

Submission regarding the NESP 2026

Submitted by: Duncan Dawson, 3 Pinetree Ave. Southampton

Dear Minister,

Thank you for the opportunity to comment on the NESP 2026 consultation. I have been a homeowner in Bermuda for 30 years. This policy will shape energy costs for decades, creating a problem for me and my child in the years to come.

I cannot support the installation of new infrastructure to enable LNG to be used on the island. The costs are astronomical. We would be swapping one fossil fuel for another. But good ideas have been implemented - I was heartened when the unused runway at the airport was transformed into a solar electric farm. That is an example of where our investigations should be focused.

I submit the following 4 issues with the NESP 2026 that request a response from the Ministry.

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.

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.

Sincerely,

Duncan Dawson
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