



SUNNY SIDE SOLAR
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35 N. Shore Road
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Bermuda

21 May 2026

Ministry of Home Affairs
Department of Energy

Re: Submission on the National Electricity Sector Policy (NESP) 2026
Executive Summary and Key Recommendations

Sunny Side Solar strongly supports Bermuda’s intent to update the NESP and urges the Department to adopt an evidence-based pathway that prioritizes efficiency, renewables, storage, grid modernization, and just-transition protections. The current draft’s “technology-agnostic, cost-stability-first” framing risks locking Bermuda into high-regret fossil-fuel infrastructure (including LNG) that would increase long-term tariffs, import vulnerability, and public-health burdens. Conversely, a modular program of distributed solar plus storage, paired with tariff, interconnection, and administrative reforms, offers the lowest-regret route to affordability, resilience, and equitable health outcomes for Bermudians. This is especially important for the most vulnerable households, who are hit hardest by pollution and climate change.

Key observations

- Fuel-price and geopolitical risk: Bermuda’s reliance on imported fuels exposes ratepayers to severe price shocks (recent disruptions demonstrate this). LNG would substitute one import dependency for another, creating large, irreversible CAPEX and stranded-asset risk for a small ratepayer base. Any case for LNG should meet a high burden of proof via updated regret-risk and sensitivity analysis.
- Planning methodology: Treating “least-cost” as the sole decision rule is inadequate under deep uncertainty. The 2019 IRP’s multi-scenario, regret-risk approach should be restored and strengthened: stress testing, regret quantification, real-options valuation, and low-regret portfolio identification must be mandatory IRP components.
- Distributed resources as strategic assets: Distributed solar + storage and VPP architectures reduce fuel exposure, defer network upgrades, and enhance resilience. Current NESP language that frames DG primarily as a tariff pressure under-values the system and societal benefits of DG.



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- Administrative and soft costs: Planning, permitting, and interconnection processes are currently onerous and labour-intensive, inflating project costs and slowing deployment. Reducing these soft costs is essential to unlock rapid, equitable uptake of rooftop, canopy, and community solar.
- Equity and public health: Low-income households shoulder disproportionate burdens from fuel price volatility, outage impacts, and pollution-related health costs. Fossil fuel pathways (including LNG) perpetuate air-pollution exposure and long-term health system costs. An efficiency and renewables focused pathway yields measurable public-health co-benefits, including reduced pollution, fewer emergency health events, and lower household energy expenditures.

Concrete recommendations (actionable and prioritized)

1. Require least-regret IRP processes
 - Mandate that every IRP submission includes: multi-scenario stress testing (fuel, demand, technology-cost futures); regret analysis showing portfolio performance across futures; identification of low-regret vs. high-regret investments; and real-options valuation for scalable, modular investments (distributed solar, BESS, demand response).
 - Make the IRP's regret-risk findings binding for procurement decisions unless a super-majority regulatory justification demonstrates material change.
2. Explicitly de-risk LNG and place burden of proof on proponents
 - Require any LNG proposal to present updated, independently reviewed evidence demonstrating materially improved regret-risk and lower total system costs (including CAPEX, O&M, contractual minimums, and stranded-asset scenarios). Absent such demonstration, treat LNG as high-regret and deprioritize.
3. Accelerate distributed solar + storage deployment as a core, low-regret pillar
 - Set clear targets for rooftop, canopy, and community solar with paired storage milestones.
 - Incentivize residential and C&I behind-the-meter storage through targeted tariffs and accelerated depreciation/financing instruments.
4. Reform tariffs and compensation to capture full system value
 - Commission a Value-of-Distributed-Energy study (adapt Cayman/BVI methodologies) and adopt compensation mechanisms that remunerate avoided fuel costs, deferred capacity, reduced losses, resilience value, and land-use benefits.
 - Introduce smart time-of-use tariffs, EV-friendly charging tariffs, and explicit PIMs that align utility incentives with speed of interconnection, reduced outage duration, and DER integration.



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5. Slash soft/administrative costs and streamline interconnection
 - Establish a one-stop digital permitting and interconnection portal with clear timelines and standardised fees; cap turnaround times and consider penalties or performance incentives for missed deadlines.
 - Simplify small-scale project paperwork and standardise technical requirements for low-impact installations to reduce expensive labour and consultancy requirements.
 - Create an interconnection-queue transparency dashboard with published status and expected timelines.
6. Build resilience via microgrids, VPPs, and neighbourhood resilience hubs
 - Support neighbourhood-scale microgrids and VPP pilots (including V2X) that can island in storms and re-synch to the grid; treat these as strategic resilience investments with public-health co-benefits.
 - Prioritise microgrids for critical community services (water, health centres, shelters) and integrate them with emergency response planning.
7. Strengthen governance, transparency, and equity protections
 - Leverage local expertise to create a transparent Monitoring & Evaluation framework with reporting on tariffs, fuel displacement, interconnection times, outage performance, and equity metrics.
 - Adopt bill-protection mechanisms for vulnerable households (e.g., automatic rate stabilisation and targeted rooftop/Community Solar subsidies, potentially financed via I-REC revenues and concessional finance).
 - Implement utility decoupling plus Performance Incentive Mechanisms (PIMs) tied to interconnection speed, DER hosting capacity, outage reduction, and low-income customer enrolment.
8. Mobilize financing and corporate demand
 - Enable I-REC issuance for community and commercial projects and actively market these to Bermuda's international business and reinsurance sectors to capture offshore ESG capital and reduce local ratepayer burden.
 - Explore blended finance (green bonds, concessional loans) and a renewable transition fund to underwrite low-income participation and resilience pilot projects.

Supporting evidence and precedents

Islands including Hawaii, the BVI, Turks & Caicos, Saint Lucia, and the Cayman Islands have demonstrated that decentralised renewables plus storage can be least-cost and/or least-regret, reduce fuel import spend, and materially improve resilience and equity outcomes. Case studies show EV electrification and utility-aligned charging programs



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increase grid sales and spread fixed costs, improving tariff stability. Independent IRP modeling in comparable jurisdictions has flagged LNG and other large fossil investments as high-regret due to volatility and stranded-asset risk; conversely, modular solar-plus-storage preserves optionality and hedges fuel exposure.

Closing ask

Sunny Side Solar respectfully requests the Department to:

- Incorporate the above recommendations into the finalised NESP 2026;
- Require updated, binding IRP methodologies that include regret-risk and real-options analysis;
- Issue short-term administrative reforms (interconnection and permitting streamlining) within 90 days to accelerate deployment; and
- Publicly commit to I-REC enablement and a plan for targeted low-income solar access within the NESP implementation roadmap.

The current energy paradigm in Bermuda is not fit for purpose and is not working for the majority of ratepayers. The NESP process must include a rigorous, objective energy and policy study with robust modelling. This study should evaluate changes across community, business, and government policy (including retail rate reform) to deliver the greatest public benefit, not merely protect incumbent interests. Transitioning Bermuda to a cleaner, healthier, and more resilient energy system is entirely achievable and must be pursued in ways that protect the most vulnerable, reduce public-health harms, and stabilise costs for all. Long-term energy independence and cost control depend on harnessing our limited natural resources - sun, wind, and sea - efficiently, effectively, and equitably.

Respectfully submitted on behalf of Sunny Side Solar.

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