



Government of Bermuda
Ministry of Home Affairs
OFFICE OF THE MINISTER

May 27, 2025

Mr. Mark Fields
Chairman
Regulatory Authority of Bermuda
1st Floor, Craig Appin House,
8 Wesley Street,
Hamilton HM 11

Dear Mr. Fields,

**Re: Ministerial Direction to the Regulatory Authority on Governance, Accountability, Interim
Tariff Reform, and Consumer Protection**

Following consultation with the Regulatory Authority ("the Authority"), the Ministry of Home Affairs has advanced steps to support the Authority's operations and enhance its regulatory powers and responsibilities, consistent with international best practices for utility regulation.

The Regulatory Authority was established under The Regulatory Authority Act 2011 to protect the interests of consumers with respect to prices, affordability, and service quality; to promote economic efficiency, investment, innovation, and sustainable competition; and to support the strategic and social interests of Bermuda by ensuring access to reliable and affordable services. This Directive is issued to reaffirm and facilitate the Authority's pursuit of these purposes, while ensuring that governance, accountability, consumer protection, and regulatory capacity keep pace with the evolving needs of Bermuda's sectors and stakeholders.

In exercise of my powers under Section 7 (1) of the Regulatory Authority Act 2011 ("RAA 2011") and Section 8 (1), (2) and (3) of the Electricity Act 2016 ("EA 2016"); and consistent with the purposes set out in Section 6 (a), (e) and (f) of the EA 2016, I hereby direct the Regulatory Authority ("RA") as follows:

As the Minister responsible for Home Affairs, in exercise of my powers under Section 4 of the RAA 2011:

Governance and Transparency

The Board, consistent with its functions under Section 19(1) of the RAA 2011 and otherwise under the RAA 2011, shall:

1. Develop and publish an Annual Report which shall include:

- a. A Strategic Plan and subsequent updates regarding the sectors under its remit as aligned to and in support of its annual work plan;
 - b. A summary of its governance structure and decision-making processes;
 - c. A list of all public consultations undertaken and their outcomes; and
 - d. The publication of non-confidential minutes of Board meetings, subject to lawful confidentiality under Section 62 of the RAA 2011.
2. Submit the first Annual Report to the Ministry of Home Affairs within 60 days of the issuance of this Directive and annually thereafter.

Capacity Building

The RA, consistent with its functions under Sections 14(1)(c) and 15(1) of the RAA 2011 and otherwise under the RAA 2011, shall:

1. Develop a Resource Development Plan to strengthen the operations team, with particular emphasis on:
 - a) Building its technical expertise in renewable energy integration, tariff design, and grid modernization; and
 - b) Enhancing institutional resilience and succession planning.
2. The RA shall disclose the Resource Development Plan with the Ministry of Home Affairs in support of and aligned to its defined strategic objectives and annual work plan within 90 days of the issuance of this Directive.

Electricity Sector Regulation

The RA, consistent with:

- Its functions under Sections 14 and 15 of the EA 2016 and otherwise under the EA 2016;
- Its functions under Sections 12(b) and (e) of the RAA 2011 and otherwise under the RAA 2011; and
- Its powers under Sections 13(f), (n), and (z) of the RAA 2011, shall:
 1. Conduct a comprehensive review of the existing Transmission, Distribution, and Retail (TD&R) business model, in support of enhanced performance standards and grid investment strategies to identify efficiencies that can be achieved.
 2. Reasonably consider, during its retail tariff review, in support of the promotion of fairer and more transparent cost allocation, and in accordance with Section 35(2) of the EA 2016, the introduction of differentiated tariff classes for:
 - a) Consumers fully reliant on the electricity grid;
 - b) Consumers partially reliant; and
 - c) Consumers minimally reliant.
 3. In the course of its review of the existing TD&R business model, grid investment strategies, and tariff classes, the RA shall consult with relevant stakeholders, including electricity consumers, sectoral participants, and experts in the field of energy management and technology.



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4. Following the consultation, the RA is invited to submit a report of its findings and recommendations, for the awareness of the Ministry of Home Affairs, detailing potential cost savings and efficiencies identified through the review and proposing actionable steps for implementation.
5. Additionally, the RA should incorporate its findings and recommendations into any future electricity planning and policy-making processes including any future tariff methodology under Section 35 of the EA 2016, any future General Determination on consumer protection under Section 38 of the EA 2016 and/or any future request for an Integrated Resource Plan (IRP) under Section 40 of the EA 2016 as deemed applicable by RA.

Consumer Protection and Education

The RA, consistent with its functions under Section 38 of the EA 2016 and Section 12(b) of the RAA 2011, shall:

1. Establish and evidence a programme of Consumer Protection and education to:
 - Raise awareness of consumer rights and protections under the sectors under its remit; and
 - Provide easy-to-understand, publicly accessible guidance on the available consumer right actions available.
2. Publish an annual Consumer Report which includes:
 - Cataloged list of Consumer Complaints received by the authority; and
 - Actions taken in support of its consumer protection mandate and improvements made, with the first report due by December 31, 2025.

Sincerely,

The Hon. Alexa N. Lightbourne, JP, MP
Minister of Home Affairs