



Power2Prosper
BPL STRATEGIC PLAN
2020 - 2025

Contents

Introduction: A Legacy of Transformation.....	2
The Big Five: Targeted Development.....	3
Strategic Planning Process	4
Vision, Mission, and Values	6
Vision Statement	6
Mission Statement	6
Key Core Values.....	6
Strategic Priorities and Actions.....	7
Key Goals & Objectives	7
Key Goals and Objectives – Safety.....	7
Key Goals and Objectives – Customer.....	7
Key Goals and Objectives – People	9
Key Goals and Objectives – Asset Management	9
<i>Environmental Stewardship</i>	10
Key Goals and Objectives – Financials.....	11
Conclusion: Focused on a Future of Excellence.....	12

Introduction: A Legacy of Transformation

The Bahamas Power and Light Company Limited (BPL) is mandated to ensure the provision of



electricity throughout the Commonwealth of The Bahamas. The fact that The Bahamas is an archipelago presents a unique challenge in delivering electricity to the inhabited islands. Nonetheless, the commitment of the Board of Directors is to ensure that BPL provides exceptional customer service. In order to make that outcome certain, we are committed to the strategic planning process, to setting out clearly defined goals, reporting to our stakeholders regularly and with

complete transparency, and holding ourselves and the company strictly accountable to those deliverables.

BPL is a wholly owned subsidiary of Bahamas Electricity Corporation (BEC), our forerunner, and was incorporated pursuant to the Electricity Act 2015 to ensure that The Bahamas benefits from “a safe, least cost, reliable and environmentally sustainable supply of electricity”¹ through vigilant oversight of the electricity supply system within The Bahamas and planning for the modernization and development of that electrical supply.

In February 2016, the Bahamas government signed a five-year management services agreement with PowerSecure International Inc., a US company, to manage BPL’s electricity generation, transmission and distribution services. In the wake of the transition out of the Master Services Agreement (MSA) with PowerSecure by a newly elected administration in May 2017, we transformed BPL’s organizational chart, resulting in a redistribution of responsibilities. This had the dual benefit of advancing seven Bahamians to key senior positions within the company and cutting millions of dollars in costs, which previously had a negative effect on the bottom line. The new team, administered by Chief Executive Officer Whitney Heastie (pictured (left) with a Wärtsilä rep.) along with other Senior Executives, continues to work diligently to fulfill the mission for which BPL was formed.



¹ Electricity Act 2015, Section 9

The Big Five: Targeted Development

BPL faces significant challenges. When the current Board of Directors took over responsibility for the national electrical utility in August 2018, they found a dire situation facing the company. Our already stretched Generation capacity in New Providence was crippled by fires in September 2018, leaving the utility with little choice but to spend excessively on unplanned urgent matters impacting operations. Our Transmission and Distribution (T&D) system was antiquated, with critical parts of the T&D system at or approaching “end of life.” Since then, we have built a 132 megawatt power station in Station A at our Clifton Pier Power Station. This launched a new era of high-efficiency, lower cost generation capacity here in New Providence, which will free up resources for Family Island operations.



Against that backdrop, the Board of Directors wants to see the utility accomplish the following major initiatives before the close of fiscal 2025, although not necessarily in this order.

1. BPL must implement Automated Metering Infrastructure (AMI);
2. BPL must facilitate the implementation of solar and renewable generation across the Family Islands and, as far as practical, in New Providence;
3. BPL must demonstrate a turnaround in customer perception, particularly as relates to provision of Customer Service Excellence;
4. BPL must demonstrate marked improvement in reliability of electrical supply around the archipelago by building a best-in-class generation, transmission and distribution network, and building competency and capacity among its employees; and finally,
5. BPL must complete the refinancing programme surrounding the Rate Reduction Bond and work to establish itself as a profitable entity on an annual basis.

We believe that with the accomplishment of these important initiatives, BPL will catapult The Bahamas into the bright new future, powered by Bahamians, energized by initiative.

Strategic Planning Process

Every summer for several decades, Bahamians had to endure hours of frustrating and seemingly unpredictable load shedding. The beginning of summer has traditionally brought with it feelings of dread and resignation as Bahamians prepare to suffer the insult of unreliable power supply. Depending on the heat of the summer and the state of the power generation fleet, the load shedding varied from annoying to intolerable. Upon coming to office, the new leadership at BPL drew a line in the sand: no more.

We worked together to create a comprehensive Strategic Plan (SP) and Actionable Business Plan for BPL, which will be used as a basis for the ***development of results-oriented business/action plans for each functional area of the company that are tied to Key Performance Indicators (KPIs)***, and will consequently be applicable to the entire company. The Plan will ensure strategic alignment across all the departments of BPL, and will guide our work in the coming decades.

As a Board of Directors and Executive Committee, we inherited a national power utility with serious operational encumbrances, and we determined that we would make those hard decisions that had been shirked in the past, take those painful options required to transform BPL from a weight on the economy and community into a springboard from which the economy of The Bahamas could soar to new heights.

We came to office intending to uncap Bahamian human resources as growers and stabilizers of the economy, and to unleash the potential ingenuity of the Bahamian entrepreneur. Fixing the energy supply is fundamental to achieving this goal. We recognized that energy is a key source of economic growth because both production and consumption activities involve energy as a basic input. Energy is one of the most important inputs for economic development, and we promised to ignite a comprehensive energy revolution designed to assure reliability and reduce costs to the consumer while simultaneously preserving our environment. What we are doing at BPL is the cornerstone of that revolution.

We began with the strategic plan, step one of which was to stabilize generation. We laid out a multifaceted turnaround plan for generation, aimed at furnishing Bahamians with sustainable, reliable, safe and affordable power. The first phase of that turnaround is the new 132-megawatt power plant at BPL's Clifton Pier Power Station. The advent of this new plant placed The Bahamas securely on the path to higher efficiency, safer and lower cost energy production, which means lower price electricity for our customers.



Meanwhile, we signed a memorandum of understanding (MOU) with Shell North America for an integrated liquefied natural gas (LNG) gas-to-power project in November 2018. The project features a 230 megawatt (MW) gas-to-power plant and through subsequent negotiations, will eventually open to Bahamian ownership of shares in the Bahamian energy sector.

Here is our overall restructuring programme:

- Generation Turnaround Strategy
 - The Winter Action Plan
 - The new 130-megawatt power plant at Station A: Reliability, Affordability and Sustainability
 - Shell Gas-To-Power Plant
 - LNG Regasification Terminal Facility
- Abaco: Rebuild and Restore
- The Rate Reduction Bond (RRB): Building For Better

And finally, our Balanced Scorecard, which forms the basis for the business and action plans referenced above, is developed annually and outlines the KPIs used to measure improvements within the organization that support the strategic objectives outlined in this document. When considered as a whole, the annual KPIs outlined in the scorecard will paint a clear picture of the strategic objectives and accomplishments in every year. This scorecard is underpinned by a work plan which lays out, on a monthly basis, the guiding deliverables for the different departments within BPL.

Vision, Mission, and Values

Vision Statement

“To remain the NUMBER ONE public company in The Bahamas and to rank among the best utilities of our size and character in the region.”

Mission Statement

“To secure a safe, reliable and cost-effective supply of electricity, and to obtain an income sufficient to: a) recover all costs, b) provide a reserve fund and c) self-finance of its capital projects.”

Key Core Values

- **Safety** – Safety is priority number one. Operating safely and creating a safe work environment is a prerequisite for and a result of other core values.
- **Transparency** – All corporate activities and initiatives must be communicated and carried out in an open, comprehensive and ethical manner to internal and/or external stakeholders.
- **Accountability** – Persons at all levels within the organization will be held accountable for their action or inaction in all matters for which they have been given responsibility and authority.
- **Efficiency** – Persons at all levels of the organization charged with executing tasks associated with their responsibilities should always strive to do so in an efficient and effective manner by attaining the highest level of productivity with the optimal level of resources required.
- **Integrity** - Individuals and collectively the organization must strive to always do the right things that are within the bounds of the law and are consistent with the mission, vision, and strategic goals and objectives of the company.
- **Environmental Stewardship** – As an organization BPL must recognize that in the performance of its required tasks to deliver reliable, cost-effective, and safe electricity service, it must always strive to be a conscientious care-taker of the environment by adhering to or exceeding established industry best practices.

Strategic Priorities and Actions

The Balanced Scorecard has five ‘pillars’, which, together with “The Big Five”, underpin and guide all our activities and objectives. Those pillars are:

- I. Safety
- II. Customer
- III. People
- IV. Asset Management
- V. Financials

Key Goals & Objectives

A comparison of the Balanced Scorecard against the Board’s Strategic Plan (Appendix 1) indicates alignment of the Corporate Scorecard with each of the following key Goals and Objectives.

Key Goals and Objectives – Safety

Safety Focused

Become a **more safety conscious organization** by performing required tasks with the safety of the Public and BPL team members at the forefront of everything we do. Safety training and adhering to best practices will be continuous, ensuring that all BPL team members, including contractors, are safety conscious on a daily basis.

Key Goals and Objectives – Customer

BPL recognizes that it is in the utility services business which includes producing and distributing electricity to its customers. High-Quality Customer Service is our mandate we seek to provide the **highest quality of customer service** to our residential, commercial and industrial customers. The organization should focus on performing these services at the highest level in four (4) key areas with respect to interactions with its customers.

High Quality Customer Service

Strive to **improve customer service offerings and public relations communications** with the view of creating and maintaining a professional relationship with each customer where they believe that they are receiving value for money, and BPL is always responsive to their needs and the needs of the overall community.

Reliable Electricity Service

Provide the most **reliable electricity service** to all of its customers 24/7. BPL will establish its reliability benchmarks based on international standards such as System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and other applicable standards or benchmarks inclusive of data provided by CARILEC. SAIDI is the average outage duration for each customer served, and is calculated as: where is the number of customers and is the annual outage time for location. SAIFI measures the number of instances in which customers experience service interruptions divided by the total number of customers served by the utilities company over the same period of time.

Low Cost Electricity Service

Provide the **lowest possible cost per kilowatt hour (kWh)** for electricity for Residential, Commercial and Industrial customers, as may be applicable. Additionally, BPL should work to reduce the cost of fuel to its customers by utilization of the most fuel-efficient and cost-effective generation assets, and engaging in fuel hedging whenever possible.

BPL recognizes that URCA is responsible for setting electricity rates as well as guidelines on profitability. The company, however, can focus on operational cost reduction, as well as better management of its fuel costs.

Community Involvement and Engagement

It is important that **BPL establishes and maintains its position as a responsible corporate citizen** ensuring that it identifies and participates in initiatives that are consistent with its corporate ideals in the areas of environmental stewardship, cultural development, youth development and education, and social responsibility.

BPL can either lead or partner with other corporate and community organizations to make positive changes. Outlined below are initiatives that BPL may consider undertaking either individually from a corporate perspective, with corporate partners, or by encouraging its employees to make a contribution in some way. The BPL Executive Team will make decisions and recommendations with respect to where resources will be allocated.

These community engagement initiatives can be measured and managed based on the **time talent and treasure** that BPL and its employees contribute to help make a difference in the community.

Key Goals and Objectives – People

A number of internal goals and objectives that must be achieved either as a precursor to or concurrent with achieving the customer-centric goals highlighted above. They are highlighted below.

Build Workforce Capacity

Continually **build the capacity of BPL's workforce** to ensure that the company is in the best possible position to execute tasks in the most efficient and cost-effective manner.

To this end, BPL must continue and, where practical and beneficial, increase support of the educational and certification pursuits of employees seeking to better themselves. This is a key part of our investment in our people: it helps to build employee confidence and morale, particularly for younger team members who have demonstrated the aptitude and the capacity to add value to what we do here at BPL.

Performance-Based Bonus/Compensation

Develop opportunities for employees to be **rewarded/compensated** that directly contribute to the achievement of the organization's goals and objectives.

- a. Company performance bonuses
- b. Team performance bonuses
- c. Individual performance bonuses

In addition to performance-based compensation, BPL will continue to provide compensation packages that will include, but not be limited to, a competitive salary, medical benefits, sick leave, vacation, and other benefits that are commensurate with the position and best practices within the utility industry.

Key Goals and Objectives – Asset Management

System Maintenance

Maintain generation, transmission and distribution assets with the objective of delivering safe, least-cost, reliable, and environmentally sustainable electricity service to our customers.

Operational Efficiency

Strive to **improve and maintain operational efficiency** on a daily basis with the goal of maintaining the lowest cost of operations so that these savings can be passed on to the customer.

Technology Use

BPL recognizes that technology can be used to allow the company to more cost-effectively deliver services to its customers. The company must continually seek out new products that can serve to improve generation, transmission and delivery of electricity, enhance customer experience, and manage costs and overall efficiencies in the organizations.

New technology and products include, but are not limited to, clean energy generation assets, more efficient solar technology, innovative battery technology, Smart Grid improvements, Advanced Metering Infrastructure (AMI), improved Supervisory Control and Data Acquisition (SCADA) systems and better information technology (IT) and software systems for both internal and customer-facing applications.

Renewable and Clean Energy Implementation

Work to **increase the use of renewable and clean energy** sources for the generation of electricity in accordance with the **National Energy Policy (NEP)**.

Environmental Stewardship

Our commitment to environmental stewardship will drive company policy and practice through:

- a. Energy Conservation
- b. Reduction of the country's carbon footprint
- c. Use of renewable energy (National Policy Goal of 30% by 2030)
- d. Cleanup and restoration of polluted areas

Planning and Forecasting

Ensuring that the future electricity needs of the country are met is the most important role of BPL, and effectively accomplishing this task will require proactive planning and forecasting.

This planning and forecasting should include upgrading the country's transmission and distribution network and electricity generation assets, inclusive of clean and renewable energy sources. This planning and forecasting will be outlined in the company's Integrated Resource Plan (IRP), which is currently being drafted.

Key Goals and Objectives – Financials

Financial Planning

BPL must focus on fiscal responsibility, which requires operating in a manner that allows for a positive rate of return that is consistent with URCA's requirements, prudent use of the company's capital budget to make investments in assets that will maintain acceptable levels of reliability and efficiency in accordance with industry best practices.

Procurement Process

The cost-effective and timely acquisition of goods and services enables the company to achieve its productivity and service-level objectives. BPL must continually follow established competitive procurement processes to ensure transparency, efficiency and accountability in how it spends its resources with a view to improving the overall productivity and effectiveness of the organization, and fairness with its Vendors.

Vendor enrollment should be efficient, and Vendors should be paid on time in accordance with executed service agreements.

Accounts Receivables Process

Improve collection efficiency with respect to delinquent customer billings and work with customers to implement initiatives that encourage them to become more compliant with payment of bills on time.

Conclusion: Focused on a Future of Excellence

The empirical data show that we are, as a company and a service provider, steadily working toward the bright future we know is at the end of our road, however difficult the journey may be. We see a day coming when Bahamas Power and Light Company is known across the archipelago for best practices, a day when we have regained our status as an award-winning corporate and community partner. What does that future entail?

Our future means cleaner energy generation (LNG and renewables), and steady progress towards the national goal of 30% generation from renewable energy by 2030. Our future means stable generation with minimal outages, and lower and more stable costs for energy through deployment of LNG and renewable energy, which has the added bonus of reduced dependence on the more expensive diesel and heavy fuel oil (HFO).

Equally important, and perhaps more-so in the long run, BPL's future hinges on better and more widespread energy conservation. Our focus on automation, which will put unprecedented control of energy consumption in our consumers' hands, will go hand in hand with our message of conservation to create an energy-conscious society. The fact is that energy efficiency is more cost-effective than building a new power plant, and it can help reduce costs in times of high electricity demand. It has been said that, "Beyond the basic goal of conserving the planet's resources, conservation has economic, political and cultural benefits." We at BPL are striving to realize benefits in each of these arenas, together with our customers and our community.

A strong plank in this conservation platform is our push for greater adoption of solar power for business and residential via the Small Scale Renewable Generation (SSRG) program.

We are working toward a future with lower cost and more reliable electricity supply, increased economic activities and opportunities for all. We believe that in order to achieve these goals, BPL, its customers and all its various stakeholders – from the Government of The Bahamas to the businesses who rely on us to the consumer just making her or his first application to turn on power in their new home – all of us must work together. We will lead on the energy, utility and corporate front. Watch us work for you. BPL: building for better.

THE BPL TURNAROUND: TWO YEARS

RELIABILITY & EFFICIENCY		Date Completed/Installed/Commissioned
SAIDI & SAIFI Improvements		June FY2020 – June FY2021
Wärtsilä D50		Q2 FY2020
GE TM2500		Q3 FY2020
TECHNOLOGY & RENEWABLES		
Generation Control Centre		Q3 FY2021
Supervisory Control And Data Acquisition (SCADA)		June FY2020 – June FY2021
Ragged Island Renewable Microgrid (& BESS Storage)		Q2 FY2020
GENERATION		
Return of DA12, GT7		Q1 FY2021
OH of DA13 Complete		Q1 FY2021
Generation Family Island: Inagua, Farmers Cay, South Andros, North Andros, Spring Point (Acklins), Cat Island, Long Cay, Staniel Cay.		June FY2020 – June FY2021
Rentals: Sun Oil, Aggrekos		June FY2020 – June FY2021
TRANSMISSION & DISTRIBUTION		
Winton Line Upgrades 1 &2		Q4 FY2021
Gladstone Road Substation		Q3 FY2021
Windsor Field Substation		Q2 FY2021

Blue Hills 11 kV Substation		Q4 FY2021
ABACO		
Generation Abaco		Q2 FY 2020 – Q2 FY2021
T&D Abaco		Q2 FY 2020 – Q2 FY2021
SERVICES		
Streetlights		June 2020 – June 2021
Tree Trimming		June 2020 – June 2021
COST STABILITY & REDUCTION		
The Hedge		Q1 FY2021
Fuel Cost Reduction Pass-through		Q1 FY2021
ACCESSIBILITY		
CALL BPL		Q2 FY2021
BPL Paperless		Q2 FY2020
Jack Kiosk		Q3 FY2020
MyBPL App		Q4 FY2021

On The Horizon

We are at a state of readiness on the Rate Reduction Bond. Once the Government authorizes the action, we are ready to go out to the market immediately, and we anticipate – all things being equal – that we will be able to **close the Bond by December 2021**. That bond will allow us to do the following things:

WHAT	WHY	WHEN
Build Station D.	Will add an additional 100 or so MW of new, high-	Spring 2022

	efficiency, high-output, fuel flexible generation to fleet.	
Launch Advanced Metering Infrastructure (AMI).	Replacement of manual meters with smart meter technology that allows for real-time metering capabilities.	Spring 2022
Install 8.5MW of solar installations across Abaco and the Family Islands.	Increase the base load generation across the Family Islands using reliable and clean technology. Low cost energy will help reduce fuel charge for customers, and helps reduce carbon emissions.	Fall 2022
Family Island LNG Conversion	Generation facilities across the Family Islands will be upgraded to burn LNG. Cheaper, more efficient fuel than diesel (reduced fuel charges). Cleaner source of power in the Family Islands.	2022/2023
Major Transmission Line & Substation Upgrades.	Will coincide with the installation of the proposed 100MW generation at Clifton Pier. We'll also be removing old facilities and installing new ones; installing, reinforcing fiber optic cable in overhead static line, and installing spare ducts in the right of way of new road construction to be used for future underground circuits.	Spring 2022

Battery Energy Storage Solution: New Providence	The BESS facility will provide spinning reserve and inject a new level of resilience and smartness into the existing Nassau grid.	Q1 FY2022
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We've begun to turn the ship at BPL. We look forward to staying the course and delivering for The Bahamian people an electrical utility that offers safe, reliable and affordable electricity at the lowest cost and highest efficiency in the region.

BPL: Building For Better.