

In response to Sacha Tibbetts' recent interview on Cayman Marl Road with Sandra Hill, the Cayman Renewable Energy Association, CREA, would like to issue the following rebuttal to some of his comments.

Mr. Tibbetts has applauded the quick uptake of CUC's 3 MW increase to their capacity and stated that "the program that we opened up on the 1st of March sold out in 5 hours". What Mr. Tibbetts did not say is that this quick uptake is exactly what CUC's actions intentionally create to the detriment of consumers and local solar companies. Whilst it is heartening to see the residents of the Cayman Islands so eager to adopt solar energy, it must be noted that the quick uptake of this capacity is primarily due to renewable scarcity and artificial demand created intentionally by CUC and sadly allowed by OfReg. CREA wrote to OfReg weeks prior to the release and explained in detail that if CUC were yet again allowed to release capacity in this manner it would be gone immediately. OfReg once again choose to do nothing and exactly as CREA predicted the capacity was immediately gone. The speed at which this increase in capacity was bought up shows that there is the demand for solar on the islands. Through proper planning and implementation there should not be any barriers to this demand, least of all the constriction of capacity by a monopoly utility company that benefits from the sale of fossil fuel-generated energy.

To meet the Cayman Government's National Energy Policy goal of supplying 70% of the island's electricity needs with renewable energy by 2037, the island should be aiming to install as much distributed solar capacity now and in the immediate future as it can. This kind of solar energy takes up existing developed space, such as rooftops, and saves degrading natural land for large solar farms, among other benefits. The island needs to be installing tens of MW's worth of capacity every year to reach this 70% target, not having CUC release small amounts of capacity every few months or years. This stop-start increase of capacity is not sustainable for local renewable energy installers and continues to frustrate consumers. Furthermore, by law, there must be competition in the energy sector. When CUC closes the solar programs for months and years at a time there is no longer competition, and the only viable choice Cayman's consumers have in energy is CUC. This sporadic and limited release of capacity has already put local companies out of business, and so we refute Mr. Tibbetts' claim that "the CORE program... benefits the company that installed" the system.

The fact is CUC are the primary beneficiary of intentional actions to limit the adoption of consumer renewables in the Cayman Islands which risks putting their competitors in the renewable energy sector out of business by shutting down their ability to operate for months at a time. CUC hopes to then capitalize on this situation once the damage is done and said competitors are out of business or irreparably harmed. CUC has acted in this manner for several years now and only CREA has opposed them to date.

CUC has claimed for years that the reason they stop and start the solar programs is for grid stability concerns, but the 2017 infusion study has always proven that to be false, as does CUC's current admission of how much capacity is available.

To ensure the creation of green jobs and businesses on island within this sector, CUC needs to allow a continual release of capacity without cessation until the Cayman Islands reaches its National Energy Policy targets. It is unlikely CUC will ever do this willingly, as they stand to gain by not doing so. This is why OfReg, as the country's energy regulator, has a duty by law and policy, to ensure fair competition, consumer choice and promoting the sustainable energy industry.

Mr. Tibbetts stated that "the primary strategy of the company is to get as much... affordable solar on the grid as possible" to enable the replacement of expensive diesel fuel. One of the main blocks to this is CUC drip feeding the island renewable capacity rather than allowing individuals to take renewable installations on their properties into their own hands. **CREA asks CUC to declare the maximum capacity to which solar energy could be raised to at this current moment in time and provide evidence of this to the public.** The affordable solar that Mr. Tibbetts speaks to is large utility solar. Large utility solar best enables CUC control of the resource and building of their monopoly. This flies in the face of energy independence, increased grid stability, fair competition, consumer

choice, and equitable access to renewable energy resources. Instead, equitable access to renewable energy needs to be considered as the better option for consumers and enforced by OfReg.

Regarding the feed-in-tariff rates, Mr. Tibbetts claimed that the speed of uptake made a “very clear point that there really isn’t any need for the rate to be higher”. This is a self-serving argument for CUC, the main reason for the speed of uptake is due to the bottlenecking of renewable capacity carried out by CUC. CUC thus creates artificial demand by closing the programs for months and only releasing limited capacity (scarcity). They then use the very situation they created as a justification for paying consumers lower rates than the true value their solar is worth. CUC knows for a certainty that the current rates being paid are not commensurate with the value consumers should be getting for their solar. The Value of Solar study, completed in the past few months confirms this and now expertly quantifies what is and is not a subsidy. Predictably CUC does not support the rate findings of this independent study, which is yet to be released to the public. If CUC truly has the country’s best interest at heart over a desire to further their interests, they should explore every option to encourage competitive private sector-led installation and financing of renewable energy systems on residential and commercial properties. This includes supporting private sector-led financing and attractive rates of purchase to encourage solar installations in line with the Value of Solar study, the introduction of off-peak energy charges, and the removal of barriers to full capacity of consumer solar PV and other renewables.

CREA does not support CUC’s decision to explore options for assisting customers in obtaining access to solar and storage through CUC-developed programs and financing and neither should the public. Being the only exclusive energy provider on island, this just adds further control to their monopoly. These capacity restrictions and rate arguments are the actions of an entity desiring to move from a fossil fuel monopoly to a renewable energy monopoly. CUC is a monopoly utility that by law no other company in the Cayman Islands can compete with on the sale of electricity, but CUC then desires to compete against local companies in the consumer renewable energy sector. Rest assured they will use their monopoly advantages to monopolize this sector if allowed. Monopolies are detrimental to consumers not beneficial, despite monopolies constantly trying to convince the public otherwise. The rise in global fuel prices over the past few years has highlighted our need to move away from an energy system driven by fossil fuel usage. Solar is just one technology that the Cayman Islands need to take advantage of in order to do our part in mitigating the anthropogenic climate crisis. Meeting the renewable energy targets in the National Energy Policy but enabling a renewable energy monopoly in the process will hurt the people of the Cayman Islands while only benefitting CUC and its shareholders. Renewable energy is a disruptive technology and democratizing force, everyone can own a piece of it, and this is what monopoly utilities fear.

These realities are what Mr. Tibbetts fails to mention in his recent comments and isn’t disclosed in CUC’s ‘Road to Renewables’ PR campaign.

Sincerely,

CREA Board of Directors