



Ministerial Statement
To The House of Assembly

By

Dr. The Hon. E. Grant Gibbons, JP, MP
Minister of Education and Economic Development

Energy Summit 2014

Friday November 21st, 2014

Mr. Speaker, I rise this morning to provide this Honourable House with information on the Energy Summit that was held at the Southampton Princess on the 13th November 2014.

Mr. Speaker, The Energy Summit was a collaborative event organised by the Ministry of Education and Economic Development, Bermuda First, the Chamber of Commerce, Ascendant and Greenrock. The Summit provided the opportunity for a broad set of stakeholders to participate in a collaborative forum on the reform of the energy sector.

Mr. Speaker, the Energy Summit was chaired by Dr. Ted Kury, the Director of Energy Studies at the Public Utility Research Centre at the University of Florida. He is responsible for promoting research and outreach activities in energy regulation and policy. He develops research strategies on emerging issues and best practices and serves as an expert resource for regulatory professionals, policymakers and service providers in Florida and around the World.

Mr. Speaker, the Summit consisted of three panels followed by a facilitated forum to determine the focus of future workshops on energy.

The first panel – *Evolution versus Revolution* consisted of panellist Ms. Alisan Amrhein, the Project Manager of the 2014 Bermuda Offshore Wind Study from the Ben School of Environmental Science and Management at the University of California, Santa Barbara; Mr. Bill Capp, President of Grid Consulting, LLC; Mr. Jamie Smith, President and CEO of Solar Bermuda; and Mr. Denton Williams, Senior Vice President & Chief Operating Officer at BELCO. This panel was moderated by Dr. Karl McDermott, Professor of Business and Government for the University of Illinois. The panel discussed the viability of Liquefied Natural Gas (LNG), various renewable energies such as wind and solar, potential opportunities for the storage of energy, energy conservation and efficiency and how mature and emerging renewable technologies can be integrated into the existing grid while ensuring consumers continue to receive a stable and reliable supply of electricity

Mr. Speaker, the second panel – *Rules of Engagement* consisted of panellist Mr. Craig Simmons, Lecturer and Economist at the Bermuda College, Mr. Gianmarco Servetti, the Practice Leader for Renewable Energy and Energy Efficiency with Castalia Strategic Advisors; and Mr. Thomas Timmins, a Partner with the law firm Gowling Lafleur Henderson. This panel's discussion centred on understanding the right balance between legislation, regulation and policy that is required to promote inward investment, support the introduction and adoption of sustainable "green practices" and create a thriving energy sector. The panel was moderated by Mr. Karl Rabago Principal at Rabago Energy LLC.

Mr. Speaker, the third and final panel – *The Way Forward* included Ms. Julia Van Beleen, a Partner & Senior Project Architect at Cooper & Gardner, Mr. David Cash, a Director of the Bermuda Business Development Agency, Mr. Mark Wieck, the Director of Sustainable Programs for Dow Chemical and Mr. Walter Higgins, President & CEO of the Ascendant Group. The panellists discussed energy conservation and efficiency, reduction of greenhouse gases and managing the price of electricity.

Mr. Speaker, following the three panel discussions, a facilitated forum was conducted to generate ideas that will define future workshops to discuss Bermuda's energy future. The overall objective was to capture the thoughts, ideas and expectations from all of the stakeholders to assist in defining the national energy plan, drive legislation and the regulation of energy to foster the creation of a sustainable energy portfolio for the future.

Mr. Speaker, the Energy Summit was a great success and was well attended by over 90 stakeholders including overseas energy and regulatory officials and experts. We were also pleased to have had representatives from local companies and organisations including; the Association of Bermuda International Companies (ABIC), the Association of Bermuda Insurers and Reinsurance (ABIR) as well as stakeholders involved directly in the energy sector such as ExxonMobil Bermuda (now SOL Petroleum), BELCo, Bermuda Gas, BESCO and Rubis Energy Bermuda. Environmental organisations were also in attendance such as Greenrock, Bermuda Environmental and Sustainability Taskforce (BEST) and the Bermuda Institute of Ocean Sciences (BIOS). The Renewable Energy Sector was also represented at the Summit by Bermuda Engineering, Solar Bermuda Limited, The Green House Bermuda, Alternative Energy Solutions, Bermuda Alternative Energy, and the Energy Coalition Bermuda. A number of statutory organizations and Government department officials also attended including; the Regulatory Authority, the Energy Commission, the Bermuda Energy Working Group and the Bermuda Tourism Authority. Various other Ministries were involved in the Summit including the Ministry of Public Works, the Ministry of Home Affairs, the Ministry of Tourism Development and Transportation, the Ministry of Health, Seniors and Environment, and the Ministry of Finance. **Mr. Speaker**, the Opposition was also represented, as was the Corporation of Hamilton, the Corporation of St. Georges, the Bermuda Land Development Corporation and the West End Development Corporation.

Mr. Speaker, copies of the presentations that were given at the Summit are in the process of being collated and will soon be available online on both the Summit's website and the Department of Energy's webpage on the Government Portal. Those sites can be found at BermudaEnergySummit.bm and Gov.bm.

Mr. Speaker, Bermuda's energy future is about change. We must re-frame the way we think, use, purchase, regulate and even source our energy – this transformation must therefore begin with dialogue. The Energy Summit was the commencement of that transformation process, by bringing together the widest range of stakeholders possible. We did not expect to conclude the day with solutions, because we are still learning about the future work required, and understanding what questions need to be asked and what conversations need to be pursued. This summit was about what's best for Bermuda.

One thing is clear **Mr. Speaker**, we cannot continue to produce electricity exclusively from oil. There is too much risk, not just in terms of the volatility of pricing, but also in terms of the impact on the environment. We must examine other alternatives and create a diversified energy portfolio. We must ensure that the technologies are robust, proven, and economically viable, and that the rules of engagement are equal to the task. A crucial first step is to get the policies right, while creating a transparent regulatory environment that promotes affordable consumer prices, creates jobs and protects Bermuda's environmental and economic future.

Mr. Speaker, the process of developing these policies and creating the regulatory regime to support them will take a tremendous amount of effort. However to assist in this process, the Department of Energy is in the final stages of engaging specialists consultants who are not only well versed in this area; but who are also very familiar with energy issues in small island jurisdictions. **Mr. Speaker**, I shall elaborate on this proposed consulting engagement in a subsequent Ministerial Statement; but I am pleased to inform this Honourable House that the Department of Energy has also been working on interim measures to formalize Power Purchase Agreements between BELCO and the residential and commercial solar power owners. The Department, on a very short-term contract, has engaged the firm of Gowling Lafluer Henderson to develop these interconnection and Power Purchase Agreements. Their initial report has been received and is currently being reviewed, after which it will be shared with all the stakeholders, including the Energy Commission, the Bermuda Energy Working Group, the Solar power installers and of course BELCO as part of the implementation process.

Thank you **Mr. Speaker**.