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Subject: Worldwatch Institute Comment Submission to Jamaica Office of Utilities Regulation Regarding the Electricity Wheeling Methodologies Consultation Document

The Worldwatch Institute submits the following comment in response to the Electricity Wheeling Methodologies Consultation Document released by the Jamaica Office of Utilities Regulation (OUR) on December 31, 2012. The Institute is currently developing a Sustainable Energy Roadmap for Jamaica that will analyze how the country can transition to an energy system that is economically, socially, and environmentally sustainable. The final report will be launched in April.

The Honorable Prime Minister Portia Simpson Miller's administration has committed to the ambitious goal of 30% renewable energy by 2030. Currently GOJ is still in the process of developing concrete policies and incentives to reach its renewable energy target, including net billing, a request for proposals (RFP) for 115 megawatts (MW) of renewable electricity capacity, and the electricity wheeling program addressed here.

Net billing has a maximum capacity of 100 kilowatts (kW) for small commercial capacity, and the renewable RFP is targeted towards utility-scale renewable capacity. Electricity wheeling provides an opportunity to promote distributed renewable generation at the large commercial or industrial scale (over 100 kW to several MW). Our research makes clear that it is important that the electricity wheeling program be open to all renewable energy sources, from both firm (e.g. bagasse, waste) and variable (e.g. solar and wind) capacity.

In our judgment, ongoing efforts to strengthen Jamaica’s national electricity grid should be continued and expanded in order to accommodate new, variable renewable generation in accordance with GOJ targets. In the meantime however, Jamaica’s electricity generation mix is dominated by diesel and fuel oil (and planned liquefied natural gas capacity), which can be rapidly fired up or down in response to variable renewable generation and changes in electricity demand. So long as OUR undertakes precautions to address grid congestion, voltage regulation, and other issues associated with distributed generation, Jamaica’s grid is capable of integrating variable renewable capacity through the wheeling program.
Large commercial- and industrial-scale renewable electricity generation is a cost-effective way to meet GOJ renewable energy targets. Electricity wheeling should therefore include variable generation capacity in order to promote development of solar and wind energy technologies at this scale. When the wheeling methodology is established, we would recommend, OUR should require that the fee is not prohibitive so that distributed generators still have an incentive to participate in the program.

As Jamaica’s electricity regulator, it is OUR’s responsibility to ensure that the national electricity grid is prepared to accommodate the new renewable electricity capacity – both firm and variable – needed to meet the administration’s 30% target. Given the high cost of the current petroleum-based electricity system and the country’s strong renewable energy resources, it is very clear to the Worldwatch Institute that Jamaica can transition to a secure and reliable renewable energy system while still reducing electricity costs for consumers.