive procurement may be necessary, but strongly recommends tightening the definition of Sole-sourced IPP and embedding minimum procedural safeguards to protect system least-cost development. Draft language for an amendment provided.</p> <p><i>The approval criteria applicable to sole-source licensees includes a reference to consistency with applicable laws, which includes an evaluation against Planning Determinations. Furthermore, any concerns or objections relating to system impact of the proposed projects can be raised and addressed during the public consultation process required for sole-source licensee. Therefore, the Commission considers the regulations as providing adequate procedural safeguards.</i></p> <p><i>BEL’s proposed re-definition and approval framework would fundamentally alter the statutory balance established by the Act. In particular, the proposal can be interpreted as having the effect of converting consultation rights into a form of gatekeeping power, elevating the system operator and incumbent licensees from interested parties within a consultative process to quasi-approving authorities, and thereby constraining the Commission’s exclusive discretion to grant licences under section 14(1) of the Act.</i></p>
Deeds Solar	1. Supportive of the introduction of a sole sourced IPP licence category.
Eduardo Santiago	<p>1. Suggests capacity limits for Distribution Generation (DG) licence categories.</p> <p>2. Capacity limits should match the site’s peak load under the following DG Microgrid configurations and can be adjusted as the site’s requirements change:</p> <ul style="list-style-type: none"> a. <i>Minor DG</i> - an aggregate generation capacity of 450 KW, being comprised of up to 75 KW of non-renewable generation sources, and additionally up to 375 KW of renewable generation sources. b. <i>Intermediate DG</i> - an aggregate generation capacity of up to 3 MW, being comprised of up to 500 KW of non-renewable generation sources, and additionally up to 2.5 MW of renewable generation sources. c. <i>Major DG</i> - an aggregate generation capacity greater than 3 MW

	<p>3. Suggests capacity limits for Self-Generation and Supply licence categories based on the following configurations that can be adjusted as the site’s requirements change:</p> <ul style="list-style-type: none"> a. <i>Minor Self- Generation & Supply</i> - aggregate generation capacity of up to 450 KW, being comprised of up to 75 KW of non-renewable generation sources, and additionally up to 375 KW of renewable generation sources, and b. <i>Intermediate Self- Generation & Supply</i> - aggregate generation capacity of up to 3 MW, being comprised of up to 500 KW of non-renewable generation sources, and additionally up to 2.5 MW of renewable generation sources. c. <i>Major Self-Generation & Supply</i> - an aggregate generation capacity greater than 3 MW <p><i>The PUC emphasizes that the proposed Regulations are deliberately structured to establish the licensing framework and licence categories in primary form, while providing that specific capacity limits applicable to each licence class may be specified and adjusted by Order of the Commission. This approach preserves regulatory flexibility and allows capacity limits to be adapted over time in response to evolving market conditions, technologies, and system needs, without requiring repeated amendments to the base Regulations.</i></p> <p><i>The PUC will consider these recommendations in preparing its Order.</i></p>
Solar Energy Solutions Belize	<p>1. What is an “Order of the Commission”? (Mostly in reference to the capacity limits for licenses). Furthermore, assuming [an Order] is a public notice, where can updates be found? Will it be published on the PUC website or anywhere else? Why did PUC take the capacity limits out of regulations?</p> <p><i>An Order of the Commission is a decision of the PUC and has the force of law. Failure to comply with an Order of the PUC may carry penalties.</i></p> <p><i>Orders of the Commission are subject to applicable statutory notice and consultation requirements and will be published in the Gazette and made available for public access and download on the Commission’s website, ensuring that capacity limits specified by Order remain transparent, publicly accessible, and capable of review or adjustment as circumstances require.</i></p> <p>2. Section 24 [requirement of consent to construct] refers to a generating facility which is not defined. Is it safe to assume that this is anything that generates electricity (solar, generator, windmills, hydro)?</p> <p><i>The PUC clarifies that a generating station is any facility, regardless of technology or fuel source, that generates electrical energy. The term is intended to be interpreted broadly to encompass any installation, plant,</i></p>

	<p><i>or equipment used for the generation of electricity, irrespective of technology type. This technology-neutral approach is consistent with the Electricity Act and the overall structure of the proposed Regulations, subject to applicable exemptions and capacity thresholds provided for in the Regulations or specified by Order of the Commission.</i></p>
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Regulation 3 – Application & Scope	
Eduardo Santiago	<p>1. Recommends that generation projects up to 75 KW for non-renewable generation sources and up to 375 KW for renewable generation sources be exempt from the regulations given the intrinsic difference of capacity factors between the different sources.</p> <p><i>While the PUC acknowledges the technical differences between renewable and non-renewable generation technologies, it does not consider that such differences, in themselves, justify a blanket exemption from the regulatory framework.</i></p> <p><i>The general exemption of 75 KW is provided for in the Electricity Act and is intended to apply in a technology-agnostic manner. The simpler procedure of only requiring registration for smaller scale generation (licenses to all persons) achieves a similar effect to exemption while preserving the PUC and BEL’s ability to capture generation data for system planning and protection and public safety purposes.</i></p>

Feedback on regulations contained in PART III – Licence Application Procedure

Regulation 12 – Fees Schedule	
Belize Electricity Limited	<p>1. Acknowledges the need for adequate income from licence fees by the Commission but considers that a flat 1% charge on Gross Audited Earnings risks undermining financial sustainability and investment capacity. BEL recommends either (i) a lower percentage combined with a fixed component, or (ii) a cap and review mechanism linked to regulatory revenue requirements.</p> <p><i>Licensee fees account for a relatively small portion of total system costs and present no threat to a network licensee’s financial sustainability as it is recoverable in rates to customers. It is imperative that the fee be proportional so that as revenues increase (sales and operations) the capacity of the PUC to oversee same is appropriately scalable. Consequently, the PUC does not consider it appropriate to adopt the alternative fee structure proposed by BEL. As such an approach would inappropriately constrain the Commission’s regulatory funding</i></p>

	<i>framework and is not justified where licence fees are recoverable through the tariff-setting process.</i>
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Regulation 14 – Licence to All Persons	
Belize Electricity Limited	<p>1. Recommends enhanced information and technical compliance requirements for intermediate distributed generation beyond the basic requirement for registration. This is required to protect grid stability and ensure coordinated development. Draft language for an amendment provided.</p> <p><i>The PUC advises that the Certificate of Registration issued to this class of licensee incorporates licence conditions requiring compliance with the grid code and other applicable standards from the Network and Retail licensee. The Certificate (licence) is an authorization to conduct the relevant activity but BEL reserves the right to refuse interconnection for non-compliance with safety and technical standards, including limits to network hosting capacity.</i></p>

Regulation 15 – Licence application procedures	
Belize Electricity Limited	<p>1. Welcomes the structuring of application and objection procedures and the explicit grounds for rejection but recommends additional clarity on timelines and the record of decision to further enhance predictability and reduce disputes. Draft language for an amendment provided.</p> <p><i>The PUC prefers the current language of the regulations as it is more comprehensive.</i></p> <p>2. Recommends tiered licensing criteria aligned with licence categories. For example, Minor or self-generation licences would require simplified technical and financial requirements whereas Major generation or system-impacting licences: enhanced grid studies, financial assurance, and operational capability requirements.</p> <p><i>The regulations differentiate between licenses to all, persons of a class, and a particular person and provides tiered criteria accordingly. Major and otherwise complex projects are likely to come as licenses to particular persons and the substantive and procedural requirements reflect this.</i></p> <p><i>Additionally, the PUC’s view is that obligations relating to grid safety, system integrity, and technical interoperability are being addressed through forthcoming instruments, including grid codes, interconnection standards, guidelines and existing licence conditions issued by the Commission. These instruments provide an appropriate and flexible</i></p>

	<p><i>means of ensuring that intermediate DER installations comply with applicable technical and safety requirements, without reintroducing approval or consent processes that would undermine the purpose of a registration-based regime.</i></p>
Deeds Solar	<p>1. Strongly agree with the move toward a simpler registration-based process for smaller and intermediate projects.</p>
Solar Energy Solutions Belize	<p>1. Will we still utilise forms 1-3 for application or are new forms coming out?</p> <p><i>The PUC clarifies that any affected or impacted forms will be updated to reflect the registration-based process introduced under the Regulations. In particular, applicants falling within the Intermediate Generation licence category will, going forward, be issued with a registration certificate rather than a licence instrument. The form and content of application and registration documentation are administrative matters that will be aligned with the revised regulatory framework.</i></p> <p>2. Since intermediate licence category is proposed to be classified as a “license to all persons”, will the public notice in the newspaper no longer be required for those systems?</p> <p><i>The PUC clarifies that Regulation 15(3) will continue to apply. Accordingly, the PUC will publish a notice of its intention to grant a licence on its website or other appropriate platforms. However, applicants within the intermediate licence category, classified as licences to all persons, will no longer be required to publish a separate public notice.</i></p> <p>3. What is the difference between a defective application and an incomplete application?</p> <p><i>The PUC clarifies that defective and incomplete applications are distinguished in Regulations 13 and 15(2)(b) and (c). A defective application is one that fails to satisfy mandatory requirements and must be cured and resubmitted, in which case it is treated as a new application. An incomplete application, by contrast, is one that substantially complies with the applicable requirements but is missing specific information or documentation, which may be provided within a specified timeframe without restarting the application process.</i></p>

Feedback on regulations contained in PART IV – Licence Amendment and Renewal

Regulation 18 – Application of renewal of licence	
Deeds Solar	<ol style="list-style-type: none"> 1. Most grid-tied [DG] and self-generation systems operate for many years without any substantive changes once they are installed and commissioned. Requiring yearly payment creates an ongoing administrative burden for applicants and the PUC without much regulatory benefit. 2. Recommends the removal of ongoing annual licence fee for grid-tied [DG] and self-generation systems or, if annual licence fees are necessary, include an option for multi-year licence validity and payment (e.g. 5 year licence term with annual fees for period payable upfront as an option). <p><i>The PUC clarifies that all that is required is for the licensee to make payment annually without any further submission or application unless the licence has expired and requires renewal. Therefore, there is no administrative burden placed on applicants.</i></p>
Eduardo Santiago	<ol style="list-style-type: none"> 1. Timeline to file prior to licence expiration is unclear. <p><i>This was a typographical error that has been corrected to 180 days.</i></p>
Solar Energy Solutions Belize	<ol style="list-style-type: none"> 1. Section 18 says both 360 and 180 days, which is correct? <p><i>This was a typographical error that has been corrected to 180 days.</i></p>

Regulation 19 – Procedure for renewal of licence	
Belize Electricity Limited	<ol style="list-style-type: none"> 1. Supports that licence renewals be based on transparent performance and compliance criteria rather than discretionary decisions. 2. Recommends performance-linked licence renewal, specifically, that the Commission shall consider the licensee’s compliance with licence conditions, applicable performance and quality of service standards, during the licence term, and shall provide written reasons for its renewal decision. <p><i>The regulations provide that licence renewal shall be treated as applications in the first instance and approved subject to the same criteria. The approval criteria consider compliance with safety and reliability standards as well as all other applicable laws, regulations and standards in place during the licence term. Accordingly, the PUC</i></p>

	<i>considers that the objective identified by BEL is already adequately addressed without adopting detailed prescriptive or mandatory renewal tests that may fetter the Commission’s discretion or limit the matters it may appropriately consider.</i>
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Feedback on regulations contained in PART VI – Consent

Regulation 25 – Application for consent	
Belize Electricity Limited	<p>1. Supports cost-recovery for consent processing but recommends that consent fees be proportionate and not discourage necessary network investments or DER integration. BEL suggests a cap or exemption for certain strategic network reinforcements aligned with approved system plans.</p> <p><i>The PUC does not consider 10% of the relevant application/registration fee to be cost prohibitive. The largest application fee is \$10,000, effectively capping the consent application fee at \$1,000 for the most complex projects.</i></p> <p>2. Regulation 25 provides for exemptions from consent but does not clearly address the statutory exemption under section 15(4) of the Electricity Act, particularly in light of undisclosed capacity thresholds.</p> <p><i>The general exemption provided for under section 15(4) of the Electricity Act is addressed in regulation 3 (2) Application and Scope for generating stations and regulation 25 has been revised to clearly incorporate statutory exemptions for electric transmission lines.</i></p>
Eduardo Santiago	<p>1. Recommends that the exemption limits for consent to construct or extend generation stations be increased as follows:</p> <ul style="list-style-type: none"> ▪ For a terrestrially-located generation station, from 1MW to 3MW at a site; ▪ If operating in a co-generation mode, from 2 MW to 6 MW at a site; and ▪ For an aquatic or wetland-located generation station, from 250 KW to 1 MW at a site. <p><i>The PUC emphasizes that the proposed Regulations are deliberately structured to establish the licensing framework and licence categories in primary form, while providing that specific capacity limits applicable to each licence class may be specified and adjusted by Order of the Commission. This approach preserves regulatory flexibility and allows capacity limits to be adapted over time in response to evolving market conditions, technologies, and system needs, without requiring repeated amendments to the base Regulations.</i></p>

	<p><i>The recommendations provided here will be considered by the PUC in preparing its Order.</i></p>
Solar Energy Solutions Belize	<p>1. Can the PUC clarify what the procedure is for a consent? We understand this is a separate form, payment, and process – but to our knowledge we have never done this.</p> <p><i>Consent to construct is an existing requirement under the Electricity Act. The PUC takes this opportunity to refine that requirement in these regulations to support better enforcement going forward. The general procedure is outlined in the regulations and the PUC will publish the applicable forms with or soon after the new regulations are in place.</i></p> <p>2. Is the exemption granted in writing or assumed if not requested? Is there a form available?</p> <p><i>Going forward, exemptions not specifically provided for in an Order of the PUC must be obtained in writing from the PUC following the application procedure for consent. Projects exempt from consent will be specified by Order. Any other projects require an application to the PUC for consent to construct.</i></p> <p>3. Is a consent required for all electrical transmission line? (eg, line from backup generator 500 ft to inverters on private property/facilities and/or already under a license & consent (if applicable) for a solar system)?</p> <p>The PUC clarifies that transmission lines in excess of 70 kilovolts (kV) requires consent; electric lines with capacity less than 70 kV is exempt from consent proceedings by virtue of statute. Where a powerline is a part of the production/generation facility then the consent for that line will be considered within the context of the application for the production/generation facility.</p>

Feedback on regulations contained in PART VII – Miscellaneous Provisions

Regulation 26 – Term of licences	
Eduardo Santiago	<p>1. Recommends increasing the maximum term of licence from 15 to 20 years, and reducing the maximum renewal term from 10 to 5 years.</p> <p>The current maximum term for initial and renewal licences allows for a better balance between security of tenure for the licensee to recover investments and flexibility for the regulator keep license terms current with market conditions and to review license performance.</p>
Solar Energy Solutions Belize	<p>1. Can applicants for licences request 10/15 years in the application form? To date, licenses have been issued for 3 years.</p>

	<p><i>Applicants can request up to the maximum of 15 years in the first instance and 10 years on renewal. However, the licence period is awarded at the discretion of the PUC after considering all relevant circumstances.</i></p>
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Regulation 29 – Transitional	
Belize Electricity Limited	<p>1. Recommends strengthened transitional provisions clarifying the relationship between the new Regulations and any pre-existing arrangements. Draft language for an amendment provided.</p> <p><i>The PUC notes BEL’s feedback but finds the provisions are sufficiently clear as proposed.</i></p>

General Feedback on regulations and related matters

Belize Electricity Limited	<p>1. Recommends the development of a comprehensive policy or white paper as an initial step in the reform process to articulate the underlying rationale and drivers for the proposed changes and outline a roadmap for implementation.</p> <p><i>This process was already undertaken in 2022 and resulted in the present regulations now subject to revisions.</i></p> <p>2. Recommends explicit recognition of the system operator function and associated rights and obligations, including authority to curtail or constrain generation and DER output where necessary for system security and reliability, subject to applicable codes and contractual arrangements. Draft language for new “system operator” license category provided and recommendation that BEL or another licensee be assigned as system operator.</p> <p><i>The authorization of a system operator function is outside the scope of these regulations which provide a framework to licence or permit electricity activities in line with the Electricity Act. Rights and obligations, including authority to curtail or constrain generation and DER output where necessary for system security and reliability, subject to applicable codes, can be included as licence conditions.</i></p> <p>3. Recommends that the Regulations mandate the development of standard interconnection procedures and, where policy supports export from DER, a transparent net billing or export compensation methodology to ensure safe integration and cost-reflective outcomes. Draft language for amendment provided.</p>
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This is outside the scope of these regulations. The PUC, with the support of the Millennium Challenge Corporation, is pursuing Transmission and Distribution Codes that will close this gap by the end of 2026 or earlier.

4. The Regulations expand the definition of “electricity activities” beyond those contemplated under section 15 of the Electricity Act. Specifically, cogeneration, energy storage, ancillary services, system operations, DER provision, and trading is not included in section 15. Regulating activities beyond the Act’s scope through Regulations exposes the framework to legal challenge on the basis of being ultra vires.
5. Recommends to amend the Electricity Act to expressly include the full scope of electricity activities intended to be regulated. Following the amendment, map each activity to a license type and/or explicitly state which activities are permitted under each licence.

The Act provides for regulating the supply of electricity, and the ordinary meaning of supply is the act of making something available for use or purchase or to supply something that is wanted or needed. The PUC considers that all the electricity activities contemplated under the regulations come within the ordinary meanings of generating, transmitting or supplying services, in this case electricity services. Furthermore, the Act gives the PUC powers to issue licences on such conditions for the purpose of carrying on activities authorized by the licence, which may include those not specifically defined.

Separately, the PUC agrees that the Act may benefit from revisions to reflect recent and anticipated developments in the sector. However, this exercise can proceed separately without delaying the timely and necessary revisions to the licensing regulations.

6. Several electricity activities listed in the Regulations—such as cogeneration, energy storage, ancillary services, distribution, and system operations—are not defined. Additionally, the definition of “electricity activities” is overly broad and non-exhaustive, which is inappropriate for activities that are prohibited unless licensed.
7. Recommends replacing the non-exhaustive definition with an exhaustive definition such as “Electricity activities mean the following services, and no others, undertaken in relation to electricity...”. Also, the regulations should include specific definitions for each of the listed electricity activities and where industry-standard meanings are used, this should be stated in the regulations.

	<p><i>A non-exhaustive definition allows for the regulations to evolve alongside technology and market use provided that the activity is within reasonable bounds of those presently contemplated. Any limitation or control on an activity that may be necessary can be achieved by license category and/or conditions.</i></p> <p>8. Strongly recommends that all licensing and consent decisions by the Commission be explicitly and mandatorily guided by an approved Integrated Resource Plan (IRP) or equivalent system development plan. Draft language for amendment provided.</p> <p><i>The regulations provide, as an approval criterion, that licence applications are reviewed against applicable laws which includes any Planning Determination issued by or IRP approved by Order of the PUC.</i></p>
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ANNEX A

Comments Received - Eduardo Santiago

Comments on Proposed ELECTRICITY LICENSING AND CONSENT REGULATIONS, 2026.

1) Part I -> *Preliminary -> Interpretation*

- a. **Intermediate Distributed Generation:** Suggest that the capacity limit should match the site's load peak capacity, under the following configuration for a Distributed Generation Microgrid: The total capacity of the Intermediate Distributed Generation Micro Grid shall total an aggregate generation capacity of up to **3 MW**, being comprised of up to **500 KW** of non-renewable generation sources, and additionally up to **2.5 MW** of renewable generation sources, and could be adjusted as the site's requirements change.
- b. **Intermediate Self Generation and Supply:** Suggest that the total capacity of the Intermediate Self Generation and Supply facility can total an aggregate generation capacity of up to **3 MW**, being comprised of up to **500 KW** of non-renewable generation sources, and additionally up to **2.5 MW** of renewable generation sources, and could be adjusted as the site's requirements change.
- c. **Major Distributed Generation:** Suggest that the capacity limit should match the site's load peak capacity, under the following configuration for a Distributed Generation Microgrid: The total capacity of the Major Distributed Generation Micro Grid shall total an aggregate generation capacity greater than **3 MW**.
- d. **Major Self Generation and Supply:** Suggest that the total capacity of the Major Self Generation and Supply facility can total an aggregate generation capacity greater than **3 MW**.
- e. **Minor Distributed Generation:** Suggest that the capacity limit should match the site's load peak capacity, under the following configuration for a Distributed Generation Microgrid: The total capacity of the Minor Distributed Generation Micro Grid shall total a maximum aggregate generation capacity of up to **450 KW**, being comprised of up to **75 KW** of non-renewable generation sources, and additionally up to **375 KW** of renewable generation sources, and could be adjusted as the site's requirements change.
- f. **Minor Self Generation and Supply:** Suggest that the total capacity of the Minor Self Generation and Supply facility can total a maximum aggregate generation capacity of up to **450 KW**, being comprised of up to **75 KW** of non-renewable

generation sources, and additionally up to **375 KW** of renewable generation sources, and could be adjusted as the site's requirements change.

2) Part I -> Preliminary -> Application and Scope

- a. Given the intrinsic difference of the capacity factors between renewable and non-renewable generation source, the license exemption for minor generation projects should be **75 KW** for non-renewable generation sources, and **375 KW** for renewable generation sources

3) Part IV -> License Amendments and Renewal

- a. Clause 18 is unclear on the prior filing days prior to license term expiration.

4) Part VI -> Consent – Clause 25

- a. a terrestrially-located generation station which is to be constructed or extended and which shall–
 - i. not exceed **three-(3) MW** in aggregate of generation capacity at a site, or
 - ii. be operated in co-generation mode and will not exceed **six-(6) MW** in aggregate at a site;
- b. an aquatic or wetland-located generation station which is to be constructed or extended and which shall not exceed one **(1) MW** in aggregate of generation capacity at a site;

5) Part VII -> Miscellaneous Provisions – Clause 26 (3)

- a. (3) The maximum term for a license shall be **twenty years**, and the maximum renewal period shall be **five** years

ANNEX B

Comments Received – Deeds Solar Solutions

Info PUC

From: Deeds Solar Solutions <deedssolarsolutions@gmail.com>
Sent: Monday, 15 December 2025 17:28
To: Info PUC
Subject: Re: Public Notice - PUC Proposes Electricity Licensing and Consent Regulations of 2026 to Replace Current S.I. 39

Dear Public Utilities Commission Team,

Thank you for the opportunity to provide feedback on the proposed changes.

We are supportive of the direction of the new draft and believe it is a positive step forward. In particular, we strongly agree with the move toward a simpler registration based process for smaller and intermediate projects, as well as the removal of the requirement for public newspaper announcements. These changes will make the process more practical, efficient, and streamlined for applicants while also reducing unnecessary administrative workload for the Commission.

We are also especially interested in the introduction of the sole sourced IPP option. We see this as an important and forward looking addition that can enable timely, well planned renewable energy projects to move ahead where they clearly add value to the grid. We would very much welcome the opportunity to pursue a project under this framework, as previously expressed and believe it could allow capable local developers to bring innovative, grid supportive solutions to the market in a structured and transparent way.

We do however have one concern regarding the annual licence fees. In practice, most grid tied and self generation systems operate for many years without any substantive changes once they are installed and commissioned. Requiring a yearly renewal payment creates an ongoing administrative burden for both applicants and the Commission without delivering much additional regulatory benefit.

Our preference would be that once a system is licensed and operating in compliance, no ongoing annual licence fee would be required. If the Commission determines that an annual fee is necessary, we would respectfully suggest including an option for multi year licence validity and payment, for example a five year licence term that can be paid upfront. This would avoid the need to return each year simply to renew a licence for systems that remain unchanged over long periods of time.

Thank you for the work you have put into this.

Kind regards,

Christian Deeds
Deeds Solar Solutions
672-6800
info@deedssolar.com

ANNEX C

Comments Received – Belize Electricity Limited



22 December 2025

Mr. Dean Molina
Chairman
Public Utilities Commission
#4 Princess Margaret Drive
2nd Floor, Marina Towers
Belize City, Belize

Dear Chairman Molina,

Comments on Proposed Electricity Licensing and Consent Regulations 2026 and Proposed Electricity (Tariffs, Fees and Charges) 2026 Byelaws

Belize Electricity Limited (“BEL”) acknowledges receipt of the Public Utilities Commission’s proposed Electricity Licensing and Consent Regulations 2026 and Electricity (Tariffs, Fees and Charges) 2026 Byelaws. We view these initiatives as positive and timely steps toward redefining Belize’s regulatory framework to better accommodate sector modernization, including the growing integration of Distributed Energy Resources (DERs) and the public’s increasing interest in self-generation and alternative energy solutions.

BEL fully supports the continued advancement of a regulatory environment that is responsive to technological change, market evolution, and customer expectations, while maintaining system reliability, safety, transparency, and industry/sector viability.

Since receipt of the proposed instruments, BEL has been actively reviewing both sets of regulations:

- (i) the Proposed Electricity Licensing and Consent Regulations 2026, and
- (ii) the Proposed Electricity (Tariffs, Fees and Charges) 2026 Byelaws.

Given the breadth and significance of the revisions across two separate regulatory instruments, the allotted review period presented certain practical constraints. In light of this, BEL prioritized undertaking a comprehensive review of the Proposed Electricity Licensing and Consent Regulations, recognizing that this framework affects a broad range of licence categories and market participants and may be one the Commission wishes to advance without delay. Accordingly, BEL’s detailed comments on these Regulations are provided in Annex A.

BEL has also conducted an initial review of the Proposed Electricity (Tariffs, Fees and Charges) 2026 Byelaws. However, given the technical complexity and system-wide implications of the proposed tariff reforms, **BEL respectfully requests an extension until 9 January 2026 to submit comments on these Byelaws.**

In submitting its initial comments on the Proposed Electricity Licensing and Consent Regulations 2026 Byelaws, BEL would also welcome the opportunity for further engagement with the Commission. During our review, there were instances where the rationale underlying certain provisions was not immediately clear, and we recognize that similar challenges may arise as the Commission considers feedback from this first round of stakeholder submissions.

In this regard, BEL suggests that the development of a comprehensive policy or white paper could be a helpful initial step in the reform process. Such a document could articulate the underlying rationale and drivers for the proposed regulatory changes and outline a clear roadmap for implementation.

In particular, a policy paper could usefully address:

- the overarching sector vision and end-state market architecture the Regulations are intended to achieve, including how the various licence categories, consent mechanisms, and market participants are expected to interact coherently within the electricity sector over time;
- the specific market, operational, or regulatory challenges to achieving the overarching sector vision, and which the proposed Regulations are intended to resolve;
- the opportunities the reforms seek to enable, including in relation to DER integration and market modernization;
- relevant experiences from early adopters or comparable jurisdictions;
- international or regional best practices being referenced or emulated;
- the key risks associated with the proposed reforms and the mitigation measures envisaged; and
- the criteria and timeline by which the effectiveness of the new regulatory measures will be assessed against the intended outcomes.

Building on such a shared policy foundation, BEL suggests that a joint working-group approach, comprising representatives of the Commission and key stakeholders, could be beneficial. We believe that a small number of focused working sessions would support constructive dialogue,

clarify policy intent, refine regulatory language where needed, and ultimately assist in delivering high-quality, implementable regulations in an efficient and collaborative manner.

BEL remains fully committed to working closely with the Commission to support a modern, balanced, and forward-looking regulatory framework for Belize's electricity sector.

We thank you for the opportunity to provide these comments and remain available to engage further at the Commission's convenience.

Sincerely,
Belize Electricity Limited

Electronically RSigned by:


ENV 01448883-3761-DABE-3121-FCDC

Khadija Usher
Manager, Wholesale Energy Markets Division

Annex A –

Comments on Proposed Electricity Licensing and Consent Regulations 2026

The submission is organized by thematic headings and individual comments.

For each item, we provide:

- BEL’s Comment
- Rationale / Justification (structured by impact area)
- Suggested Regulatory Text (where applicable)

Where a specific regulation number is mentioned, it refers to the numbering in the Proposed Electricity Licensing and Consent Regulations 2026 unless otherwise stated.

In these Comments, “existing Regulations” refers to the Electricity Licensing and Consent Regulations, 2024 (S.I. 39 OF 2024), as amended to date.

DEFINITIONS & SCOPE

Use of “Capacity Limit” and Removal of Fixed Capacity Thresholds

Relevant provisions:

- Existing 2024 Regulations: Definitions of minor/intermediate/major self-generation and distributed generation with explicit kW/MW thresholds.
- Proposed 2026 Regulations: Definition of “**capacity limit**”; deletion of explicit thresholds across licence classes.

1. BEL’s Comment

BEL supports the introduction of a flexible “capacity limit” concept in principle but recommends that the Regulations require transparent criteria, consultation, and, most importantly, alignment with system planning, when the Commission sets or revises capacity limits by Order.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Capacity limits significantly influence system reliability, DER penetration, investment signals, and the balance between centralised and distributed resources.
- Transparent, system planning aligned capacity limits support least cost development and protect consumers from unnecessary system costs.

2.2 Impact areas

- System reliability & operational efficiency
 - Without clear criteria, frequent or ad-hoc changes in capacity limits risk creating clusters of DER or self-generation in weak parts of the network, increasing outage, voltage regulation risks, and local system instability.

- Aligning capacity limits to targeted least cost planning outcomes and evidence (load forecasts, hosting capacity analyses, IRRP) ensures that new resources strengthen rather than destabilise the grid.
- Cost management & financial sustainability
 - Poorly set limits can trigger unplanned reinforcements, raising network costs that will ultimately have to be borne by consumers.
 - Predictable rules help BEL sequence investments and manage cash flows.
- Regulatory certainty & clarity
 - Pre-defined methodologies and consultation give BEL and other stakeholders confidence that capacity limits will not change abruptly or without justification.
- Grid modernization, renewable energy & DER integration
 - Capacity limits are a key tool to synchronise DER growth with grid modernization initiatives (e.g., smart inverters, advanced protection schemes, storage deployment).
 - Transparent processes enable targeted DER uptake where the network can host it most effectively and efficiently.
- Competitive positioning & sector planning
 - Limits that are aligned with integrated resource and resilience planning (IRRP) support efficient competition among technologies and providers while recognising BEL's system responsibilities.
- National sustainable development priorities
 - Predictable DER integration supports Belize's climate and energy transition goals, minimising stranded assets and socialised costs.

3. Suggested Regulatory Text

Insert a new regulation after the definition of "capacity limit" and cross-reference in Reg. 4 and other relevant provisions:

New Regulation X – Setting of Capacity Limits

- (1) The Commission shall, by Order published in the Gazette and on its official website, establish and, from time to time, revise the capacity limits applicable to each class of licence or registration under these Regulations.
- (2) Prior to issuing or revising any Order under sub-regulation (1), the Commission shall:
 - (a) publish a draft of the proposed capacity limits and invite written comments from interested parties for a period of not less than thirty (30) days;
 - (b) determine the capacity limits in a manner consistent with -
 - (i) the approved Integrated Resource Plan (IRP) or equivalent system development plan; and
 - (ii) the network hosting capacity studies or applicable reliability standards; and
 - (c) publish, together with the final Order, a brief statement of reasons, including a summary of the expected impacts on system reliability, electricity costs, and integration of renewable energy and distributed energy resources.
- (3) The Commission shall review capacity limits not less than once every three (3) years, or earlier where material changes in system conditions so require.

Definition of “Unerved” and “Underserved” Communities for Community Generation

Relevant provisions:

- Proposed 2026: “Community generation and supply” refers to supplying an “**unerved or underserved community as determined by the Commission**” without further definition.

1. BEL’s Comment

BEL supports targeted community generation and supply for genuinely unerved or underserved communities but recommends the Regulations define these terms and require periodic publication of designated areas to prevent overlaps and protect efficient utility service.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Objective criteria avoid disputes, duplication, and cherry-picking of low-cost areas, ensuring equitable access to electricity and sustainable sector finances.

2.2 Impact areas

- System reliability & operational efficiency
 - Clear demarcation avoids overlapping mini-grids and grid extensions and facilitates coherent planning of eventual integration with BEL’s network.
- Cost management & financial sustainability

- Prevents selective entry into only the most profitable communities while leaving high-cost service obligations to BEL, which could undermine cross-subsidy and tariff stability.
- Regulatory certainty & clarity
 - All parties understand where stand-alone community systems are encouraged and where BEL is expected to serve as primary supplier.
- Grid modernization, renewable energy & DER integration
 - Facilitates planned integration of mini-grids into the main network as grid reaches these communities, enabling a cost-effective transition to grid-connected renewable systems.
 - Specifically, the option should be provided for BEL to *interconnect stand-alone community systems to the national grid, whenever it becomes technically-feasible and economically-viable to do so*, through guidelines that are provided from a mutually-agreed set of technoeconomic criteria that would be established for “the interconnection of community generation and supply”.
- Competitive positioning & sector planning
 - Protects BEL’s legitimate service area while allowing innovative models in genuinely hard-to-serve locations in a coordinated fashion.
 - Allows sufficient flexibility for evidence-based interconnection of standalone generation and supply to the national grid, which can improve the reliability and resilience of the respective, community and national, systems.
- National sustainable development priorities
 - Supports universal access in a least-cost, orderly manner consistent with SDG 7 and Belize’s climate commitments.

3. Suggested Regulatory Text

Amend the definitions section and add a mapping requirement:

Amendment to Definitions

“unserved community” means a community, settlement, or cluster of customers for which there is-

- (a) no permanent connection to an electricity grid; and

- (b) no current, pending or reasonably foreseeable approved expansion plan to establish a permanent connection to an electricity grid.

“underserved community” means a community, settlement, or cluster of customers for which the electricity service is materially below minimum reliability or quality of service standards prescribed by the Commission, and where network reinforcement or alternative supply arrangements are required to achieve such standards.

New Regulation Y – Designation of Unserved and Underserved Community

- (1) The Commission shall not designate an area as an unserved or underserved community or issue a licence for community generation and supply, unless the Commission -
 - (a) has consulted with the network and retail licensees, system operator, applicant for a community generation and supply licence and other relevant stakeholders; and
 - (b) is satisfied, on the basis of applicable evidence, that the area is an unserved or underserved community.
- (2) In sub-regulation (1), “**applicable evidence**” may include technical, financial, and planning evidence, including approved system development plans and network expansion studies, as applicable.
- (3) The Commission shall publish and maintain on its website a list or map of areas designated as unserved or underserved for the purposes of these Regulations.
- (4) The Commission shall review and, where necessary, update the designations under sub regulation (1) at least once every two (2) years or upon material change in network development plans.
- (5) The Commission shall, in consultation with the System Operator and relevant licensees, publish, maintain, and update, at least once every two (2) years, the technoeconomic criteria for “the interconnection of community generation and supply” to the national grid. Such criteria shall be developed on the basis of approved grid codes, system planning instruments, network hosting capacity studies, and applicable reliability and safety standards, and shall be consistent with the technical requirements and operational constraints of the national electricity system.

LICENSING STRUCTURE

“Licence to All” Registration Regime for Intermediate DER Classes

Relevant provisions:

- Proposed 2026: Intermediate self-generation and distributed generation now fall under “licence to all persons” (registration).

1. BEL’s Comment

BEL supports a proportionate registration regime for small-scale DER but recommends enhanced information and technical compliance requirements for intermediate-scale DER, to protect grid stability and ensure coordinated development.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Encouraging DER must be balanced with the need for system integrity and cost-effective integration.

2.2 Impact areas

- System reliability & operational efficiency
 - Intermediate DER can have material localized impacts on voltage profiles, reverse power flows, and protection coordination. As the owner and operator of the national distribution network, BEL must retain the technical authority and access to sufficient and timely data to assess, approve, and manage such interconnections in a manner that ensures system safety, reliability, and compliance with applicable grid standards.
- Cost management & financial sustainability
 - Without proper oversight, proliferation of DER in constrained areas can necessitate unplanned and costly network investments.
- Regulatory certainty & clarity
 - Standardised registration and interconnection requirements provide clarity for BEL and consumers, reducing disputes.
- Grid modernization, renewable energy & DER integration
 - Well-informed DER integration supports increased renewable penetration without compromising system reliability.
- Competitive positioning & sector planning

- Transparency and data help BEL plan network upgrades, non-wires alternatives, and DER-enabled solutions.
- National sustainable development priorities
 - Supports growth of distributed renewables in a controlled manner that maintains service quality and viability.

3. Suggested Regulatory Text

Add to the registration provisions (Reg. 9 or 14) and interconnection-related provisions:

New Regulation Z – Additional Obligations for Registered Intermediate Distributed and Self-Generation

- (1) Persons undertaking intermediate self-generation or intermediate distributed generation under a licence to all persons shall, as a condition of registration:
 - (a) comply with the applicable grid code and any distributed energy resource interconnection standards in accordance with the technical and safety interconnection standards stipulated by the grid operator;
 - (b) provide to the relevant network licensee such technical information as the network licensee may reasonably require, including installed capacity, location, technology type, protection settings and expected operating profile; and
 - (c) permit the relevant network licensee reasonable access, by prior arrangement, for the purposes of inspection, testing, and verification of compliance with technical standards.

(2) The Commission may, after consultation with licensees and stakeholders, issue guidelines specifying technical and operational requirements applicable to such intermediate distributed and self-generation facilities.

Sole-Sourced IPP Category – Need for Safeguards

Relevant provisions:

- Proposed 2026: New definition and licence category for “Sole-sourced IPP”.

1. BEL’s Comment

BEL recognises that, in exceptional circumstances, non-competitive procurement may be necessary, but strongly recommends tightening the definition of Sole-sourced IPP and embedding minimum procedural safeguards to protect system least-cost development.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Without safeguards, Sole-sourced IPPs risk locking in high-cost or sub-optimal capacity, raising costs to consumers, and undermining sector confidence.

2.2 Impact areas

- System reliability & operational efficiency
 - Sole-sourced projects should be limited to genuine emergency or site-specific circumstances where open competition is impracticable and system security is at risk.
- Cost management & financial sustainability
 - Competitive procurement is recognised globally as the best way to achieve low-cost generation. Exceptions must be narrow and well-justified to avoid long-term cost burdens on consumers.
- Regulatory certainty & clarity
 - Clear criteria and transparency (e.g., publication of reasons) reduce perceptions of favouritism or political influence in project selection.
- Grid modernization, renewable energy & DER integration
 - Properly designed exceptions allow targeted pilots and innovative projects (e.g., storage, hybrids) without undermining broader competitive frameworks.
- National sustainable development priorities
 - Long-term affordability and investor confidence are crucial to financing the renewable transition and grid upgrades.

3. Suggested Regulatory Text

Amend the definition and add a specific regulation:

Amended Definition – Sole-sourced IPP

“Sole-sourced independent power producer” means an independent power producer selected without a competitive procurement process in circumstances where, based on objective evidence provided by the system operator and network licensees, the Commission deems that a competitive process is not practicable or would not reasonably be expected to result in a lower cost or more suitable solution, including:

- (a) urgent system reliability or adequacy needs that cannot be met within the time required through a competitive process;
- (b) expansion of an existing generating facility where such expansion is demonstrably the least-cost option compared to alternatives; or

- (c) a limited pilot or demonstration project involving innovative technologies or business models.

New Regulation AA – Approval of Sole-sourced IPPs

- (1) Prior to granting a licence to a Sole-sourced independent power producer, the Commission shall:
- (a) obtain and consider a recommendation from the system operator, network licensee and the network and retail licensee on the need, timing, and system impact of the proposed project;
 - (b) assess the consistency of the proposed project with the approved Integrated Resource Plan, or equivalent system development plan, including its implications for system costs, reliability, and long-term resource adequacy
 - (c) prepare a brief assessment comparing the proposed Sole-sourced project against reasonable alternatives, including competitive procurement options where feasible; and
 - (d) publish a summary of its reasons for determining that a Sole-sourced approach is justified in the particular circumstances.
- (2) The Commission may limit the term, capacity, or offtake volume of a Sole-sourced independent power producer licence to what is strictly necessary to address the circumstances identified in sub regulation (1).

APPLICATION & OBJECTION PROCESSES

Time-Bound, Transparent Objection and Decision Rules

Relevant provisions:

- Proposed 2026: Revised Reg. 15–17 on application, objections, and reasons for rejection.

1. BEL's Comment

BEL welcomes the structuring of application and objection procedures and the explicit grounds for rejection. BEL recommends additional clarity on timelines and the record of decision to further enhance predictability and reduce disputes.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Time-bound, transparent decision-making supports investment and project delivery, reducing delays that raise costs.

2.2 Impact areas

- System reliability & operational efficiency

- Timely approval or rejection of projects is essential to ensure that capacity additions and network upgrades occur in line with demand growth and reliability needs.
- Cost management & financial sustainability
 - Delays increase financing and development costs for all parties, ultimately borne by consumers.
- Regulatory certainty & clarity
 - Clear decision timelines and published reasons allow BEL and others to plan and, if necessary, appeal decisions on a reasoned basis.
- Grid modernization & DER integration
 - Efficient processing of DER and network projects accelerates modernisation while ensuring problematic proposals can be screened out.
- Competitive positioning & sector planning
 - Predictable timelines and clear reasons for decisions reduce perceived regulatory risk and support both BEL's and third-party investment in the sector.
- National sustainable development priorities
 - Timely deployment of clean and reliable energy infrastructure is central to meeting national climate and development objectives.

3. Suggested Regulatory Text

Enhance Reg. 15–17 as follows:

Amendment to Regulation 15 – Consideration of Application

(X) The Commission shall, within ninety (90) days of receipt of a complete application, publish a decision approving or rejecting the application, or approving the application subject to specified conditions, and shall provide a brief written statement of reasons with reference to the criteria in Regulations 16 and 17.

Amendment to Regulation 17 – Rejection of Application

(Y) Where the Commission rejects an application, it shall, within fourteen (14) days of making its decision, notify the applicant in writing, stating the specific grounds under this Regulation and Regulation 16 on which the rejection is based.

DER INTEGRATION & GRID MODERNIZATION

System Operator Role and Curtailment / Operational Rights

Relevant provisions:

- Proposed 2026: No explicit recognition of “system operator” powers in licensing context.

2. BEL’s Comment

BEL recommends explicit recognition of the system operator function and associated rights and obligations, including authority to curtail or constrain generation and DER output where necessary for system security and reliability, subject to applicable codes and contractual arrangements.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Clear system operator authority is essential in a system with increasing DER and multiple licensees.

2.2 Impact areas

- System reliability & operational efficiency
 - The operator must have legal authority to manage flows, curtail injections, and direct operational behaviour to prevent cascading failures and maintain frequency/voltage within safe limits.
- Cost management & financial sustainability
 - A robust operational framework reduces the need for expensive over-build and allows efficient use of existing assets.
- Regulatory certainty & clarity
 - All licensees understand that adherence to dispatch and curtailment instructions is mandatory under defined conditions.
- Grid modernization, renewable energy & DER integration
 - Enables active system management, including flexible DER, storage, and demand response resources.
- Competitive positioning & sector planning
 - Confirms BEL’s central technical role as system operator, even as market roles diversify.
- National sustainable development priorities
 - A reliable, flexible grid is foundational for high levels of renewable penetration and economic resilience.

3. Suggested Regulatory Text

Insert a new Part or regulation:

New Regulation BB – System Operator

- (1) The Commission shall designate a licensee as the system operator for the electricity system or any part thereof.
- (2) The system operator shall be responsible for the secure and reliable operation of the electricity system, including the dispatch and, where necessary, curtailment of generation and distributed energy resources in accordance with the grid code and applicable reliability standards.
- (3) All licensees and registered persons shall comply with operational instructions issued by the system operator in accordance with sub regulation (2).
- (4) The Commission may, after consultation with licensees and stakeholders, approve a grid code which shall set out detailed technical and operational requirements applicable to licensees and registered persons, including the circumstances under which the system operator may curtail or constrain generation or distributed energy resources.

Standardised DER Interconnection and Export / Net Billing Framework

Relevant provisions:

- Proposed 2026: DER referenced in definitions and licence types, but no explicit standardised interconnection or export framework.

1. BEL's Comment

BEL recommends that the Regulations mandate the development of standard interconnection procedures and, where policy supports export from DER, a transparent net billing or export compensation methodology to ensure safe integration and cost-reflective outcomes.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- A clear interconnection and export framework lowers transaction costs and supports orderly DER growth.

2.2 Impact areas

- System reliability & operational efficiency
 - Uniform technical standards ensure DER installations do not compromise protection schemes or voltage quality.
- Cost management & financial sustainability

- Export compensation must reflect avoided costs and system value, preventing cross-subsidies that undermine tariff equity and BEL's financial position.
- Regulatory certainty & clarity
 - Standard rules reduce case-by-case disputes and clarify rights and obligations for DER customers and BEL.
- Grid modernization, renewable energy & DER integration
 - Facilitates DER uptake in a scalable way, consistent with hosting capacity and modern grid capabilities.
- Competitive positioning & sector planning
 - Supports BEL's ability to plan and manage DER as part of a least-cost resource mix.
- National sustainable development priorities
 - Encourages distributed renewables while maintaining affordability and fairness.

3. Suggested Regulatory Text

Insert a new regulation:

New Regulation CC – Distributed Energy Resource Interconnection and Export

- (1) The Commission shall, after consultation with licensees and stakeholders, approve standardised procedures and technical requirements for the interconnection of distributed energy resources to the distribution network.
- (2) These DER Interconnection Standards shall be reviewed and, if necessary, updated at least once every two (2) years to account for technological advances, emerging best practices, and operational experience.
- (3) Such procedures shall specify, at a minimum, application formats, timeframes for processing applications, technical and safety standards, metering requirements, and responsibilities for costs of connection and necessary network reinforcements.
- (4) Where the Commission permits export of electricity from distributed energy resources to the grid, it shall establish a transparent net billing or export compensation framework that:
 - (a) reflects the costs avoided and benefits provided to the system;
 - (b) seeks to avoid undue cross-subsidies between participating and non-participating customers; and
 - (c) is published and updated from time to time following public consultation.

FEES & FINANCIAL PROVISIONS

Network & Retail Licence Fee – 1% of Gross Audited Earnings

Relevant provisions:

- **Schedule III:** Annual licence fee for Network & Retail licence = **1% of Gross Audited Earnings.**

1. BEL's Comment

BEL acknowledges the need for adequate income from licence fees by the Commission but considers that a flat 1% charge on Gross Audited Earnings risks undermining financial sustainability and investment capacity. BEL recommends either (i) a lower percentage combined with a fixed component, or (ii) a cap and review mechanism linked to regulatory revenue requirements.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Stable and proportionate regulatory costs protect BEL's ability to finance network expansion, reliability improvements, and renewable integration.

2.2 Impact areas

- System reliability & operational efficiency
 - Excessive regulatory charges may crowd out necessary network maintenance and modernisation investments.
- Cost management & financial sustainability
 - Earnings-linked charges can introduce additional volatility and impact BEL's credit metrics. In particular, when Cost of Power (COP)—a pass-through cost entirely outside the control of the network owner/operator—increases, these charges rise correspondingly, artificially elevating costs during periods of financial stress or major capital expenditures..
- Regulatory certainty & clarity
 - A structured, predictable fee regime with review mechanisms is more consistent with good regulatory governance.
- Grid modernization, renewable energy & DER integration
 - BEL needs strong balance sheet and investment capacity to support grid upgrades and renewable connections.
- Competitive positioning & sector planning

- As the primary network operator, BEL's financial stability is central to overall sector health.
- National sustainable development priorities
 - Underinvestment caused by excessive regulatory levies may delay access expansion, reliability improvements, and clean energy projects.

3. Suggested Regulatory Text

Amend Schedule III for Network & Retail licence:

Proposed Amendment to Schedule III (Network & Retail Licence)

- Application Fee: BZ\$ 10,000
- Annual Licence Fee: the higher of—
 - (a) BZ\$ 150,000; or
 - (b) 0.6% of Gross Regulated Revenue of the Network & Retail licensee, subject to a maximum of 1% of the Commission's approved annual revenue requirement for the Network & Retail licensee.

New Clause in Main Regulations

The Commission shall review the level and structure of licence fees once for each FTRP and shall have due regard to the financial sustainability of licensees, the cost of effective regulation, and the interests of consumers.

CONSENT REQUIREMENTS

Consent Fees – 10% of Application/Registration Fee

Relevant provisions:

- Schedule IV: Consent fee = 10% of applicable application or registration fee.

2. BEL's Comment

BEL supports cost-recovery for consent processing but recommends that consent fees be proportionate and not discourage necessary network investments or DER integration. BEL suggests a cap or exemption for certain strategic network reinforcements aligned with approved system plans.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Strategic network projects should not be disincentivised by additional charges that ultimately fall on consumers.

2.2 Impact areas

- System reliability & operational efficiency
 - Network expansions and reinforcements are essential to maintain reliability; additional fees may deter timely investments.
- Cost management & financial sustainability
 - Consent fees are additive to other regulatory and project costs; a cap or exemption for plan-aligned projects protects BEL's financial capacity.
- Regulatory certainty & clarity
 - Clearly defined cases where reduced or no consent fees apply (e.g., for IRP-identified projects) improve planning.
- Grid modernization & DER integration
 - Many modernisation initiatives require new facilities and lines; excessive consent fees may slow their delivery.
- Competitive positioning & sector planning
 - BEL's role as principal network investor should not be disadvantaged relative to smaller actors with fewer large projects.
- National sustainable development priorities
 - Timely completion of strategic infrastructure is critical for economic growth and climate commitments.

3. Suggested Regulatory Text

Amend Schedule IV or main Regulations:

Amendment to Schedule IV – Consent Fees

- (1) Notwithstanding the general rate of ten per centum (10%) of the applicable application or registration fee, the consent fee for facilities and lines identified in an approved integrated resource plan or equivalent network development plan shall not exceed BZ\$[X] per application or such lower amount as the Commission may determine.
- (2) The Commission may waive or reduce consent fees for projects that it determines to be of strategic national importance, including projects required

for the integration of significant renewable energy capacity or for the extension of service to unserved or underserved communities.

TRANSITIONAL ARRANGEMENTS & LEGACY RIGHTS

Transitional Provisions and Interaction with PPP / Fortis Arrangements

Relevant provisions:

- Existing Regulations: Reg. 27 – explicit reference to PPPs and Fortis Belize Transaction Documents.
- Proposed 2026: New Reg. 27 repeals previous Regulations; transitional Reg. 28 limited to existing PUC-granted licences.

1. BEL's Comment

BEL recommends strengthened transitional provisions clarifying the relationship between the new Regulations and any pre-existing arrangements.

2. Rationale / Justification

2.1 Best interest of BEL and Belize

- Legal clarity around legacy rights and obligations protects sector stability and investor confidence.

2.2 Impact areas

- System reliability & operational efficiency
 - Uncertainty about the status of existing assets or contractual arrangements could delay investments and operational decisions.
- Cost management & financial sustainability
 - Disputes over legacy arrangements can entail litigation costs and impair financing.
- Regulatory certainty & clarity
 - A clear savings clause (saving pre-existing licenses, consents and authority acquired in accordance with former Regulations) ensures consistency between primary legislation, settlement agreements, and the new Regulations.
- Grid modernization & DER integration
 - Stable legal foundations support ongoing modernisation and renewable integration projects rooted in legacy framework arrangements.

- Competitive positioning & sector planning
 - Ensures that changes in regulations do not inadvertently unsettle BEL’s core legal framework.

- National sustainable development priorities
 - Maintaining investor confidence and regulatory stability is central to mobilising capital for sustainable infrastructure.

3. Suggested Regulatory Text

Amend Reg. 27–28:

Amendment to Regulation 27 – Repeal and Savings

(1) The Electricity (Licensing and Consent) Regulations, 20[XX] are hereby repealed.

(2) Nothing in these Regulations shall be construed as:

(a) invalidating any licence, consent, or approval granted by the Commission prior to the commencement of these Regulations, which shall continue in full force and effect according to its terms, subject to these Regulations and any law amending the same.

Amendment to Regulation 28 – Transitional Provision

(3) The Commission shall, within twelve (12) months of the commencement of these Regulations, take such steps as may be necessary to regularise, under these Regulations, any electricity activities being lawfully carried out under pre-existing statutory concessions, public–private partnership arrangements, or settlement agreements.

ADDITIONAL AMENDMENTS (BEST-PRACTICE ALIGNED)

(Selected high-priority additions beyond those already mentioned above.)

Scope of Regulated Electricity Activities and Corresponding Licence Types

1. BEL’s Comment

The proposed Regulations expand the definition of “electricity activities” beyond those contemplated under section 15 of the Electricity Act, but do not provide corresponding licence types or clarity on which licences authorize these additional activities. As drafted, the Regulations regulate activities for which no explicit licensing pathway exists.

2. Rationale / Justification

- Legal & Regulatory Certainty- Section 15 of the Electricity Act limits regulated activities to generation, transmission, and supply. The proposed Regulations expand this scope to include cogeneration, energy storage, ancillary services, system operations, DER provision, and trading. Regulating activities beyond the Act's scope through Regulations exposes the framework to legal challenge on the basis of being ultra vires.
- Market Clarity & Investment Confidence- The absence of clear licence types or permissions for these activities creates uncertainty for investors, developers, and system participants seeking to determine which licence is required for a proposed activity.
- Operational & Compliance Risk- Proposed Regulations 5, 6, and 7 define only limited "rights to" engage in electricity activities, leaving ambiguity as to whether other listed activities may be undertaken under a given licence.

3. Suggested Regulatory Text

- Amend the Electricity Act to expressly include the full scope of electricity activities intended to be regulated.
- Following such amendment, revise the Regulations to:
 - Clearly map each electricity activity to a required licence type; and/or
 - Explicitly state which activities are permitted or prohibited under each licence.

Definition of "Electricity Activities"

1. BEL's Comment

Several electricity activities listed in the Regulations—such as cogeneration, energy storage, ancillary services, distribution, and system operations—are not defined. Additionally, the definition of "electricity activities" is overly broad and non-exhaustive, which is inappropriate for activities that are prohibited unless licensed.

2. Rationale / Justification

- Regulatory Precision- Undefined or broadly defined regulated activities create ambiguity regarding the scope of prohibited conduct and undermine enforceability.
- Legal Risk- A non-exhaustive definition of activities requiring a licence introduces uncertainty and may expose licensees to compliance risk based on subjective interpretation.
- Administrative Efficiency - Clear definitions reduce disputes, streamline licensing decisions, and provide consistency in regulatory enforcement.

3. Suggested Regulatory Text

- Introduce specific definitions for each electricity activity listed in the Regulations. Replace the non-exhaustive definition with a closed list, for example:

“Electricity activities mean the following services, and no others, undertaken in relation to electricity...”

- Where industry-standard meanings are relied upon, explicitly state so within the Regulations.

Absence of a Systems Operator Licensing and Governance Framework

1. BEL’s Comment

While “systems operations” is identified as an electricity activity, the proposed Regulations do not provide for the licensing, role, functions, rights, or obligations of a systems operator.

For a small-scale system such as Belize’s, it is critical that the utility—BEL—retains the role of System Operator to ensure safe, reliable, and coordinated operation of the electricity network.

BEL envisions a gradual, stepwise transition to a more competitive market, in which the Single Buyer Model is retained until the electricity market matures sufficiently to support multiple viable electricity suppliers—a milestone not expected within the next 20 years. Accordingly, BEL recommends that the Government of Belize establish a clear policy directive confirming that:

1. The electricity market will remain under the Single Buyer Model until the market size justifies a wholesale market; and
2. BEL will continue as the operator of the grid and primary distributor across all major municipalities and population centers.

To facilitate the integration of Distributed Generation (DG) while maintaining BEL’s financial capacity to stabilize rates and cross-subsidize customer classes, the policy directive should also specify that DG is managed as a complementary supply source to utility-scale generation under the Single Buyer Model. Under this framework:

- DG prosumers interconnecting with the national grid must sell all excess electricity to BEL at PUC-established feed-in tariffs under a net-billing arrangement; and
- The electricity retail rate structure must be structured to ensure full recovery of fixed grid capacity and ancillary services costs by BEL.

This approach ensures operational integrity, financial sustainability, and orderly integration of new technologies while maintaining the Single Buyer Model as the foundation of Belize's electricity market.

2. Rationale / Justification

- System Reliability & Safety- The systems operator plays a central role in dispatch, grid security, and coordination of interconnected resources. The absence of a defined framework poses risks to system stability.
- DER & Market Development - Effective integration of DERs and grid-connected storage requires a clear systems operator mandate governing interconnection, dispatch, curtailment, and compliance with the Grid Code.
- Regulatory Completeness - Defining DERs and Grid Codes without a corresponding system operations framework is insufficient to support a multi-licensee electricity market.

3. Suggested Regulatory Text

- Introduce a distinct "Systems Operator Licence" or explicitly assign system operation functions to an identified licensee.
- Include provisions addressing:
 - Authority and decision-making powers
 - Duties to ensure reliability, safety, and non-discriminatory access
 - Relationship with other licensees and DER operators
 - Compliance with Grid Code and operational standards

Generation Capacity Limits Set by Subsequent Order

1. BEL's Comment

The proposed Regulations defer generation capacity limits for minor, intermediate, and major generation licences to a future Order of the Commission, without disclosing the contemplated thresholds during consultation.

2. Rationale / Justification

- Transparency & Informed Consultation- Stakeholders cannot meaningfully assess the impact of the proposed licence categories without visibility on the applicable capacity limits.
- Regulatory Predictability- Capacity thresholds materially affect licensing obligations, project economics, and compliance requirements.
- Stakeholder Confidence- Consultation on Regulations without associated capacity parameters risks incomplete stakeholder feedback and unintended regulatory outcomes.

3. Suggested Regulatory Text

- Include indicative capacity ranges directly in the Regulations; or

- Publish draft capacity limits concurrently with the Regulations for consultation.
- Alternatively, include guiding principles governing how capacity limits will be set and reviewed.

Undifferentiated Licensing Criteria Across Licence Types

1. BEL's Comment

The proposed Regulations introduce multiple licence categories but apply a single, generic set of licensing criteria under Regulation 16, without differentiation based on scale, risk, or system impact.

2. Rationale / Justification

- Proportional Regulation - Licensing requirements should reflect the scale, complexity, and potential system impact of the proposed activity.
- Administrative Efficiency - Applying identical criteria to all licence types may create unnecessary regulatory burden for smaller or community-based projects.
- System Risk Management - Larger or system-critical licensees should be subject to enhanced technical, financial, and operational scrutiny.

3. Suggested Regulatory Text

Introduce tiered licensing criteria aligned with licence categories.

For example:

- Minor or self-generation licences: simplified technical and financial requirements
- Major generation or system-impacting licences: enhanced grid studies, financial assurance, and operational capability requirements

Exemption from Consent and Alignment with Section 15 of the Electricity Act

1. BEL's Comment

Proposed Regulation 25 provides for exemptions from consent but does not clearly address the statutory exemption under section 15(4) of the Electricity Act, particularly in light of undisclosed capacity thresholds.

2. Rationale / Justification

- Statutory Consistency - Section 15(4) expressly permits self-generation up to 75 kW without a licence. Regulations should not indirectly override this statutory right.
- Legal Risk - If proposed capacity limits require licensing below 75 kW, the Regulations would conflict with the Act unless the Act is first amended.
- Customer & DER Enablement - Clarity on consent and licensing exemptions is essential to support small-scale self-generation and DER adoption.

3. Suggested Regulatory Text

- Explicitly preserve the section 15(4) exemption within the Regulations; or
- If a lower threshold is intended, first amend the Electricity Act to reflect the revised policy position.
- Include clear cross-referencing between Regulation 25 and section 15 of the Act.

Integration of Licensing with an Approved (IRP)

1. BEL's Comment

BEL strongly recommends that all licensing and consent decisions by the Commission be explicitly and mandatorily guided by an approved Integrated Resource Plan (IRP) or equivalent system development plan. The IRRP should serve as the authoritative framework for evaluating the need, timing, and technical feasibility of any new generation, network expansion, or other sectoral interventions. All discretion exercised by the Commission must be grounded in this IRP to ensure consistency with least-cost, reliable, and sustainable sector development. This recommendation is fully aligned with the Electricity Act, which vests planning and system development responsibilities with the utility while requiring regulatory oversight to be evidence-based and consistent with approved system plans.

BEL emphasizes that this is the single most important proposed inclusion in the Regulations. By making the IRP the binding reference for licensing and consent decisions, the Commission's actions will be evidence-based, consistent, and fully aligned with both operational realities and national policy objectives. Any deviation from the IRP without clear justification undermines system reliability, financial sustainability, and regulatory certainty.

2. Rationale / Justification

- **System reliability & efficiency:** Aligns new capacity and network expansions with coherent planning.
- **Cost management & financial sustainability:** Minimises over- or under-investment.
- **Regulatory certainty & clarity:** Provides a stable planning anchor for regulatory decisions.
- **Grid modernization & DER integration:** Embeds renewables and DER as planned resources.
- **Competitive positioning & sector planning:** Recognises BEL's role in system-wide planning.
- **National sustainable development priorities:** Supports long-term, climate-aligned power sector development.

3. Suggested Regulatory Text

New Regulation DD – Integrated Resource Planning

- (1) In exercising its functions under these Regulations, the Commission shall have due regard to an integrated resource plan or equivalent system development plan approved by the Commission.
- (2) In considering applications for licences and consents, the Commission shall assess whether the proposed activity is consistent with the integrated resource plan or is otherwise justified on the grounds of system reliability, cost-effectiveness, or public interest.

Performance-Linked Licence Renewal

1. BEL's Comment

BEL supports that licence renewals be based on transparent performance and compliance criteria rather than discretionary decisions.

2. Rationale / Justification

- Aligns incentives with reliability, service quality, and compliance; supports investor confidence and good governance.

3. Suggested Regulatory Text

New Sub-regulation to Reg. 26 – Term of Licences

(X) In deciding whether to renew a licence, the Commission shall consider the licensee's compliance with licence conditions, applicable performance and quality of service standards, during the licence term, and shall provide written reasons for its renewal decision.



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