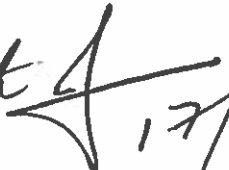


Shankar  17/1/18

ELECTRICITY (AMENDMENT) BILL, 2018

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ELECTRICITY (AMENDMENT) BILL, 2018

A BILL FOR AN ACT TO AMEND THE ELECTRICITY ACT

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Electricity Act (*No. 48 of 2015*), may be cited as the Electricity (Amendment) Act, 2018.
- (2) This Act shall come into operation on such date as the Minister may appoint by notice published in the *Gazette*.

2. Amendment of section 2 of the principal Act.

Section 2 of the principal Act is amended —

- (a) in the definition of “BPL installation” by the deletion of the words “a System Operator or”; and
- (b) by the deletion of the definition of “System Operator”.

3. Amendment of section 12 of the principal Act.

Section 12 of the principal Act is amended —

- (a) by the repeal and replacement of subsection (3) as follows —
“(3) BPL shall have responsibility for the performance of the functions under section 9.”; and
- (b) by the repeal and replacement of subsection (4) as follows —
“(4) BPL may at any time enter into a management contract for the services of a System Operator on such terms and conditions as may be determined by BPL and with the approval of the Minister.”.

4. Amendment of section 15 of the principal Act.

Section 15 of the principal Act is amended —

- (a) in the headnote, by the deletion of the words “and System Operator”;
- (b) by the repeal of paragraph (a) and the replacement of the following —
 - “(a) manage all GTDS installations and facilities owned by or vested in BPL;”.

5. Amendment of section 19 of the principal Act.

Section 19 of the principal Act is amended —

- (a) by the repeal of paragraph (e) and the replacement of the following —
 - “(e) the service contract with the Issuer shall provide that BPL may authorize an agent or subcontractor to act as Servicer on its behalf;”;
- (b) in paragraph (f), by the deletion of the words “or a System Operator”.

6. Amendment of section 20 of the principal Act.

Section 20 of the principal Act is amended —

- (a) in subsection (1), by the deletion of the words “Subsections (6), (7) and (8)” and the substitution of the words “Subject to subsection (6)”;
- (b) in subsection (2), by the repeal of subparagraph (1);
- (c) by the repeal and replacement of subsection (4) as follows —
 - “(4) BPL may submit to URCA, where necessary, a detailed plan and justification for investments in necessary system upgrades that include, for URCA's consideration proposals for cost recovery through the tariff rate.”;
- (d) by the repeal and replacement of subsection (6) as follows —
 - “(6) Without prejudice to subsection (5), URCA shall for a period of three years adopt and apply the tariff rate for electricity supply services recommended by BPL.”;
- (e) by the repeal of subsections (7) and the replacement as follows—
 - “(7) BPL shall within three months of the date of the commencement of this Act file with URCA the tariff rate for electricity supply services.”;

- (f) by the repeal of subsection (8).

7. Amendment of section 21 of the principal Act.

Section 21 of the principal Act is amended —

- (a) in subsection (1), by the insertion immediately after the word “securities” of the words “or by way of overdraft or otherwise”; and
- (b) by the insertion immediately after subsection (1) of the following new subsection —
 - “(1A) BPL may guarantee in such manner and upon such terms as it deems fit the payment of interest or principal or both on any monies borrowed in accordance with subsection (1).”.

8. Amendment of section 24 of the principal Act.

Section 24 of the principal Act is repealed and replaced as follows —

- “(1) BPL shall be responsible for the following electricity generation, transmission, distribution and supply services —
 - (a) operation, maintenance and upgrade of GDTS facilities as necessary to meet the standards and capabilities of a modern electricity supply system;
 - (b) undertaking the improvements necessary to achieve the development of new transmission and distribution facilities proposed by BPL;
 - (c) management of billing, collection and customer relations for all retail sales of electricity and, in carrying out such responsibilities, making recommendations for the approval of URCA of tariff terms intended to advance energy efficiency, conservation, demand response and protection of vulnerable customers; and
 - (d) subject to tariff terms approved by URCA, provision of street lightning on the basis of one of the following terms —
 - (i) a special tariff for street lightning;
 - (ii) a preferred rate for high efficiency lightening technology determined by URCA;
 - (iii) other alternative tariff terms for street lighting.
- (2) This section is without prejudice to section 20(6).”.

9. Amendment of First Schedule to the principal Act.

Paragraph (2)(c) of item 3 of the First Schedule to the principal Act is amended by the deletion of the words “and the System Operator”.

OBJECTS AND REASONS

Clause 1 of the Bill makes provision for the short title and commencement provision.

Clause 2 of the Bill seeks to delete the definition of “System Operator” and consequentially to provide for an amendment to the definition of “BPL installation”.

Clause 3 of the Bill seeks to repeal the existing provision providing for the mandatory requirement of a management contract with a system operator and to now provide for a discretionary power for same.

Clause 4 and 5 of the Bill seeks to remove the reference to “System Operator” wherever it appears.

Clause clause 6 of the Bill seeks to provide inter alia, for a consequential amendment and for the retention of the tariff rate adopted by URCA for a period of three years, which represents the remaining period of the initial management contract.

Clause 7 of the Bill seeks to provide for the raising of money also by way of overdraft or otherwise. Additionally, the clause seeks to empower BPL to guarantee in such manner and upon such terms as it deems fit, for the payment of interest or principal, or both, on any monies borrowed under subsection (1).

Clause 8 of the Bill seeks to provide for a further consequential amendment by vesting all management and operation powers solely by BPL.

Clause 9 of the Bill seeks to delete the reference to “and System Operator”.