

Hon. L. Ryan Pinder
Member of Parliament
Elizabeth Constituency
BEC Bills
October 20, 2010

Introduction

Mr. Speaker ...

Today I rise here on behalf of the wonderful constituents of Elizabeth, who have mandated me to represent their needs and concerns in this honorable place. Today we are here to debate a resolution for the approval of duty free concessions for fuel for B.E.C. and the Spanish Wells Power Company.

Mr. Speaker, as we know, the Bahamas is wholly dependent on imported petroleum products in order to produce energy. The

use of renewable energy sources, which could bring down the cost, and alleviate demands on BEC is practically nil. This dependency is not only expensive to consumers as the price of oil has been historically volatile, it is also a National Security issue in that if we are unable to import oil products, then the country will come to a stand still. Developing renewable energy sources is not only a benefit to Bahamians, but is a national security matter.

Unreliable Utilities

Mr. Speaker, a fundamental responsibility for a Government is to provide safe, reliable and effective utilities, from transportation, electricity, and water supply. This FNM Government will proclaim all that they have done, but one thing they cannot proclaim is the successful provision of the most

basic needs of society, its utilities and infrastructure. Mr. Speaker, all of us experience day in and day out streets where traffic lights are not functioning. This seems to be a growing problem, creating extremely dangerous situations all across Nassau. One day, Mr. Speaker, because of the ineptitude in providing the most basic of services, someone will be seriously hurt.

Likewise Mr. Speaker, my constituents in Elizabeth are always bringing to my attention that the water quality in the east is deplorable. This Government seems completely lost when it comes to providing the most basic requirement of water. All too frequently Mr. Speaker the water is orange with rust, or many times the water pressure is so low, it is as if water is not even being provided. This is a serious problem, Mr. Speaker,

Bahamians, and Elizabethans deserve consistent water, deserve clean water, deserve consistent supply. This isn't a matter of trust issue, Mr. Speaker, it is a matter of necessity.

And then, Mr. Speaker, there is the provision of electricity. We have all lived through the frequent power outages, the surges, the loss of electronics because of it. But Mr. Speaker, this concern of consistent power supply is felt most in our family islands, where islands such as Eleuthera are challenged every day with power outages. And Mr. Speaker, if consistent supply wasn't a bad enough problem, the cost of electricity is prohibitive to many in these difficult times. Mr. Speaker, as I walked house to house in Elizabeth a few days ago, in one section of the constituency where I visited about 25 homes, 5 were without electricity because they couldn't afford their bill.

Mr. Speaker, imagine raising children in an environment today without electricity, without the ability to keep milk cold, and food preserved. This is a dangerous societal situation in which we find ourselves.

Mr. Speaker, the primary responsibility of a Government is to provide the necessities for a society to function. We have a Government that cannot provide safe transportation, who cannot supply consistent and clean water, and who cannot provide a basis for consistent electricity. Mr. Speaker, this Government cannot even provide the basic necessities to many Bahamians today and yet claim to be doing a good job, when they are nothing but arrogant, callous and dictatorial.

National Energy Policy

Mr. Speaker, in November 2008, almost 2 years ago, the National Energy Policy Committee presented its First Report on the National Energy Policy to the Government. When the Government commissioned this report, and then in the same year, 2008, issued an RFP for alternative energy, I believed that this Government was serious about energy reform, serious about the promotion of alternative energy and cost saving initiatives to Bahamians to assist with both the energy demands of BEC and the cost of electricity to Bahamians. After two years of inaction, I am rather disappointed, disappointed for many Bahamians who are struggling day in and day out to meet their demands.

I am sure we will hear from this Government how the Second Report on the National Energy Policy was presented to Cabinet,

and how they had to wait on some initiatives because there were, as the Prime Minister put it, “significant data gaps in our energy sector.” This might be true in certain respects, however, after a review of the First Report of the National Energy Policy Committee, there were some initiatives that could have been put in place right away that would aid and assist every day Bahamians. Unfortunately these were not put in place, and instead, no progress has been made in two years. Some examples of projects recommended to the Government that in my opinion the Government should have proceed with generally focus on conservation projects. In fact, the Committee suggested that these projects could be implemented concurrently in certain instances. As the Government, I would have immediately implemented the following:

1) Reduce public buildings energy usage by 30% by 2010. It

does not appear that there has been any progress towards

this goal. Energy audits could have been done of all

Government buildings to assess their inefficiencies and

make them more efficient. Government buildings are a

significant demand on the electricity supply. Actions as

simple as swapping out light bulbs, ensuring appliances

are energy efficient, especially when going through a

replacement cycle, and proper maintenance of the fleet of

automobiles can save significant government revenues, but

also relieve significant demand on BEC.

2) Implement a national policy on conservation, including

giving incentives, or public distribution of energy saving

means. This would include a national education campaign

on energy usage. Also, the distribution of energy efficient light bulbs to Bahamians would have contributed a great deal. In fact, Mr. Speaker, this recommendation was not only in the First Report, but is contained in the recent report performed by the European firm Fichtner who recommended informing Bahamians about certain conservation methods, including light bulb replacement, using solar water heaters, using energy efficient appliances, etc. But apparently, recommendations from a Bahamian Committee could not be implemented unless verified, 2 years later, by an international firm.

I am told, Mr. Speaker, that BEC and the Ministry of the Environment were offered 2 years ago, through a partnership with the company Philips, to replace traditional lightbulbs with CFL bulbs throughout the

country at a one time 90% discount on the bulbs. Mr. Speaker, this is almost for free. For some reason this was denied and the Government decided not to pursue this great energy conservation measure. But when they do, I demand that all industry stakeholders be allowed to participate and not just a few.

3) All new Government housing should be designed to incorporate efficient use of energy and water. This is not difficult to implement, but would have real cost savings to Bahamians who need it the most, the less advantaged generally purchasing their first home. A key component of this is to ensure that solar water heaters are used in all houses, as well as energy efficient light bulbs. In addition, the Ministry of Housing should put in place construction

guidelines to ensure the construction is most energy efficient. The Government missed a great opportunity to provide energy relief to new homeowners.

I note that the Government has just signed a contract for the installation of solar cells and solar water heater in test homes. In other jurisdictions, such as Barbados, where certain use of solar water heaters is mandated, this is wide spread. We as a country are way behind, this was recommended two years ago, let us move faster.

These are just some of the initiatives as the Government that I would have put in place right away to try to save Bahamians money on their electricity bill and provide more consistent

service from BEC. The Member for South Beach, when speaking on the 2nd National Energy Policy Committee Report stated “I do not want this to be an academic exercise where we put together a National Energy Policy of an Energy Programme, in which it looks nice on paper, it seems to work, but people do not implement it.” Well it seems that this is exactly what the First Report was, and I hope the Minister of State believes what he says going forward.

I have no problem with the desire to compile additional data, but I would have done it much sooner than 2 years. Additionally, I think that it is only appropriate that this second National Energy Policy be released to the public for consultation and review.

This is a fundamental step in the progression of our country and

all should be involved in the development of policy, and all allowed to participate.

Need for New Legislation and New Policy

Mr. Speaker, one area in which we should be moving if we had a Government committed to energy reform would be in our legislative reform. Our current legislation is out dated, and does not allow for effective energy policy transformation. For example, the Electricity Act gives the exclusive rights for generation and the sale of electricity to BEC or a franchiser.

This essentially prohibits a Bahamian from generating his own electricity and interconnection with BEC's grid. Mr. Speaker, at the very least, we should encourage legislative reform to permit Bahamians to utilize renewable energy sources in their homes.

By reforming the legislation in this regard, many Bahamians can

take advantage of self-generation, and can even be in a position to sell energy back to BEC, through what is known as net-metering.

Mr. Speaker, in addition to legislative reform, and maybe more important, is a commitment to a shift in energy policy of the country. The National Economic Policy Committee itself states that “public policy that protects the power companies and franchise holders is believed to be the primary barrier to the provision of energy from renewable sources using renewable technologies to feed the national grid.” Despite this observation from the Committee, over the last two years there is little to no evidence of a change in policy of the Government.

Clearly a viable change in policy would be as suggested above, and by Fichtner a consumer awareness educational programme to assist with conservation efforts. Additionally, clear policy in promoting the private sector to succeed in the distribution of energy efficient products. Incentives to market access, public recommendations of energy efficient construction in new private developments. These types of public policy will assist with ensuring the long term benefits of energy conservation.

Bahamas Electricity Corporation

Mr. Speaker, as mentioned earlier, this Government has not been committed to the development of Renewable Energy. I am told by those who have tried to implement renewable energy strategies that internal makeup of the Corporation is one of the overriding impediments to progressive energy reform. I am

told, Mr. Speaker, that there is a lack of vision on the board of directors for the benefit of the Bahamian people, the Bahamas Electricity Corporation or the marketplace. That board needs to be made accountable for its actions and I call for full transparency on decisions by the Board on the direction of the Corporation.

Mr. Speaker, from these same private sector interests who have tried to promote energy reform, I am told that there is a culture of infighting and disconnect between the responsible Ministry, and the management and leaders within BEC. In order for any progress to be made, in order for Bahamians to obtain energy relief, this has to be addressed, and addressed immediately.

This continued in-efficient executive management of BEC is especially evident in our family islands. Mr. Speaker, last week I explained how the family islands are loss leaders for BEC and proposed a policy of privatization of family island communities. I am not going to re-hash this discussion, although I do believe that is an effective strategy for both Bahamians living in the family islands, and for BEC. I want to discuss the recently announced energy strategy for the family islands, and I am sure this will come as a surprise to many in our family islands.

Family Island Interconnectivity

Mr. Speaker, The Member of South Beach, at a recent conference, presented a plan where power supply will be interconnected between the family islands. Mr. Speaker, this quiet announcement of public energy policy is surprising to say

the least. I question whether this Government has consulted the thousands of Bahamians in the family islands who suffer day in and day out challenges on energy supply. Apparently it is a “real possibility” that Grand Bahama and Abaco will be interlinked. I ask, where will this new power plant be located? Has there been any consideration as to the environmental impact of running electrical cable on the seabed between these two islands? I also take note that the Government is considering interconnection of power supply at New Providence, Eleuthera and Cat Island. Where, Mr. Speaker, is the excess capacity in Nassau to provide power to Eleuthera, a severely challenged island. Where will the new plant be? Mr. Speaker, I fail to see the logic in this national policy for power supply in the family islands.

I would like to present an alternative to this strategy of interconnectivity Mr. Speaker. Last week I presented a strategy of privatization of family island electricity supply in certain communities. I would like to present another alternative. Mr. Speaker, we can promote a private / public sector partnership for energy supply to many of the family islands. In this vein, the financing of renewable and energy efficient electricity supply can be arranged by private sector interests, while the Government contributes the infrastructure in the particular area. Mr. Speaker, in this fashion, Bahamians could participate in ownership, and these alternative strategies in the family islands could leverage Bahamian professionals in the management. This is progressive reform, progressive vision. Vision for Bahamian participation.

Mr. Speaker, please note, that I put emphasis on Bahamian participation. I read with keen interest a story in the Nassau Guardian last week the spoke to the Government being in discussions with an Israeli company to build a wave power plant in the Bahamas, possibly Current Island, and then this company seeking an agreement to sell power from the sea wave power plant to BEC. Mr. Speaker, the Government is in discussions for a foreign entity to sell power to BEC, but was policies and legislation against Bahamians selling power to BEC.

Furthermore, if this company wants to come to the Bahamas, come to Current Island, build a wave power plant, it should do so in partnership with Bahamians, in partnership with the local community of North Eleuthera, not in isolation, not alone, and certainly not in secret.

Mr. Speaker, the family island communities are loss leaders for BEC, due to the archipelagic nature of our country. This does not have to be the case. We can adopt, Mr. Speaker, of privatization of Family Island power supplies. This has been a success in Spanish Wells Mr. Speaker, as you well know. Spanish Wells has a consistent and reliable source of energy, and is actively using new, highly-efficient generators. Bahamians own this plant, it is their investment, their business opportunity.

Conclusion

Mr. Speaker, we experience daily ineffective provisions of the most essential requirements as a society, the provision of water,

transportation, and electricity. This Government has sat idly for two years now after concrete recommendations were made to it. We heard impressive talk recently from the Government on its desire to move forward with a National Energy Plan, well Mr. Speaker, we have heard this talk before, two years ago. I demand action, implementation, a move forward to properly re-organize the supply of electricity. Allow private sector participation. Be progressive, lets create a solution for all Bahamians, so there can be consistent and affordable electricity supply all over. Let's not have 18 months of talk, because once the PLP is the Government next, there we will walk the walk.