

# NESP 2026 — Consultation Response Template

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## NESP 2026 — Public Consultation Submission

Submitted by: Michelle Seymour Smith, 11 Turnstile Lane, Pembroke HM01

Dear Minister,

Thank you for the opportunity to comment on the NESP 2026 consultation. I am a homeowner and Bermudian. I live near the Belco power plant and have seen the damage to the homes in the Belco neighborhood as a consequence of making poor, short term decision about energy. This policy will shape energy costs and energy independence on this island for a generation, and I believe it deserves to be tested against the evidence.

### 1. RISING BILLS HAVE A STRUCTURAL CAUSE THAT THE POLICY DOES NOT ADDRESS

Electricity bills rise when fixed infrastructure costs are shared among fewer customers. Population changes, the prolonged closure of major commercial facilities, and island-wide efficiency improvements have all reduced total electricity consumption in recent years. Distributed solar generation (rooftop and ground-mounted) accounts for roughly 3% of Bermuda's total electricity supply. It is not, and cannot be, the primary cause of rising tariffs.

The Fuel Adjustment Rate, the variable fuel cost component on every customer's bill, is the single largest driver of bill variability. It rises and falls with global energy prices. Switching from oil to LNG does not eliminate this exposure. It transfers it to a different imported fuel subject to the same global market forces.

I urge the Ministry to commission a clear, public analysis of what is actually driving demand decline before finalising policy.

### 2. LNG HAS ALREADY BEEN EXAMINED AND REJECTED, TWICE, FOR CLEAR REASONS

Bermuda conducted two rigorous, independently reviewed Integrated Resource Planning exercises in 2019 and 2024. Both pointed away from LNG.

The 2019 RA-approved IRP selected the non-LNG path, warning that an LNG commitment "would influence energy policy and prices for up to 50 years." LNG was only approximately 6% cheaper under base case assumptions, and a 25% increase in costs would reverse that advantage entirely. BELCO's own 2024 Preferred Plan also rejected LNG, selecting solar, battery storage, and other renewables instead. BELCO's own generation cost data shows solar at \$0.072/kWh, the cheapest available option by a wide margin.

The history of the North Power Station makes the risks concrete. Documents released under the Public Access to Information Act confirm that BELCO optimised that station for LNG without Regulatory Authority approval. When LNG was rejected, the resulting soot problems required a

\$2.4 million retrofit. The courts ruled those costs could not be passed to electricity customers. Bermuda has already absorbed the cost of one rejected LNG plan.

The 2026 Iran conflict and Strait of Hormuz closure, characterised by the International Energy Agency as the largest energy supply disruption in global history, demonstrated precisely why small island nations cannot commit their energy future to any single imported fossil fuel.

I ask the Ministry to explain what new evidence justifies reversing two carefully considered planning decisions.

### **3. CAPITAL MUST BE INVESTED IN FLEXIBLE SOLUTIONS, NOT LOCKED INTO FOSSIL FUEL INFRASTRUCTURE**

Under Bermuda's regulatory framework, every dollar of approved capital investment in LNG infrastructure earns a guaranteed return recovered from electricity bills for the life of that asset, potentially 30 years or more. That same capital directed toward battery storage, smart grid technology, and demand management would create flexible, upgradeable assets whose costs are falling year on year.

Capital committed to LNG cannot be redirected when better solutions emerge. Capital invested in flexible technologies retains that option. As Bermuda deploys more renewable generation, the volume of LNG required would decrease, driving per-unit LNG costs progressively higher. LNG becomes more expensive the more successful Bermuda's renewable programme becomes.

I urge the Ministry to require any proposed LNG investment to be explicitly evaluated against equivalent capital invested in modern, flexible alternatives.

Further, with the recent crises in the Ukraine and Iran, Bermuda is highly depended on other countries for the energy. Evaluating more sustainable options like renewals ensures that Bermuda can stand on its own whilst protecting the long term health of its people.

### **4. RENEW THE COMMITMENT TO CLEAN ENERGY WITH THE TOOLS TO DELIVER IT**

Bermuda's own analysis shows 59% renewable electricity is achievable. The tools exist: solar at \$0.072/kWh, rapidly improving battery storage (now cheaper than new gas plants, per BloombergNEF, February 2026), island-wide smart meters already installed, and time-of-use pricing that incentivises demand shifting. What has been missing is the implementation framework: land-use planning, a storage roadmap, and tariff reform that shares costs fairly among all customers.

I urge the Ministry to commit to these mechanisms with defined timelines rather than reopening a fuel pathway its own planning has twice set aside.

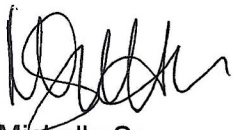
## **5. THE EMISSIONS CASE FOR LNG DOES NOT HOLD UNDER PROPER MEASUREMENT**

Peer-reviewed research published in Energy Science & Engineering (Wiley, 2024) found that under a 20-year measurement timeframe, LNG's greenhouse gas footprint is 33% greater than coal. End-use combustion accounts for only 34% of LNG's total emissions; the remaining 66% comes from methane leakage during production, shipping, and regasification. Given Bermuda's vulnerability to near-term climate impacts, the 20-year measurement window is the appropriate lens. The NESP 2026 specifies no emissions framework for evaluating any LNG proposal.

## **6. BERMUDA'S EXISTING INFRASTRUCTURE SUPPORTS SMARTER ALTERNATIVES TODAY**

BELCO's island-wide smart meter rollout is already complete. The data infrastructure for time-of-use pricing, demand response, and Virtual Power Plant coordination already exists. Bermuda's geography makes EV-based distributed storage uniquely viable: at 25% EV adoption, Bermuda's vehicle fleet holds an estimated 56 MWh of available distributed storage, already exceeding BELCO's planned 40 MWh grid battery investment. Hawaiian Electric, operating a comparable isolated island grid, demonstrated 40 MW of grid services from residential batteries, eliminating equivalent new generation investment. These options deserve full evaluation before any LNG commitment is made.

Sincerely,



Michelle Seymour Smith

11 Turnstile Lane, Pembroke HM06

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