

# THE REGULATORY REPORT

## THE RA SAVES ENERGY CONSUMERS UP TO \$90 MILLION

Data from the Regulatory Authority of Bermuda (RA) outlines that the regulator has saved consumers approximately \$90 million from revenue allowance sought by BELCO between 2020 and 2024.

In February 2024, the RA successfully defended an appeal from BELCO's legal challenge. The utility sought \$478 million and a rate of return of 8.96 per cent over two years. Instead, they were granted \$454 million and a 7.16 per cent return rate over the mentioned period.

In reflecting on their success, the RA is releasing new information to showcase further savings the organisation has diverted from being passed on by BELCO to the public.

It is evident that the RA has carefully scrutinised the utility's expenses year after year. Most recently, in 2023, the RA saved approximately \$12 million in approved revenue and \$23,943,478 in 2024.

This information, along with the court ruling, affirms the RA's unwavering dedication to safeguarding Bermuda's regulated sectors.

### BACKGROUND

Every year, the regulatory requirements set out by the Electricity Act 2016 require the RA to set the retail tariff, and the retail tariff methodology enables BELCO, as the TD&R licensee, to generate a total revenue.

The allowed revenue recovers reasonable service costs incurred in achieving the service standards. These factors include investment costs (return on investments), operating expenses, fuel, generation procured, and other costs, including government authorisation fees and the Regulatory Authority retail tariff filings submitted by BELCO, which are carefully assessed.

However, on multiple occasions, the RA has identified several areas of significant concern across assumptions, calculations, and proposals from BELCO's application. Simply put, the RA has questioned the reasonableness and accuracy of associated costs.

Last year, when the RA's judgements were validated by Chief Justice Larry Mussenden, in his 85-page judgment, Mussenden CJ emphasised that the process followed a due process of highly technical, scientific, and financial analysis.

Justice Mussenden dismissed all eight of BELCO's arguments against the RA, claiming insufficient information, lack of transparency, and unfair treatment during the review process.

The Regulatory Authority has successfully upheld the protection of our island community's economy. Our organisation has maintained its position to act fairly in the public interest through a methodical approach.



# LOCAL NEWS

## LOCAL CHARITY HOSTS DISCUSSION ON SOLAR PANELS

Bermuda Is Love recently hosted a community discussion focused on increasing public access to solar technology.

Solar energy companies BeSolar and Sunny Side Solar led the event, offering practical information on how solar systems work, their potential to reduce household costs, and the broader environmental benefits.

The forum aimed to empower individuals with the knowledge and resources to adopt more sustainable living practices.

Read more: [Bernews Coverage](#).



## UNDERSTANDING FUEL PROCUREMENT IN BERMUDA



Fuel procurement is critical in powering Bermuda's economy and supporting daily life. Because Bermuda does not produce its own fossil fuels, all fuel, such as gasoline, diesel, and heavy fuel oil, must be imported. These fuels are essential for transportation, electricity generation, and various commercial activities.

Unlike some of our Caribbean neighbours, Bermuda's isolated geographical location makes it more challenging to share transportation costs with nearby countries. This means fuel importation is more expensive, and the island is more exposed to global market conditions.

Imported fuel is delivered by specialised tankers and stored in secure facilities before being distributed locally. To help maintain a consistent supply, Bermuda's fuel providers enter into long-term agreements with overseas suppliers.

The Regulatory Authority of Bermuda (RA) oversees key aspects of the energy sector to promote fair practices and safeguard the security of supply. Because Bermuda depends entirely on imported fuel, any changes in international oil prices or disruptions in global supply chains can directly affect the cost of electricity and fuel on the island.

This is why energy diversification and long-term sustainability planning are so important. The RA continues to support the transition to cleaner energy sources, with the goal of maintaining a reliable and affordable supply for all consumers.

Understanding the mechanics behind fuel procurement offers valuable context for the realities of Bermuda's energy landscape. It reflects the broader considerations at play, global markets, logistical challenges, and long-term planning that shape the cost and reliability of our local energy supply.



# GLOBAL NEWS

## THE CANARY ISLAND BLAZES A TRAIL FOR RENEWABLE ENERGY

El Hierro, part of the Canary Islands, is setting a global example for energy self-sufficiency. With a population of just over 11,000, the island has logged more than 10,000 hours powered entirely by clean energy sources.

The island's Gorona del Viento hydro-wind plant uses five wind turbines in tandem with a water reservoir system. On calm days, stored water is released to generate momentum and electricity. This hybrid approach ensures consistent, renewable energy, regardless of weather.

El Hierro has become a model for isolated territories exploring energy independence. Scientists and engineers from around the world continue to study its innovative system with the aim of replicating its success elsewhere.

More on this story: [The Guardian](#).

## AI: THE QUIET DISRUPTOR

Artificial Intelligence, or "AI", if you're on nickname terms, is the not-so-silent force reshaping industries across the globe. From automating customer service to predicting energy demand, AI is rapidly embedding itself into the infrastructure of modern life. And while The Regulatory Authority of Bermuda (RA) does not currently oversee this domain, it would be remiss of us not to take note.

At its core, AI refers to machines that simulate human intelligence: learning, reasoning, and sometimes even 'deciding.' The technology isn't new, but its reach has grown dramatically thanks to advances in computing power and access to massive datasets. What was once the realm of science fiction now writes emails, forecasts market trends, and even answers the phone. However, it usually answers with suspiciously perfect grammar and manners that most parents would pray for their children to use.

The ripple effects are already visible in the sectors we regulate, such as electronic communications, energy, and fuel. Telecommunications providers worldwide are leveraging AI for predictive maintenance and more intelligent networks.

Some energy organisations are using AI to help optimise grid management, anticipate consumption patterns, and integrate renewables more efficiently. Even fuel logistics, traditionally manual, are starting to test AI-driven modelling and supply chain analytics.

But with every advancement comes a question: how will this shape the future of Bermuda's regulated industries? While we're not drafting AI-specific regulations, what we are doing is observing with interest. Because technology doesn't just change the tools we use; it shifts how we live, work, and relate to one another.

So no, AI isn't on our regulatory books today. But as the lines between human decision-making and machine intelligence blur, the RA will be watching, thinking, and ready to act when the time comes.

After all, regulation isn't just about rules. It's about readiness.





# REGULATED SECTORS

## PLANNING FOR BERMUDA'S ENERGY FUTURE: IRP UPDATES

The RA plays a vital role in shaping the island's energy future, supporting access to reliable, cost-effective, and sustainable electricity for both residents and businesses. A key tool in this process is the **Integrated Resource Plan (IRP)**. The IRP is a long-term strategic roadmap for meeting Bermuda's future electricity needs.

The IRP is designed to carefully balance future electricity demand with available supply, aligning with the island's broader energy policy objectives. It explores a range of technologies and energy sources with a view to reducing dependence on fossil fuels while maintaining affordability and reliability.

Under the Electricity Act 2016, the Bermuda Electric Light Company Limited (BELCO) is the sole Transmission, Distribution and Retail (TD&R) licensee responsible for delivering electricity across the island. However, the RA oversees the planning process to ensure that Bermuda's national interests remain at the forefront.

### HOW THE IRP PROCESS WORKS

The RA invites BELCO to submit an IRP Proposal every five years or sooner, if required. This proposal must assess Bermuda's existing electricity resources, forecast future demand, and evaluate new generation technologies, including renewable energy options. It must also outline a proposed timeline for the implementation of new generation capacity.

BELCO's 2019 IRP featured a combination of sustainable technologies, such as:

- Small-scale and utility-scale solar photovoltaic (PV) systems
- Offshore wind farms
- Waste-to-energy facilities

These technologies reflect Bermuda's commitment to a more diversified and cleaner energy mix.

### THE LATEST UPDATE

In July 2024, the RA initiated a new public consultation process to update the national electricity plan. This update invites input from industry stakeholders and the public alike, ensuring the revised plan addresses today's energy landscape and prepares for emerging opportunities.

### WHY THE IRP MATTERS

The IRP is more than a regulatory requirement; it provides direction for how Bermuda can:

- Maintain a stable and resilient electricity supply
- Influence the future cost of generation for consumers
- Embrace innovation and renewable technologies
- Support long-term environmental goals

Through a transparent and consultative approach, the RA continues to guide Bermuda towards a brighter, more sustainable energy future, one shaped by evidence, strategic planning, and a clear understanding of the island's unique needs.

## HARNESSING THE WIND: A LOOK INTO OFFSHORE WIND

In coastal areas where offshore wind farms exist, a non-carbon-emitting force diligently generates electricity. Wind energy causes large blades to spin rapidly, rotating a generator that produces electricity. The power is then transferred back to an onshore electrical grid through an underwater network of submarine cables.

All over the world these infrastructures are growing and being built for clean energy creation. Locally, Bermuda, as a resourceful, futuristic island, has also heavily considered offshore wind for the future.

With Bermuda's limited land mass of 21 square miles and many densely populated areas, finding suitable land for onshore wind farms is difficult. Offshore wind farms, however, may provide an alternative by utilizing the vast expanses of open water. These systems have notably been successful across the UK, Ireland, and European island nations, where wind farms on land and offshore power homes create energy security.

Furthermore, offshore wind investments are crucial for transitioning to a low-carbon and sustainable energy system. They reduce greenhouse gas emissions and dependence on fossil fuels, helping to combat climate change and promote sustainable energy sources.

This makes it an essential part of the future energy mix – especially as technologies like battery storage are developed to make renewable power sources more reliable.

## NEW MINISTER OF HOME AFFAIRS MEETS WITH THE RA



The RA acknowledges the appointment of The Hon. Alexa N. H. Lightbourne, JP, MP, as the Minister of Home Affairs following the February 2025 general election.

In April, Minister Lightbourne visited the RA's offices on Wesley Street, where she engaged in discussions regarding each of the RA's regulated sectors. During the visit, she toured the office and formally met with team members before engaging in technical discussions with the executive leadership.

While the RA operates as an independent organisation, we value constructive collaboration with all stakeholders, including the Government of Bermuda, to support effective regulation and advance Bermuda's long-term interests.

## COMMUNITY ENGAGEMENT: AGE CONCERN PRESENTATION



In February 2025, the RA's Communications Team presented to over one hundred Age Concern members at the Evangelical Church in Paget.

The session, 'Regulation Matters,' focused on the RA's functions in regulating fuel, energy, and telecommunications, the structure of our organisation in comparison to other island jurisdictions, and consumer protection. There was also discussion on how consumers could be involved in the RA's consultation processes.

Overall, many of the seniors were engaged and asked questions about topics related to energy, renewables and technology safety. The audience expressed gratitude for the RA engaging with them, and Age Concern has invited the team to speak annually to their membership.

The RA looks forward to upholding our value of integrity through public outreach, maintaining a collaborative approach, and engaging with the community.

If your organisation would like for the RA to make a presentation to your membership or staff, please contact us at [communications@ra.bm](mailto:communications@ra.bm).



## ABOUT THE RA

The Regulatory Authority of Bermuda is an independent body that regulates electricity, electronic communications, fuel, and sub-marine cable markets. Established in 2013 by the Regulatory Act 2011, the RA is the national regulatory authority for implementing and enforcing regulation.

As an organization that does not operate directly under government, the RA takes a holistic, analytical approach through its functions. Furthermore, a predominantly Bermudian-led team of experts ensures Bermuda's social and economic well-being is factored into every decision made.

**Our Mission:** The RA serves stakeholders by providing a proactive, innovative, responsive framework.

The RA is dedicated to upholding mandates that promote the development of the economy and investment, encourage innovation, protect consumers, and champion fair competition.

### CHAMPIONING FAIR COMPETITION

The RA fosters a competitive community by promoting market diversity. For instance, the RA has approved licenses to encourage multiple phone, internet, and television service providers. This ultimately benefits the island's consumers by providing choice and quality services.

## MESSAGE FROM THE CHIEF EXECUTIVE



As I take on the role of Chief Executive, I do so with a continued sense of duty to serve Bermuda through the careful regulation of sectors that touch nearly every aspect of daily life. From the electricity that powers our homes and businesses, to the communications networks that keep us connected.

Over the past quarter, the Regulatory Authority of Bermuda has advanced several key initiatives. These include ongoing consultation on Bermuda's

updated Integrated Resource Plan (IRP), efforts to increase transparency around the fuel adjustment rate (FAR), and new measures to align our regulatory practices with data protection standards under PIPA. Most notably, a recent court ruling affirmed the RA's careful and objective approach to tariff-setting, saving energy consumers millions in potential charges.

This edition of our newsletter offers a closer look at the decisions, developments, and collaborative efforts that define our role, not only as a regulator, but as a steward of public trust. The work we do is rooted in data, shaped by stakeholder input, and driven by a commitment to long-term sustainability and fairness.

Thank you for staying informed and engaged with our work.

**Richard Ambrosio**

Chief Executive  
The Regulatory Authority of Bermuda

### PROTECTING CONSUMER RIGHTS

While the RA does not oversee Bermuda's cost of living, we ensure service providers deliver on their promises and contractual agreements within specified timelines. Our thorough consumer inquiry process, accessible through multiple channels, protects vulnerable individuals from exploitation.

### PROMOTING ECONOMIC DEVELOPMENT AND INVESTMENT

As a leading regulator, the RA attracts new businesses to the island. Our professional approach ensures that organisations within regulated sectors operate effectively, contributing to Bermuda's thriving economy.

### ENCOURAGING INNOVATION

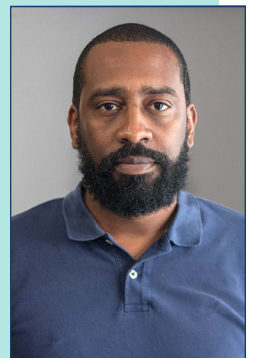
The RA supports the integration of modern technologies, vital for maintaining Bermuda's status as a developed, tech-savvy island. Approving advancements such as 5G, the RA has fostered innovation that is aligned with our commitment to sustainability and the interests of existing stakeholders.

## EMPLOYEE SPOTLIGHT

After taking a hiatus from graphic design to teach middle school science, Philip Trott returned to his original trade and joined the RA as Design Specialist. Philip brings creativity, humility, and purpose to everything he does at the RA, and plays a vital role in communicating complex regulatory work in a clear and engaging way.

Known for his quiet dedication and collaborative spirit, Phil is the kind of teammate who lifts the room, bringing not just talent, but heart. He's deeply committed to ensuring that the RA's work reflects what's best for Bermuda, and his peers often credit him with making the workplace more enjoyable and inspiring.

We're proud to shine a light on someone who consistently gives his best behind the scenes.



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