

LUCELEC Welcomes Stakeholder Interest In Renewable Energy

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Castries, July 31, 2018 – St. Lucia Electricity Services Limited (LUCELEC) welcomes the interest of the St. Lucia Hotel & Tourism Association (SLHTA) in seeking to have hotels generate up to 20% of their electricity needs from their own renewable energy (RE) systems. So says LUCELEC Managing Director Trevor Louisy in response to a press release issued by the association in recent weeks.

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LUCELEC is currently facilitating the inter-connection of 5% of the energy demand from renewable energy sources, made up of the 3 megawatt (MW) solar farm at La Tourney in Vieux Fort and eighty-seven (87) customer grid-tied solar PV systems across the island.

“Admittedly some of our other renewable energy projects such as the 12 MW wind farm have not taken off as we anticipated, not for lack of effort on our part. And as far as possible, we have supported the efforts of the Government to explore and develop the geothermal energy resource as this can be a significant game changer. If St. Lucia is going to meet the renewable energy targets the Government has set, it will certainly require the collaboration of all stakeholders that translates into swift action,” he says.

The SLHTA has expressed a desire to see the 25kW cap on renewable energy systems for commercial entities lifted. Mr Louisy says that cap was arrived at through an extensive study by independent consultants working with the Government and LUCELEC, taking into consideration the capacity of the grid and need to ensure the stability of the entire electricity system.

LUCELEC has been making significant investments in getting the grid to a place where it can support the Government’s renewable energy commitment of generating 35% of the country’s energy from renewables by 2020. However, there must be some certainty and predictability with the process, the Managing Director says. The Company is currently working on adding energy storage facilities to the grid so that as more solar or wind powered renewable energy is added, there will be no deterioration of the reliable service customers currently receive from LUCELEC. Some of these investments have been phased over time so as not to adversely impact what customers pay.

Moreover, Mr Louisy adds, while LUCELEC has been making the infrastructural improvements, the regulatory framework has not kept pace although it is catching up. The National Utilities Regulatory Commission (NURC) is in place but the remaining supporting legislation and regulations have not been completed. The licensing of

renewable energy systems and the eventual limits on the size of these systems reside with the NURC, not LUCELEC. Similarly, the development of the tariff regime, what customers pay for electricity or how the charges for renewable energy systems will work, is also a matter for the NURC and the eventual legislative and regulatory framework that will be developed. Mr Louisy also reiterated the company's commitment to renewable energy.

"We would be happy to buy all the renewable energy that is available to add to the mix of electricity that we sell to our customers. Barbados has a working model of that sort of arrangement which may also work well in our context," he says.

LUCELEC is a member of the SLHTA and expects to engage the Board and Members on this issue. The Company expects the SLHTA's input, along with other stakeholders, will be necessary in the discussions with the regulatory authorities on not just how Saint Lucia can achieve its renewable energy targets, but also on an appropriate tariff mechanism that ensures customers who do not own renewable energy systems are not subsidizing customers who have these systems.

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