

May 21 2026

The Ministry of Home Affairs
Government of Bermuda

Dear Sir/Madam,

Re: Bermuda National Trust Submission on the Draft National Electricity Sector Policy 2026

On behalf of the Bermuda National Trust (BNT), I am pleased to submit our response to the draft National Electricity Sector Policy 2026 (NESP).

BNT welcomes the opportunity to comment on a policy that will shape Bermuda's energy future for decades. Electricity policy is not only a technical matter. It affects the cost of living, public health, national resilience, the protection of our limited land and marine resources, and the heritage we pass to future generations.

In our 17 September 2025 submission to the Regulatory Authority on the draft Integrated Resource Plan (IRP), BNT urged Bermuda to move decisively toward a renewable, resilient, and affordable energy system. We raised five core concerns: opposition to LNG as a backup option; the need for clearer offshore wind planning; accelerated renewable energy deployment; stronger demand-side management and innovation; and a modernized role for BELCO that supports distributed renewable generation.

We are disappointed that, nearly a year later, Bermuda is still having to argue against pathways such as LNG and other fossil-fuel infrastructure options that would expose ratepayers to long-term fuel-price volatility, infrastructure lock-in, and stranded-asset risk. Bermuda should not replace one imported fossil fuel dependency with another. The goal should be to reduce dependence on imported fuels altogether, while strengthening affordability, resilience, and equity.

BNT therefore urges Government to revise the NESP so that it provides a clearer, stronger, and more accountable pathway toward a least-cost, least-regret, renewable energy future for Bermuda.

Our detailed submission is set out below.

Bermuda National Trust Submission on the Draft National Electricity Sector Policy 2026

1. Introduction

The Bermuda National Trust has reviewed the draft National Electricity Sector Policy 2026. We recognize and support the stated aims of affordability, reliability, resilience, equity, and environmental responsibility. These are the right objectives for Bermuda.

However, BNT is concerned that the draft policy does not yet provide a sufficiently clear or ambitious route to achieving them. In particular, the policy appears to place heavy emphasis on near-term tariff impacts without giving equal weight to long-term fuel-price exposure, stranded infrastructure risk, public health, climate resilience, land-use impacts, and Bermuda's natural and cultural heritage.

For a small island that imports nearly all of its energy fuels, affordability cannot be measured only by today's electricity tariff. True affordability must include protection from future fossil fuel price shocks, reduced exposure to imported fuel markets, avoided infrastructure costs, improved public health, and the long-term benefits of local renewable energy investment.

Bermuda's energy transition should be guided by three simple principles:

1. Reduce dependence on imported fossil fuels as quickly and responsibly as possible.
2. Prioritize low-regret investments that improve affordability, resilience, and equity across a range of future scenarios.
3. Protect Bermuda's people, landscapes, seascapes, historic places, and natural heritage while modernizing the electricity system.

2. BNT's Previous IRP Submission Remains Relevant

In BNT's 17 September 2025 submission on the draft IRP, we emphasized that Bermuda's electricity pathway must prioritize sustainability, affordability, and equity. We expressed support for elements of the proposed renewable pathway, but raised serious concerns about:

- The continued consideration of LNG;
- The lack of progress on offshore wind planning;
- The slow pace of renewable energy deployment;
- Insufficient attention to demand-side management; and
- The need for BELCO's role to evolve in support of distributed renewable generation.

Those concerns remain. The NESP should not reopen settled questions without strong evidence. In particular, any renewed consideration of LNG should be required to prove that its cost, infrastructure, fuel-price, climate, and stranded-asset risks have materially improved since earlier planning processes. BNT does not believe that burden has been met.

3. LNG Is Not an Appropriate Pathway for Bermuda

BNT strongly opposes the inclusion of LNG as a transitional or backup option for Bermuda.

LNG is often presented as a cleaner or more stable bridge fuel. For Bermuda, that argument is not persuasive. LNG would still be imported. It would still expose Bermuda to global fuel markets. It would require major new infrastructure. It could create long-term contractual commitments. It would divert attention and capital from renewable generation, storage, energy efficiency, and grid modernization.

Bermuda should not invest in another imported-fuel dependency at the very moment when renewable energy and battery storage are becoming more competitive globally.

The NESP should therefore:

- Explicitly state that new LNG infrastructure is not a preferred pathway for Bermuda;
- Require any future IRP that revisits LNG to conduct a full stranded-asset and regret-risk assessment;
- Include the full cost of LNG infrastructure, fuel-price volatility, methane emissions, public health impacts, and climate impacts in any comparison; and

- Prioritize renewable energy, storage, demand management, and grid modernization as the lower-regret alternatives.

For Bermuda, the question is not whether LNG might be marginally cleaner than heavy fuel oil. The question is whether it is wise to lock a small island into another expensive imported fuel system when better long-term options are available. BNT believes it is not.

4. Least-Cost Planning Must Also Be Least-Regret Planning

BNT supports evidence-based planning and recognizes the importance of cost discipline. However, least-cost planning should not be reduced to a narrow comparison of near-term electricity prices.

A portfolio that appears cheapest under one set of assumptions may become very expensive if fuel prices rise, demand changes, technology costs fall, carbon constraints tighten, or infrastructure becomes stranded. Bermuda is especially vulnerable to this problem because it has a small ratepayer base, no interconnection to a larger grid, limited land, high import dependence, and significant exposure to hurricanes and other climate risks.

The NESP should therefore require future IRPs to use both least-cost and least-regret analysis. This means testing each energy pathway across a range of plausible futures, including:

- High and low fuel-price scenarios;
- Different levels of electric vehicle adoption;
- Different levels of rooftop solar and distributed storage uptake;
- Declining battery and renewable technology costs;
- Climate-related changes in cooling demand;
- Storm and resilience risks; and
- Delays or cost changes in large-scale generation projects.

This approach would help Bermuda distinguish between:

- **Low-regret investments**, such as energy efficiency, rooftop solar, distributed storage, demand response, EV smart charging, grid modernization, and well-planned renewable procurement; and
- **High-regret commitments**, such as large imported-fuel infrastructure that depends on favorable long-term fuel-price assumptions and must be paid for by a small ratepayer base.

BNT recommends that the NESP require all future IRPs to publish a transparent least-regret assessment alongside traditional cost modelling.

5. Renewables Are an Economic, Security, and Public Health Opportunity

Renewable energy should not be treated simply as an environmental preference. It is central to Bermuda's economic security.

Every dollar spent importing fuel is a dollar leaving Bermuda. By contrast, investment in local renewable energy, storage, efficiency, and grid services can keep more value in the local economy, create skilled jobs, reduce exposure to global fuel-price volatility, and improve public health by reducing pollution.

Recent global evidence from the International Renewable Energy Agency shows that most newly commissioned renewable power projects are now cheaper than fossil fuel alternatives. While

Bermuda must undertake its own localized modelling, the global trend is clear: renewable energy is increasingly the economically prudent option, not merely the environmentally preferable one.

BNT recommends that the NESP:

- Set a clear fossil-fuel reduction trajectory;
- Require transparent, unbiased Levelized Cost of Energy calculations for all major options;
- Include health, environmental, fuel-volatility, and infrastructure costs in those calculations;
- Treat renewable energy as a national resilience and affordability strategy; and
- Prioritize investments that keep more energy spending within Bermuda.

6. Distributed Solar and Storage Should Be Treated as Strategic Assets

The draft policy appears concerned that distributed generation may reduce grid sales and shift costs onto non-participating customers. BNT agrees that tariff design must be fair. However, distributed renewable energy should not be framed primarily as a problem.

Rooftop solar, battery storage, community solar, and commercial solar-plus-storage can provide system-wide benefits, including:

- Avoided fuel costs;
- Reduced line losses;
- Deferred generation and grid investments;
- Reduced pressure on scarce land;
- Greater resilience during outages;
- Local job creation; and
- Lower long-term exposure to imported fuels.

The policy should require a fair valuation of distributed energy that accounts for both costs and benefits. It should also expand access so that renters, apartment dwellers, seniors, and low-income households can participate in the benefits of renewable energy.

BNT recommends:

- A transparent value-of-distributed-energy study for Bermuda;
- Community and cooperative energy models that include meaningful participation by low- and moderate-income households;
- Faster and clearer interconnection processes;
- Tariffs that reward storage, peak reduction, and grid support;
- Virtual power plant frameworks that aggregate rooftop solar, batteries, and electric vehicles; and
- Programmes that allow public buildings, parking areas, schools, churches, and community facilities to host solar and storage where appropriate.

This approach would support affordability while reducing pressure to use sensitive open space for energy infrastructure.

7. Demand-Side Management Must Be Central, Not Secondary

The cheapest unit of electricity is often the one that does not need to be generated at peak demand. Bermuda should treat demand-side management as a core energy resource.

BNT's 2025 IRP submission called for stronger demand-side action, including air-conditioning load management, EV rate design, off-peak charging, and vehicle-to-grid integration. These recommendations remain essential.

The NESP should require:

- Air-conditioning demand-response programmes to reduce summer peak demand;
- Time-of-use or managed charging tariffs for electric vehicles;
- Incentives for efficient cooling, insulation, and appliance upgrades;
- Support for low-income households to reduce energy bills through efficiency;
- Battery programmes that help customers and the grid; and
- Pilot programmes for bidirectional EV charging and virtual power plants.

Bermuda's electric bus program already demonstrates that electrification can reduce imported fuel use and operating costs when implemented strategically. The same practical approach should be extended to private transport, commercial fleets, buildings, and distributed energy resources.

8. Offshore Wind and Ocean Energy Need Clear, Accountable Planning

BNT remains concerned about the lack of clarity and accountability around offshore wind. Earlier energy planning identified offshore wind as a major component of Bermuda's renewable future. Yet progress has been slow, and public confidence is weakened when timelines, responsibilities, feasibility work, and decision points are unclear.

BNT recognizes that offshore wind and other ocean energy technologies must be assessed carefully. Bermuda's marine environment, fisheries, seabed, viewsheds, cultural landscapes, navigation routes, and biodiversity all require careful protection. BNT does not support poorly planned development in the marine environment.

However, careful planning is not the same as indefinite delay. Bermuda should continue to evaluate offshore wind and emerging ocean-energy options through a transparent, staged process.

BNT recommends that the NESP:

- Set clear milestones for offshore wind feasibility, environmental assessment, public consultation, and decision-making;
- Identify responsible agencies and timelines;
- Require full environmental, heritage, visual, navigational, and fisheries assessments;
- Preserve the option value of offshore wind and other ocean-energy technologies for the 2030s;
- Avoid premature capital commitments where costs remain uncertain; and
- Ensure that any future marine energy project is consistent with Bermuda's conservation, heritage, and Blue Economy objectives.

9. Energy Policy Must Protect Bermuda's Natural and Cultural Heritage

BNT's mandate is to protect Bermuda's natural and cultural heritage. Electricity policy has direct implications for that mission.

Poorly planned energy infrastructure can place pressure on open space, historic landscapes, coastal views, marine habitats, and community character. At the same time, climate change and fossil-fuel dependence threaten Bermuda's heritage through sea-level rise, stronger storms, heat, erosion, and economic vulnerability.

The right energy transition can reduce both sets of risks.

BNT recommends that the NESP include explicit heritage and land-use safeguards, including:

- Prioritizing rooftops, brownfield sites, parking lots, industrial areas, and already-developed land for solar deployment;
- Avoiding unnecessary loss of agricultural land, woodland, nature reserves, historic landscapes, and culturally significant sites;
- Requiring early consultation with heritage, conservation, planning, and community stakeholders;
- Integrating energy planning with the Bermuda Plan, marine spatial planning, climate adaptation planning, and protected-area management;
- Recognizing the visual and cultural importance of Bermuda's landscapes and seascapes; and
- Ensuring that climate resilience investments also protect historic buildings, coastal heritage, and community facilities.

Bermuda should not be forced to choose between clean energy and heritage protection. With careful planning, the transition can support both.

10. Equity Must Be Measurable and Enforceable

BNT strongly supports the NESP's emphasis on affordability and equity. However, equity must be more than a principle. It must be measured, reported, and enforced.

Low-income households, renters, seniors, and households without suitable rooftops should not be left behind. They should have access to bill savings, clean energy, efficiency upgrades, and resilience benefits.

BNT recommends:

- Clear participation targets for low- and moderate-income households in community energy programmes;
- Bill-protection mechanisms for vulnerable customers;
- Public reporting on who benefits from renewable energy programmes;
- Financing mechanisms that reduce upfront cost barriers;
- Energy-efficiency support for households with high energy burdens;
- Community resilience hubs with backup power for essential services; and
- Transparent reporting on tariff impacts across different customer groups.

A just transition must reduce inequality, not deepen it.

11. Governance, Transparency, and Accountability

Bermuda has had energy targets before. The issue has not only been ambition; it has been delivery.

The NESP should therefore include a stronger implementation framework with clear responsibilities, timelines, public reporting, and consequences for delay. Without this, Bermuda risks repeating the same cycle: consultation, policy statements, limited implementation, and renewed debate years later.

BNT recommends that the NESP require:

- Annual public reporting on renewable deployment, fuel import reduction, electricity costs, reliability, outage performance, emissions, and equity outcomes;
- Public reporting on interconnection queues and project timelines;
- Clear responsibility for delivering each major policy action;
- Independent review of progress against targets;
- Transparent publication of major modelling assumptions;
- Performance-based regulation that rewards outcomes such as reliability, renewable integration, efficiency, peak reduction, and customer savings; and
- A standing national energy forum that includes Government, the Regulatory Authority, BELCO, environmental organizations, consumer representatives, businesses, technical experts, and community voices.

Bermuda's energy transition will require trust. Trust requires transparency.

12. The Future Role of BELCO

BNT recognizes that BELCO will remain central to Bermuda's electricity system. However, its role must evolve.

The utility of the future should not be rewarded simply for selling more electricity or investing in large centralized infrastructure. It should be rewarded for delivering affordable, reliable, resilient, low-carbon electricity while enabling customers, communities, and businesses to contribute to the system.

BNT recommends that the NESP support:

- Revenue models that do not discourage energy efficiency or distributed renewable generation;
- Performance incentives for renewable integration, interconnection speed, outage reduction, peak demand reduction, and customer savings;
- Grid modernization that enables two-way power flows;
- Utility participation in community solar, storage, and virtual power plant programmes; and
- Fair cost allocation that protects non-participating customers without penalizing distributed renewable resources.

BELCO should be positioned as an enabler of Bermuda's renewable future, not as a barrier to it.

13. Summary of Recommendations

BNT recommends that the final NESP:

1. Explicitly reject LNG as a preferred pathway for Bermuda and require any future LNG proposal to meet a high burden of proof.

2. Require least-regret analysis in addition to least-cost modelling for all future IRPs.
3. Set a clear fossil-fuel reduction trajectory with measurable milestones.
4. Require transparent LCOE analysis that includes infrastructure, health, environmental, and fuel-volatility costs.
5. Treat distributed solar, storage, demand response, and EVs as strategic grid assets.
6. Establish a fair value-of-distributed-energy framework.
7. Expand community and cooperative energy access for renters, seniors, low-income households, and apartment dwellers.
8. Make demand-side management a core resource, including AC load management, energy efficiency, EV smart charging, and V2G pilots.
9. Provide clear timelines and accountability for offshore wind and ocean-energy feasibility work.
10. Include heritage, conservation, land-use, and marine safeguards in all energy infrastructure planning.
11. Establish measurable equity targets and public reporting requirements.
12. Strengthen governance through annual reporting, transparent modelling, performance regulation, and inclusive stakeholder engagement.
13. Modernize BELCO's role so that it supports, rather than slows, Bermuda's transition to a renewable and resilient electricity system.

14. Conclusion

Bermuda deserves an electricity system that is affordable, resilient, locally beneficial, environmentally responsible, and fair. The draft NESP contains important principles, but it must go further if it is to deliver those outcomes.

BNT is especially concerned that Bermuda is still debating imported fossil-fuel options such as LNG when the country should be focused on reducing fuel dependence, protecting ratepayers from volatility, and investing in low-regret renewable solutions. Bermuda cannot afford to lock itself into expensive infrastructure that may become obsolete before it is paid off.

The energy transition should be treated as an opportunity: to lower long-term costs, strengthen national security, create local jobs, protect public health, reduce climate risk, and safeguard the landscapes, seascapes, historic places, and communities that make Bermuda unique.

For the sake of Bermuda's people and heritage, BNT urges Government to revise the NESP so that it provides a clearer, stronger, and more accountable pathway toward a renewable, resilient, and equitable electricity future.

Sincerely

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