



Interim Tariff Presentation

Empowering Grenada's Energy Future: A Path to Understanding



Public Utilities Regulatory
Commission (PURC)



Welcome to **PURC**

The Public Utilities Regulatory
Commission (PURC) is an independent
regulatory body established by the PURC
Act of 2016.



Mission

To ensure reliable and sustainable utility services at fair and reasonable prices.



Vision

To build a strong and sustainable regulatory regime that supports the economic development of Grenada and protects consumers' interests.

What We Do

1 Energy Tariffs

Setting, initiating, and conducting tariff reviews to ensure fair and reasonable prices for consumers.

2 Energy Sustainability

Provide an enabling environment for sustainable energy adoption.

3 Consumer Complaints

Investigating and facilitating fair resolutions to consumer complaints.

4 Permitting & Licensing

Making recommendations on permits and licenses for renewable energy generation to ensure quality services.

5 Balancing Cost & Return on Investment (ROI)

Ensuring a fair ROI for public utilities to encourage the stability and growth of our energy sector.

Why Regulate?

It's simple:

To ensure that the rates charged by essential utility services are **fair and reasonable**.

Regulation **ensures** that our national infrastructure and essential services **are managed in our best interests**.





What's an Electricity Tariff?

An electricity tariff is the rate paid by consumers for the electricity that they consume.

Your Prior Electricity Tariff Structure

1

Base Non-Fuel Charge

The cost of producing and delivering electricity to you, *aside* from the cost of the fuel itself.

2

Fuel Charge

The **cost** of the fuel used to generate your electricity (e.g., oil or natural gas).

3

Service Charge

Minimum charge.

Issues With the Previous Tariff

Inappropriate Classification of Renewable Energy

Renewable energy did not have a distinct rate and was charged at the same rate as fossil fuel energy.

Unchanged Non-Fuel Charge

The non-fuel charge has not been thoroughly reviewed in 3 decades and so may not accurately reflect actual costs.

Under / Over-Recovery of Fuel Costs

The prior methodology allows for penalties or benefits depending on movement in fuel prices.

The Tariff Review Process

Timeline: 24 months

Old
Tariff



Changing the
fuel charge
calculation



Recategorization
of Renewable
Energy



Assessment and
adjustment of
the Non-Fuel
Charge



Grenlec's Tariff
Proposal



PURC's Tariff
Determination

New
Tariff



What's an INTERIM Tariff?

A temporary or provisional pricing structure or rate implemented while a more comprehensive and long-term tariff structure is being developed or revised.

Interim Tariff Solutions

1

Fuel as a Pass-Through Charge

Ensuring that only the cost of fuel is reflected as a component of the fuel charge on your electricity bill.

2

The Renewable Charge

Separating renewable energy and fuel-generated electricity charges to provide you with a fair price for your energy used.

3

Adjusting Non-Fuel Charges

Basic assessment of existing non-fuel charge, and adjustment in line with inflation.

Interim Tariff Structure

1

Base Non-Fuel Charge

The cost of producing and delivering electricity to you, aside from the cost specific to the typed of energy used.

2

Fuel Charge

The cost of the fuel used to generate your electricity (e.g., oil or natural gas).

3

Renewable Charge

The cost of harnessing and integrating renewable energy (RE) sources into the power lines.

4

Service Charge

Minimum Bill.

Interim Tariff Fuel-Charge Calculation

Sep-23

Jun-23

Jul-23

Aug-23

| | | | | |
|---|---------|------------|------------|---------------|
| Diesel Consumed Gallons(IMP) | A | 1,091,413 | 1,145,724 | 1,233,176 |
| Price Per Gallons(IMP) (\$) | B | 8.56 | 8.57 | 9.57 |
| Cost Of Diesel Consumed(\$) | A*B | 9,342,495 | 9,818,855 | 11,801,494 |
| Fuel Energy Consumption | C | 19,336,533 | 19,904,586 | 21,147,261 |
| Monthly Fuel Rate(FR)/kWh | (A*B)/C | 0.4832 | 0.4933 | 0.5581 |
| AVERAGE FUEL RATE | | | | 0.5115 |
| +/-Fuel Adjustment Clause(FAC) Per kWh | | | | |
| FUEL CHARGE kWh | | | | 0.5115 |

Basic September 2023 Bill Comparison

PRIOR Calculation

ELECTRICITY CHARGES

Metered-Non-Fuel (150kWh @0.4057)

Metered Fuel (150kWh @0.5463)

Fuel Adjustment Clause

Renewable Energy (0kWh @0.3657)

TOTAL ELECTRICTY CHARGES

\$
60.86
81.95
-
-
142.80

INTERIM Calculation

ELECTRICITY CHARGES

Metered-Non-Fuel (150kWh @0.4057)

Metered Fuel (145kWh @0.5115)

Fuel Adjustment Clause

Renewable Energy (5kWh @0.3657)

TOTAL ELECTRICTY CHARGES

\$
60.86
74.17
-
1.83
136.85

SAVINGS

4%



Global Influences on Our Energy Costs

Supply and Demand

Geopolitical conflicts (like the ongoing Ukrainian conflict) and economic shifts can disturb the balance between supply and demand for energy resources.

Seasonal Changes

When the demand for energy surges in the northern hemisphere during the winter **(due to a need for heating)**, energy prices spike everywhere.



What does this mean for Grenada's energy prices?

PURC's Renewable Energy Programmes

Self-Generator Programme

Empowers you to generate electricity for your own use and sell the excess back to the grid.

Benefits

- **Decreased electricity bills** and payment for excess electricity sold back to the grid.
- **Self-reliance** based on stored energy.
- An active role in **reducing Grenada's carbon footprint.**

PURC's Renewable Energy Programmes

Small-Scale Independent Power Producer (SIPP) Programme

Enables local Independent Power Producers (IPP) to construct and operate renewable energy facilities.

Benefits

- **Reasonable returns** for small local investors.
- **Increases renewable energy** consumption.
- Support **Grenada's sustainable energy transition**.



Thank You

Let's build a brighter and more sustainable tomorrow, *together.*



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