

USE SAVE LESS MORE

EQUITY RATE ADJUSTMENT

Top 10 FAQs

1. Why is BPL's tariff being adjusted?

BPL's base rate and fuel charge structure are both being adjusted to:

- Create a more equitable balance to the current tariff structure (those who use less, pay less)
- Create a social safety net for BPL's most vulnerable customers
- Encourage energy conservation

2. What is the new tariff rate?

Base Tariff	kWh/units	Current c/kWh	Revised c/kWh
Commercial (including Churches & Arenas)	All units	15.00	14.50
General Service (Large Companies)	0 > 900,000	8.70	10.00
	All remaining units	6.20	9.00
Residential	0 > 200	10.95	0.00
	201 > 800	11.95	11.95
	All remaining units	14.95	14.95
Temporary Supply	All units	16.38	15.00

3. When does the new rate take effect?

The new rate will apply to all electricity accounts billed after July 1, 2024.

4. How long will the new rate be in effect?

The new rate will remain in effect until a tariff review is completed and new rates and/or rate classes are approved by The Government and BPL's regulator, URCA .

5. Are there any changes to other customer charges?

All other customer charges will remain the same.

6. How will the fuel charge be calculated?

BPL will continue to calculate the total amount it spends on fuel per billing period and divide it among the total units of electricity consumed during that period. However, the first 800 units (kWh) consumed will be billed at 2.5 cents less than the calculated average.

Above 800 kWh will be calculated at 1.5 cents above the average.

Example: If the average is 20 cents per unit (kWh), then the customer will be billed 17.5 cents per kWh for the first 800 units (kWh). The remaining units (kWh) will be billed at 21.5 cents.

7. Why is there a tiered fuel rate?

The tiered fuel rate encourages energy conservation. Additionally, BPL uses its most efficient generation assets first. As demand increases, then less efficient units (that burns more fuel) are used to generate electricity.

Essentially, those who use less, pay less.

8. How will this impact Value Added Tax on electricity?

BPL only charges VAT on all electricity bills exceeding \$400.00.

The less paid for electricity bills, the less paid in VAT.

9. What strategies will be employed to manage the impact of the rate increase for General Service customers?

BPL and the Government of The Bahamas are working on several short, medium and long-term strategies to increase efficiency.

- Increase use of Heavy Fuel Oil (the most economical fuel option BPL has presently)
- Transition to more efficient generation assets (use less fuel)
- Transition to Liquefied Natural Gas (LNG) which is the most economical fossil fuel on the market.
- Add as much as 125MW of Renewable Energy solutions to our grids in New Providence and the Family Islands.

Collectively, these strategies could reduce fuel costs by at least 10 cents per kWh compared to our most current fuel charge.

10. Does BPL have regulatory approval for the rate adjustment?

The most recent amendment to the Electricity Act, 2024 gives the Minister responsible for BPL authority to adjust the tariff with consultation with the regulator, URCA.

