

## Respondent No. 2 - Generation Licence Granted to Grenada Electricity Services Limited

### **1. Generation License Granted to Grenada Electricity Services Ltd under Sections 14 and 67 of the Electricity Act 2016**

*Section L #3 pg. 17* - Disposition of the Licensee upon Revocation of the License.

Upon revocation of the Licence, **the Minister may give the Licensee written notice requiring the Licensee to compulsorily divest the authorized Generation Electrical System to a third party selected in accordance with the regulations.**

In such case, **the Licensee shall take all reasonable steps, and shall cooperate with efforts by the Minister to identify a third-party purchaser for acquisition of the Authorized Generation Electrical System.** If no such acquisition is concluded within the twenty-four (24) months following the revocation of this license, the government may acquire the Authorized Generation Electrical System.

**The proponents of this draft expect that it is acceptable to legislate that upon revocation of the licence;**

- GRENLEC must sell its property to a third party
- Mandate that the company (GRENLEC) actually assist the Minister in identifying that third party.

This is an untenable assertion!

### **2. Accessibility and Public Awareness**

The Public Utilities Regulatory Commission (PURC) has published nine (9) documents captioned "**Consultation Documents**" as follows

1. PURC Consultation Guidelines
2. Draft Regulations on Tariff Setting Methodology
3. Draft Regulations on Rules and Procedures for Applying for Licences and Permits
4. Draft Generation Expansion Planning and Competitive Procurement Regulations
5. Draft Generation Licence- Grenada Electricity Services Limited
6. Draft Network Licence- Grenada Electricity Services Limited
7. Draft Grenada Electricity Sector Grid Code- Introduction Code

8. Draft Electricity Sector Grid Code- Generation Code
9. Draft Grenada Electricity Sector Grid Code- Transmission and Distribution Code

According to the **PURC** Home page, deadlines for submission of comments on the documents were originally scheduled for February 6<sup>th</sup> with consultations carded to end on 31<sup>st</sup> March. A new deadline of April 16<sup>th</sup>, 2020 has been given for the submission of comments on the documents.

Contrary to what is expected, the consultation documents are not available on the PURC Website or are very difficult to find. However, we note that the said documents are accessible on the Government website, [www.gov.gd](http://www.gov.gd)

**The level of public awareness is very low, and the voluminous raft of documents will attract only a handful of interested persons. Consequently, the average Grenadian will not have had the opportunity to weigh in on such weighty matter. The level of public interest and awareness generated must be seriously improved to obtain a reasonable public opinion on these matters.**

### **3. The Consultative process**

According to PURC website, a total of 12 consultations are listed. However, in a letter to shareholders of GRENLEC dated February 11<sup>th</sup>, 2020, **it was revealed that the PURC refused to entertain a meeting with a delegation from the Board of Directors of the Grenlec and furthermore rejected a proposal for pre-consultation.**

The respondent therefore strongly advises that the government make every effort at maintaining an amicable relationship with GRENLEC, a company which has approximately 1300 local shareholders.

The respondent is very **alarmed and concerned**, in particular with the “Draft” regulations which speaks notably to the **compulsory transfer of shares of private shareholders without** compensation which directly contradicts the constitution which upholds the right to private property. This proposed action is certainly an area for conflict, which is ill advised.

Further, it is our conviction that an environment where Government can pass regulations which gives the power to assume control of a private company without compensation is certainly contrary to the creation and sustainability of an enabling business environment. It stokes animosity, creates discontentment and reduces the ability to instill investor confidence and produce an excellent doing business environment.