GRENADA

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These draft Regulations are presently under review by the Government and experts provided through technical assistance to Grenada. Afterwards they will be subjected to a 'scrubbing' process inherent with law making by an Independent Consultant and together with inputs from consultations, substantial revisions are anticipated. Dissemination at this stage is purely for the purpose of wider stakeholders' feedback.'

GRENADA

STATUTORY RULES AND ORDERS NO. OF 2016

THE MINISTER IN EXERCISE OF THE POWERS CONFERRED ON HIM UNDER SECTION 61 OF THE ELECTRICITY SUPPLY ACT 2016 (ACT NO. OF 2016) MAKES THE FOLLOWING REGULATIONS

(Gazetted , 2016).

PART I
PRELIMINARY

Citation and commencement

1 (1) These Regulations may be cited as the Electricity Supply (Authorisation) Regulations 2016.

(2) These Regulations come into force on the commencement date.

Interpretation

2 (1) In these Regulations, unless the context otherwise requires—

"Act" means the Electricity Supply Act 2016;

"application fee" means the fee set under regulation 8;

"competitive tender rules" means the rules set by the Commission under regulation 6; and

"section" means section of the Act.

(2) Unless a term is defined in these Regulations or the context otherwise requires, terms defined by the Act have the same meaning when used in these Regulations.

PART 2
PROCEDURES FOR REQUESTING LICENCE OR PERMIT

Division 1: General

Issue of licence

3 A person may apply for the issue of a licence under section 14 by submitting to the Commission—

(a) a bid package in accordance with the competitive tender rules—in any case in which the Minister determines under section 14(z) that a competitive selection process should be used; or

(b) an application in accordance with Part 3—in any other case.

Extension of licence

4 (1) A person may apply for the extension of a licence under section 24 by submitting to the Commission an application in accordance with Division 3.

(2) The Commission may waive the requirement for any information or document from the applicant's previous application that it has in its possession and which is still current.

Issue of permit

5 (1) A person may apply for the issue of a permit under section 21 by submitting to the Commission an application in accordance with Division 3.

(2) The Commission may waive the requirement for any information or document from the applicant that it considers is not necessary to assess whether—

(a) the grant of the permit will present a risk to safety of persons, damage to property, or reliability of the supply of electricity;

(b) the applicant complies with all applicable law and standards.

Division 2: Bids

Competitive tender rules

6 (1) The Commission may set rules to govern the procurement of generation, or transmission and distribution, by competitive tender.

(2) The rules must reflect best practices and in the case of competitive procurement of power generation resources, it must in particular, provide for—

(a) the procurement, through requests for proposals, of resources that a comprehensive, coordinated planning process identifies as being—

(i) necessary to meet forecasted demand; and

(ii) best procured competitively;

(b) independent oversight to ensure that any generation by a network licensee is not favoured over competitively superior alternatives;

(c) rules to govern—

(i) the relationships and permissible interactions between a network licensee and its affiliates who compete to supply load; and

(ii) the circumstances in which a network licensee's rate-basing of new resources is favoured or allowed; and

(d) preference to be given to renewable sources unless trade offs are necessary to achieve other national energy policy objectives.

Bid package to include application

7 The competitive tender rules must require that the bid package contain the application form and documents required under Part 3.

Application fee

8 The bidder must pay an application fee in the manner and within the time limit stated in the competitive tender rules, in the amount set out in Schedule 1.

Division 3: Applications

Notice of intention to apply

9 A person must file a written notice with the Commission, in a form approved by the Commission, giving the Commission at least 30 business days' notice of its intention to file a licence application.

Application

10 The application must be in a form approved by the Commission, be submitted at least 30 business days after the notice of intention to apply, and contain—

(a) a description of the entities; and

(b) a description of the project.

Description of entities

11 The description of entities must include—

(a) the applicant's legal name, the legal names of all owners and operators of the site and the project, a description of the relationships between one another, and a description of their legal interests in the project;

(b) the address of its principal business, and the respective business addresses of the owners and operators of the site and project;

(c) the name, title, physical (registered, in the case of a company) and postal addresses, and e-mail address of the person authorised to receive notices and communications with regard to the application;

(d) a written and notarised oath, signed by the individual having authority with respect to the application and having knowledge of the contents of the application, that the individual conscientiously believes that the contents of the application and the accompanying documents are true and complete; and

(e) a checklist of the accompanying documentation required under regulation 13 confirming their inclusion in the application.

Project Description

12 (1) The description of the project must include—

(a) a general description of the electrical system to be used and must indicate so far as applicable—

(i) the precise location of the proposed site (such as by address, block and parcel number, assessment number, or GPS coordinates), and maps and photos as necessary to characterise the proposed site;

(ii) the type and capacity (in MW) of the facilities, by unit (if more than one unit);

(iii) the interconnection facilities, such as power lines, substations, switchyards, and other transmission equipment, and right-of-way (if required)

(iv) fuel characteristics, fuel supply routes and facilities, and fuel use scenarios;

(v) safety, emergency, and auxiliary systems;

(vi) water supply routes and facilities;

(vii) pollution control systems;

(viii) operational characteristics, such as expected capacity factor, estimated economic life, and typical generator maintenance schedules.

(b) a schedule detailing the expected project timeline, including design and engineering milestones, construction milestones, and expected in-service date.

(c) an estimate of the cost of developing the site, installing the proposed facilities, and operating the facilities over the estimated economic lifetime of the project.

(2) The project description should briefly explain how the proposed project design was arrived at, in particular, the applicant is to—

(a) state its reasons for selecting proposed site and technical characteristics of the generating and interconnection facilities;

(b) describe what impact the project might have on the stability and reliability of the electric system;

(c) estimate the impact of the proposed facilities on the average electricity tariff;

(3) State what other major factors, if any, influenced the project design as submitted to the Commission in the application.

Accompanying documents

13 (1) The application form must be accompanied by the following documents—

(a) the corporate documents of the applicant;

(b) a business plan and audited financial statements of the applicant and its owner; and

(c) evidence of compliance with relevant laws, regulations and standards.

(2) In the case of an applicant for a licence to generate electricity, other than a network licensee, a power purchase agreement between the applicant and a network licensee must also accompany the application.

Corporate documents of the applicant

14 The corporate documents must be certified copies of documents registered in the relevant Companies' Registry and enable the Minister to verify the information submitted in regulation 11(a), 11(b) and 11(c).

Business plan and audited financial statements

15 (1) The business plan and audited financial statements must be submitted under confidential cover.

(2) The business plan must include at least—

(a) the applicant's business goals, objectives, and mission;

(b) the ownership structure of the applicant, and what experience the applicant and its owners have in developing and operating similar projects;

(c) how the applicant will provide the energy, capacity, and other services it is contracted to provide under the power purchase agreement;

(d) the resources that the applicant will use to provide its contracted services;

(e) the applicant's financial plan, including estimates for key financial indicators against which the applicant, its owners, and creditors will measure its financial performance.

(3) The audited financial statements must be in respect of the applicant, and for each of its owners, for the preceding three fiscal years, and prepared according to generally accepted accounting principles (GAAP) of Canada, the United Kingdom, or the United States.

Evidence of compliance with relevant laws, regulations and standards

16 (1) The application must provide evidence that it has obtained the necessary permits and approvals from the relevant Government of Grenada agencies, which must include—

(a) evidence of planning permission under the Physical Planning Act, 2002;

(b) evidence that the electrical system complies with the standards for electrical systems in the Electricity Supply (Electrical Safety) Regulations;

(2) The applicant must also identify other relevant laws, regulations, and standards it must comply with during construction and operation of the project, should the licence application be approved and must—

(a) submit a list identifying each government agency having authority to approve or disapprove the construction or operation of the project;

(b) state whether any approvals have been obtained and submit a copy of each approval already obtained;

(c) state whether any applications for approvals have been denied, or if applications have not yet been made, and indicate how it plans to secure these necessary approvals prior to the applicable deadlines or project milestones.

Copies

17 The application must contain [three] duplicate hard copies and one electronic copy.

Application Fee

18 (1) The applicant must pay an application fee in the amount set out in Schedule 1, by cheque at the time of submission of the application, or by

bank or wire transfer to be received in the designated account of the Commission within 3 business days of submission of the application.

(2) The Commission may reject an application if payment is not received within the deadlines in sub-regulation (1).

(3) A payment receipt issued by the Commission is the only admissible evidence of payment within this deadline.

(4) The application fee is not refundable.

Notice of application and invitation for comments

19 (1) Within 3 days of receipt of payment of the application fee, the Commission shall, in accordance with section 16(2), publish the application on its website, make it available for viewing at its office, and publish notice of the application in the Gazette and in a newspaper of general circulation in Grenada.[1]

(2) The publication and the notice must include an invitation to the public to make comments within 40 days from the date of receipt of payment of the application fee.

Copy to Minister

20 Within 3 days of receipt of payment of the application fee, the Commission shall, in accordance with section 16(2), give a copy of the application to the Minister.

PART 3
PROCEDURES FOR THE ISSUE OF LICENCE

Division 1: Selection of Winning Bid

Competitive bidding rules

21 A bid must be evaluated in accordance with the competitive tender rules.

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[1] Section 16(2) of the Bill should be amended so that the Commission retains control of the publication. The burden of the expense of publication can remain on the applicant through the application fee. Sections 16 and 21 should also be amended to allow for the process and timelines in these Regulations.

Division 2: Determination of application

Review of application for completeness

22 (1) Within 30 days of issuing a payment receipt to the applicant, the Commission shall review the application for completeness.

Request for additional information

23 During the 30 day review period referred to in regulation 22, the Commission may request additional information from the applicant, subject to the following conditions—

(a) the additional information requested must be consistent with the information requirements in Part 2 Division 3;

(b) the applicant has 15 business days from any information request to respond; and

(c) any additional information submitted in response to the request must, subject to the requirement for confidentiality in section 45, be published on the official website of the Commission and made available for inspection at the office of the Commission within 3 business days of receipt.

Determination of completeness

24 (1) Within 45 days after issuing a payment receipt to the applicant, the Commission shall make a determination on the completeness of the application.

(2) If the Commission determines that the application is incomplete within the meaning of subregulation (3), and any time accorded to the applicant for completing the application has expired, the Commission shall reject the application.

(3) An application is incomplete if it does not contain the information and documents required under Part 2 Division 3 or further information requested by the Commission under regulation 23.

(4) If the Commission determines that the application is complete, it shall proceed to evaluate the application in the manner stated in section 26.

(5) The Commission shall inform the Minister of its determination under this section.

Rejection of incomplete application

25 The Commission shall inform the applicant of the rejection of the application by email and certified letter, stating the reason for the rejection within 3 business days after making a determination.

Evaluation of complete application

26 The Commission shall inform the applicant that the application is complete, by email and certified letter, within 3 business days after making a determination, and proceed to evaluate the application by assessing the facts presented in the application against the criteria in section 14, subject to regulations 27 to 30.

Assessing commercial viability and reliability

27 (1) The Commission shall consider the matters in subregulation (2) in assessing, for the purpose of section 14(w) whether—

(a) the Power Purchase Agreement is commercially prudent and viable; and

(b) whether the generation proposed under it will not adversely affect, or will enhance the system-wide capacity, reliability and efficiency of the network licensee.

(2) The matters referred to in subregulation (1) are—

(a) whether the power purchase agreement imposes unreasonable financial risks to the network licensee;

(b) whether the power purchase agreement conforms to interconnection standards established under the Act;

(c) whether the power purchase agreement imposes unreasonable technical risks to power quality or reliability of the transmission and distribution electrical system;

(d) whether the proposed generation electrical system is likely to exhibit a level of reliability at least equal to the bulk of the generating plants on the transmission and distribution electrical system;

(e) whether the applicant has secured relevant certificates under the *Electricity Supply (Electricity Safety) Regulations* to show that the proposed generation

electrical system comply with the standards for electrical systems.

(f) the design of the proposed generating electrical system to determine how it whether it would result in a significant adverse impact on the electricity sector;

(g) what design alternatives the applicant considered, and how it arrived at the proposed design.

Assessing compliance with law and policy

28 (1) The Commission shall consider the matters in subregulation (2) in assessing, for the purpose of section 14(w) whether the generation proposed under the Power Purchase Agreement—

(a) is not contrary to law; and

(b) is compatible with national electricity policy.

(2) The matters referred to in subregulation (1) are—

(a) whether the applicant has secured relevant permits under the Physical Planning and Development Control Act, 2002; and

(b) what other laws, regulations, and standards the applicant must comply with during construction and operation of the facilities and the extent to which the applicant's stated compliance plans are reasonable and suggest a likelihood that the applicant will successfully comply.

Assessing technical expertise and management competence

29 (1) The Commission shall consider the matters in subregulation (2) in assessing, for the purpose of section 14(w) whether the applicant has the necessary technical expertise and management competence to carry out the activities for the supply of electricity under the terms and conditions of the licence.

(2) The matters referred to in subregulation (1) are—

(a) the track record of the applicant and its owners in designing, building and operating similar projects, particularly in comparable jurisdictions;

(b) the leadership and ownership structure of the applicant;

(c) the quality of the project timeline and the cost estimate.

Assessing financial capacity

30 (1) The Commission shall consider the matters in subregulation (2) in assessing, for the purpose of section 14(x) whether the applicant has the necessary financial capacity to carry out the activities for the supply of electricity under the terms and conditions of the licence.

(2) The matters referred to in sub-regulation (1) are—

(a) the financial performance of the applicant and its owners over the most recent three years;

(b) the applicant's capacity to borrow funds

(c) the applicant's ability to provide equity from own and other sources.

Commission issues preliminary evaluation report

31 (1) The Commission shall submit a preliminary evaluation report to the Minister within 75 days of notifying the applicant that the application is complete.

(2) The preliminary evaluation report must contain—

(a) the assessment, done in compliance with regulations 27 to 30, of the facts presented in the application against all the criteria in section 14;and

(b) a recommendation, whether or not the Minister should approve the application—

(i) that is supported by the assessment; and

(ii) which takes into consideration the duties of the Minister in section 63.

(3) In preparing the preliminary report the Commission shall take into consideration any written public comments on the application received within the deadline in regulation 19.

Minister's preliminary decision

32 (1) The Minister shall issue a preliminary decision—

(a) directly to the applicant, via email and certified letter within 15 days of receiving the Commission's preliminary evaluation report; and

(b) copied to the Commission via email.

(2) The Minister shall state its rationale for reaching its decision.

Publication and invitation for comments

33 Within 3 business days of receiving the copy of the decision, the Commission shall post—

(a) the decision and its preliminary evaluation report on the website; and

(b) a notice inviting comments on the preliminary decision from the public within 14 business days from the issue of the preliminary decision.

Representations by applicant

34 If the preliminary decision is to reject the application, the applicant may make representations in writing to the Commission within 14 business days to resolve any of the concerns or grounds for rejection raised in the preliminary decision.

Final report

35 (1) The Commission shall submit a final report to the Minister within 25 days of the issue by the Minister of the preliminary decision.

(2) Before issuing a final report, the Commission shall consider—

(a) any additional information representations by the applicant submitted under regulation 34; and

(b) any written comments from the public.

(3) The final report must contain an updated version of the assessment and recommendation and indicate how the applicant's representations and public comments affected its assessment and recommendations.

Minister's final decision

36 (1) The Minister shall issue a final decision—

(a) directly to the applicant, via email and certified letter within 5 business days of receiving the Commission's final report; and

(b) copied to the Commission via email.

(2) The Minister shall state its rationale for reaching its decision and indicate how the applicant's comments or public comments affected the final decision.

Division 3: Issue of Licence or Permit

Form and content of licence or permit

37 (1) In accordance with sections 15 and 24(1), and subject to this regulation, a licence and a permit shall be in the form and include the terms indicated in Schedule 2.

(2) The Minister may omit from a licence or permit any provision that the Minister considers is not necessary to protect public safety, safeguard property and secure grid safety and reliability.

(3) A licence or permit may contain other provisions not inconsistent with the Act and the terms in Schedule 2.

Draft licence or permit

38 (1) The Commission shall submit a draft licence or permit, approved by the Minister, to the applicant for its consideration.

(2) Subject to regulation 37, the Commission may amend the draft licence or permit to reflect any changes agreed by the Minister and the applicant and submit the final licence or permit to the Minister for issuing.

Grant of licence

39 The Minister shall execute the final licence or permit and publish and issue copies of it in accordance with section 17(1).

SCHEDULE 1

(Regulations 8 & 18)

APPLICATION FEES

SCHEDULE 2

(Regulation 37)

FORM 1
GENERATION LICENCE

(*Electricity Supply Act 2016, section 14*)

1.1. In exercise of the powers conferred by section 14 of the Electricity Supply Act 2016, the Minister

HEREBY GRANTS A NON-EXCLUSIVE LICENCE

TO…… …… *(Name, registration number, and registered address of Licensee)* (the "Licensee")

AUTHORISING the Licensee as set out in Schedule 1

SUBJECT TO the conditions set out in Schedule 2.

1.2. This Licence is granted for a term of ……years [*not or more than 25 years*] commencing on the …… day of ……, 20…….. and ending on the …… day of ……, 20……., subject to section 23 [and 18?] of the Electricity Supply Act 2016. This licence may be extended in accordance with section 21 of the Electricity Supply Act 2016 and the Electricity Supply (Authorisation) Regulations, 2016.

1.3. This Licence may be modified only with the consent of the Licensee in accordance with section 20 of the Electricity Supply Act 2016.

1.4. This Licence is governed by the laws of Grenada.

SIGNED this …….. day of ……..20…….

……..……..
MINISTER
responsible for electricity

ACCEPTANCE OF CONDITIONS OF LICENCE

We, ……, the abovementioned licensee hereby accepts the conditions of this licence as contained in Schedule 2

SIGNED this …….. day of ……..20…….

…….. [Name of Chairman] …….. [Signature of Chairman]
……..……. [Title of Authorised Officer]

……..... [Name of Secretary] …….. [Signature of Secretary]

…….. [Title of Authorised Officer]

SCHEDULE 1
AUTHORISATION

PART 1 – GENERAL

1. Authorised activities

1.1. The Licensee is authorised to:

a) generate electricity using the Generating Facilities described in Part 2 of this Schedule;

b) sell electricity to the Network Licensee in accordance with the Power Purchase Agreement with a network licensee dated the … day of ……., 20….[2]

PART 2 – AUTHORISED GENERATING FACILITIES

2. Authorised Generating Facilities

Unit Name and Number	Technology	Nameplate Capacity (MW)	Net Output Rating (MW)	In-Service Date (DD/MM/YYY)	Estimated Retirement Date* (DD/MM/YYY)

* Retirement date shall be estimated on the basis of economic life of the unit as of the signing date of this Licence, or shall be equal to the term of the Licence, whichever is sooner

3. Emergency Replacement of Generating Facilities

3.1. In the event of Catastrophic Failure, as defined in Schedule 2, the Licensee may temporarily replace the failed generating unit or units comprising the Generating Facilities with units of equal or lesser capacity with the approval of the Commission.

3.2. If permanent replacements are required, the Licensee shall request a

[2] **Note**: Storage should not be regulated as an activity in and of itself. Regulation of generators would include standards about their equipment including its storage. Contrary to the requirement in section 15(d) of the Act, the location of the plant is regulated by the development and planning legislation not by the permit. A deadline for commencing operations required by section 15 (e) is not specifically included as this is not necessary. The Licensee will have an obligation to generate from the commencement date of the licence.

modification of the Licence to revise paragraph 2 of this Schedule.

SCHEDULE 2
CONDITIONS OF THE LICENCE

PRELIMINARY PART– INTERPRETATION

1. Interpretation Act and electricity sector legislation apply

1.1. Unless the contrary intention appears, words and expressions used in this Schedule shall be construed as if they were in an enactment and the Interpretation Act applied to them.

1.2. Any word or expression defined in the Electricity Supply Act 2016 shall, unless the contrary intention appears, have the same meaning when used in this Schedule.

1.3. Unless otherwise stated, references to sections are references to sections of the Electricity Supply Act 2016.

2. Definitions

2.1. In this Schedule, unless otherwise specified or the context otherwise requires:

"ancillary equipment and structures"	include the Licensee's main administration building, satellite office locations, warehouses, vehicle fleet garage and other necessary equipment and structures associated with the delivery of electricity services;
"capacity"	means the electric power (measured in kW) supplied or available to be supplied from the Licensee's generating facilities to the T&D system.
"catastrophic failure"	means a sudden and, unexpected failure of one or more generating units that form part of the Generating Facilities, which renders those units economically or technically unfit to generate;
"force majeure"	means an event or circumstance which prevents the Licensee from performing its obligations under this Licence, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the Licensee, and which the Licensee is unable to overcome or avoid or cause to be avoided through the exercise of due diligence. Events of force majeure may include, but are not limited to, acts of God; fire; flood; earthquake; war; riots; acts of terrorism; strikes, walkouts, lockouts and other labour disputes;
forced outage	means the shutdown of a generating unit for emergency reasons, or a condition in which the

	equipment is unavailable as a result of an unanticipated breakdown
"fuel costs"	means the actual cost of fuel and lubricants used by the Licensee in the generation of electricity under its Power Purchase Agreement with the Transmission Distribution and Retail Licensee;
"generating facilities"	means each generating unit and any plant or facility of the Licensee from time to time used for generation identified in Schedule 1 Part 2, and includes any structures, equipment or other things used for that purpose;
"licensee"	has the meaning given in paragraph 1 of this Licence;
"T&D" system	means transmission and distribution system;

PART 2 – OBLIGATIONS OF LICENSEE

The conditions subject to which this Licence is granted are as follows:

3. Supply capacity and energy

3.1. The Licensee shall generate and deliver, or cause to be delivered from the generating facilities to the T&D system the capacity and energy that is agreed under its Power Purchase Agreement.

4. Maintain Insurance

4.1. Subject to paragraphs 7.2, the Licensee shall obtain and maintain insurance coverage for:

4.1.1. physical damage to the generating facilities and ancillary equipment and structures; and

4.1.2. increase in fuel costs that results from unplanned fuel and lubricant consumption due to extended forced outages including a catastrophic failure.

4.2. The Licensee is released from the obligation to maintain insurance under paragraph 4.1 if provision for the liability is made through any of the following alternatives, subject to the approval of the Minister:

4.2.1. self-insurance which refers to the Licensee's financial capacity to meet any liability to a third party in respect of which the Licensee does not otherwise have insurance.

4.2.2. special tariff factor in the tariff methodology through which a factor in the tariff is applied for a time approved by the Commission after the disaster until the system is re-built providing the financing and re-building are be

done under the supervision of the Commission.

4.3. The Licensee shall not pass any increase fuel costs covered by the insurance to the TD&R Licensee and its customers, unless an Order under paragraph 7.2.2 was in effect when the increase in Fuel Costs were incurred.

5. Provide reports and audited financial statements

5.1. The Licensee shall, within [120] days of the end of the Licensee's fiscal year, submit to the Commission annually a set of financial statements, which have been audited by a Grenada chartered accountant.

5.2. On or before the final business day of January, April, July, and October of each calendar year, the Licensee shall submit to the Commission a quarterly report containing monthly operating statistics required by the Commission.

5.3. These quarterly reports shall include, at a minimum:

5.3.1. energy produced (in MWh) by each generating unit within the licensed generating facilities

5.3.2. energy supplied (in MWh) to network licensees

5.3.3. peak demand (in MW) imposed by the TD&R system on the Licensee

5.3.4. the maximum available generating capacity (in MW) of the Licensee's Generating Facilities at the time of peak demand on the T&D system

5.3.5. spent lubricant (in [xx units]) disposed of or recycled

5.3.6. safety and environmental incident reports.

5.4. On or before the 15th day of each month, the Licensee shall provide to the Commission, a report of the amount of fuel and lubricant consumed by the Generating Facilities for the previous month. For each type of fuel and lubricant consumed, the report shall detail the volume (in litres) purchased, the cost of purchases (in Bermudian dollars), opening and closing stocks, and consumption of fuel and lubricant used by the Generating Facilities.

5.5. For the purposes of enabling the reports in paragraph 7.4, the Licensee shall install, maintain and regularly calibrate (within industry specifications) fuel metering equipment to accurately measure, in real time, all fuel consumed by the Generating Facilities.

6. Outsourcing

6.1. The Licensee shall not outsource any of its core functions or duties unless approved by the Commission, such approval not to be unreasonably withheld, but to be based on the cost-effectiveness of the outsourced services and the fitness and propriety of the relevant third parties.

6.2. For the purpose of obtaining approval, the Licensee shall submit a business case to the Commission for its review.

6.3. Paragraphs 6.1 and 6.2 shall not apply to outsourcing the following:

(i) the Licensee's ancillary or support functions, and

(ii) the installation and repair of generating facilities.

7. Assignment of the Licence

7.1. A licensee shall not transfer or assign this licence without the consent of the Commission in accordance with section 19.

7.2. The consent of the Commission is not required for the exercise by a network licensee of step in rights conferred in the Licensee's Power Purchase Agreement in circumstances specified in that Agreement that result in the absence of capacity or energy that the Licensee is contracted to supply under the Agreement.

8. Communication

8.1. Any notices or other communication to the Licensee, not by law required to be sent to the registered address, shall be directed to:

Name:…….

Position:…….

Postal address:…….

Registered address:…….

Electronic mail:……..

8.2. Any notices or other communication to the Commission, not by law required to be sent to the registered address, shall be directed to:

Name:…….

Position:…….

Postal address:…….

Registered address:…….

Electronic mail:……..

9. Force Majeure

9.1. If the Licensee is prevented by force majeure from carrying out, in whole or part, its obligations under this License, the Licensee shall give notice and the details of the force majeure to the Commission as soon as practicable.

9.2. The Licensee shall be excused from the performance of its specific obligations prevented by the Force Majeure conditions during the period for which the Force Majeure conditions apply once the Commission, after receipt of the notice, issues an Order to that effect to the Licensee.

9.3. The Licensee shall take all reasonable and necessary steps to enable it to perform such obligations with all reasonable dispatch after the period of force majeure.

10. Early Retirement of Assets

10.1. The Licensee shall not retire assets early except with the approval of the Commission, which approval shall not be unreasonably withheld.

10.2. On any early retirement of assets, the Licensee may only recover the net book value of the retired generating facilities, regardless of whether the early retirement results from an economic evaluation, any change in Government policy or regulatory action.

10.3. The recovery shall take place in the manner determined by the Commission following approval of the Licensee's request to retire assets early.

11. Generation Performance Standards

11.1. The Licensee shall operate its Generating Facilities in accordance with the Generation Performance Standards set by the Minister.

11.2. For the purpose of setting a benchmark for electricity consumption for ancillary equipment and structures the Licensee shall:

11.2.1. within 365 days after this Licence becomes effective, assemble the data associated with the anticipated electricity consumption for its non-Generation Related Ancillary Equipment and Structures;

11.2.2. record the electricity consumption for that equipment and structures and provide that information to the Commission over ……. [*a period of time that is sufficiently long so as to be representative of the Licensee's actual electricity consumption for its non-generation related ancillary equipment and structures*].

12. Section 19 Conditions

12.1. A licensee shall not, without the prior consent in writing of the Minister, acquire, by purchase or otherwise, the licence or the business of, or for the purpose of supplying electricity associate itself with, any person supplying or intending to supply, electricity under any other licence.

12.2. A licensee shall not assign or encumber its licence or transfer, or divest itself of, its rights or obligations under a licence, or any part thereof, without the prior written consent of the Minister, which consent shall not be unreasonably withheld.

12.3. A licensee shall not, without the prior written consent of the Minister, lend funds or give credit to any of its officers or directors, or to any company by—

12.3.1. becoming surety, guarantor or endorser upon any obligations, contingent or otherwise, of such officer, director or company;

12.3.2. loaning funds, securities or other like assets to such officer, director or company; or

12.3.3. purchasing any obligation upon which the officer, director or company may be liable solely or jointly with others;

12.4. Any agreement relating to any transaction of the nature described in this paragraph, unless made with and subject to the consent of the Minister, shall be void.

FORM 2
PERMIT

(*Electricity Supply Act 2016, section 24*)

12.5. In exercise of the powers conferred by section 24 of the Electricity Act 2016, the Minister

HEREBY GRANTS A PERMIT

TO…… …… *(Name, registration number, and registered address of Permit holder)* (the "Permit holder")

AUTHORISING the holder as set out in Schedule 1

SUBJECT TO the conditions set out in Schedule 2.

12.6. This Permit is granted for a term of ……years [*not less than 20 years or more than 30 years*] commencing on the …… day of ……, 20…….. and ending on the …… day of ……, 20…….., subject to section 24(1) of the Electricity Act 2016. This permit may be extended in accordance with sections 24(1) and 21 of the Electricity Supply Act 2016 and the Electricity Supply (Authorisation) Regulations, 2016.

12.7. This Permit may be modified only with the consent of the holder, subject to section 24(1) of the Electricity Act 2016.

12.8. This Permit is governed by the laws of Grenada.

SIGNED this …….. day of ……..20…….

……..……..
MINISTER
responsible for electricity

ACCEPTANCE OF CONDITIONS OF PERMIT

We, ……, the abovementioned permit holder hereby accepts the conditions of this permit as contained in Schedule 2

SIGNED this …….. day of ……..20…….

……..……..
PERMIT HOLDER

SCHEDULE 1
AUTHORISATION

PART 1 – GENERAL

1. Authorised activities

1.1. This permit authorises the Permit holder to The Permit holder is authorised to supply excess electricity to a network licensee using the Generating Facilities described in Part 2 of this Schedule.

PART 2 – AUTHORISED GENERATING FACILITIES

2. Authorised Generating Facilities

Unit Name and Number	Technology	Nameplate Capacity (MW)	Net Output Rating (MW)	In-Service Date (DD/MM/YYY)	Estimated Retirement Date* (DD/MM/YYY)

* Retirement date shall be estimated on the basis of economic life of the unit as of the signing date of this Permit, or shall be equal to the term of the Permit, whichever is sooner

3. Emergency Replacement of Generating Facilities

3.1. In the event of Catastrophic Failure, as defined in paragraph 3.2, the Permit holder may temporarily replace the failed generating unit or units comprising the Generating Facilities with units of equal or lesser capacity with the approval of the Minister.

3.2. Catastrophic Failure means a sudden and, unexpected failure of one or more Generating units that form part of the Generating Facilities, which renders those units economically or technically unfit to Generate.

3.3. If permanent replacements are required, the Permit holder shall request a modification of the Permit to revise paragraph 2 of this Schedule.

SCHEDULE 2
CONDITIONS OF THE PERMIT

PRELIMINARY PART– INTERPRETATION

4. Interpretation Act and electricity sector legislation apply

4.1. Unless the contrary intention appears, words and expressions used in these Conditions shall be construed as if they were in an enactment and the Interpretation Act applied to them.

4.2. Any word or expression defined in the Electricity Supply Act 2016 shall, unless the contrary intention appears, have the same meaning when used in the Conditions.

4.3. Unless otherwise stated, references to sections are references to sections of the Electricity Supply Act 2016.

5. Definitions

5.1. In these Conditions, unless otherwise specified or the context otherwise requires:

"Capacity"	means the electric power (measured in kW) supplied or available to be supplied from the Permit holder's Generating Facilities to the T&D system.
"Generating Facilities"	means each generating unit and any plant or facility of the Permit holder from time to time used for Generation identified in Part 2 of Schedule 1 of this Permit, and includes any structures, equipment or other things used for that purpose.
"T&D" system	means transmission and distribution system;

PART 2 – OBLIGATIONS OF PERMIT HOLDER

The conditions subject to which this Permit is granted are as follows:

6. Connection

6.1. The Permit holder shall connect the generating facilities to the transmission and distribution network only if it complies with the standards for electric plant and any Code of rules developed under the Electricity Supply Act 2016 establishing standards for connecting to the T&D system.

7. Reporting Requirements

7.1. On or before the final business day of January and July of each calendar year, the Permit holder shall submit to the Minister a semi-annual report containing monthly operating statistics required by the Minister.

7.2. These reports shall include, at a minimum:

7.2.1. Energy produced (in MWh) by each generating unit within the licensed generating facilities;

7.2.2. Peak demand (in MW) served by the Generating Facilities; and

7.2.3. Safety and environmental incident reports.

8. Assignment of the Permit

8.1. A permit holder shall not transfer or assign this permit without the consent of the Minister in accordance with sections 24(1) and 19.

9. Comply with laws

9.1. The Licensee shall comply with any directive, order, rule, decision or approval issued, made or granted by the Minister or Commission in accordance with the electricity legislation.

9.2. The Permit holder shall comply with any other laws of Grenada that apply to it.

10. Section 19 Conditions

10.1. A licensee shall not, without the prior consent in writing of the Minister, acquire, by purchase or otherwise, the licence or the business of, or for the purpose of supplying electricity associate itself with, any person supplying or intending to supply, electricity under any other licence.

10.2. A licensee shall not assign or encumber its licence or transfer, or divest itself of, its rights or obligations under a licence, or any part thereof, without the prior written consent of the Minister, which consent shall not be unreasonably withheld.

10.3. A licensee shall not, without the prior written consent of the Minister, lend funds or give credit to any of its officers or directors, or to any company by—

10.3.1. becoming surety, guarantor or endorser upon any obligations, contingent or otherwise, of such officer, director or company;

10.3.2. loaning funds, securities or other like assets to such officer, director or company; or

10.3.3. purchasing any obligation upon which the officer, director or company may be liable solely or jointly with others;

10.4. Any agreement relating to any transaction of the nature described in this paragraph, unless made with and subject to the consent of the Minister, shall be void.

11. Communication

11.1. Any notices or other communication to the Permit holder, not by law required to be sent to the registered address, shall be directed to:

Name:…….

Position:…….

Postal address:…….

Registered address:…….

Electronic mail:……..

11.2. Any notices or other communication to the Commission, not by law required to be sent to the registered address, shall be directed to:

Name:……

Position:……

Postal address:……

Registered address:……

Electronic mail:……..