



Minimum Regulatory Framework:

A Requirement for Sustainability and Resilience

Island Resilience Action Challenge, April 2023

David Ehrhardt

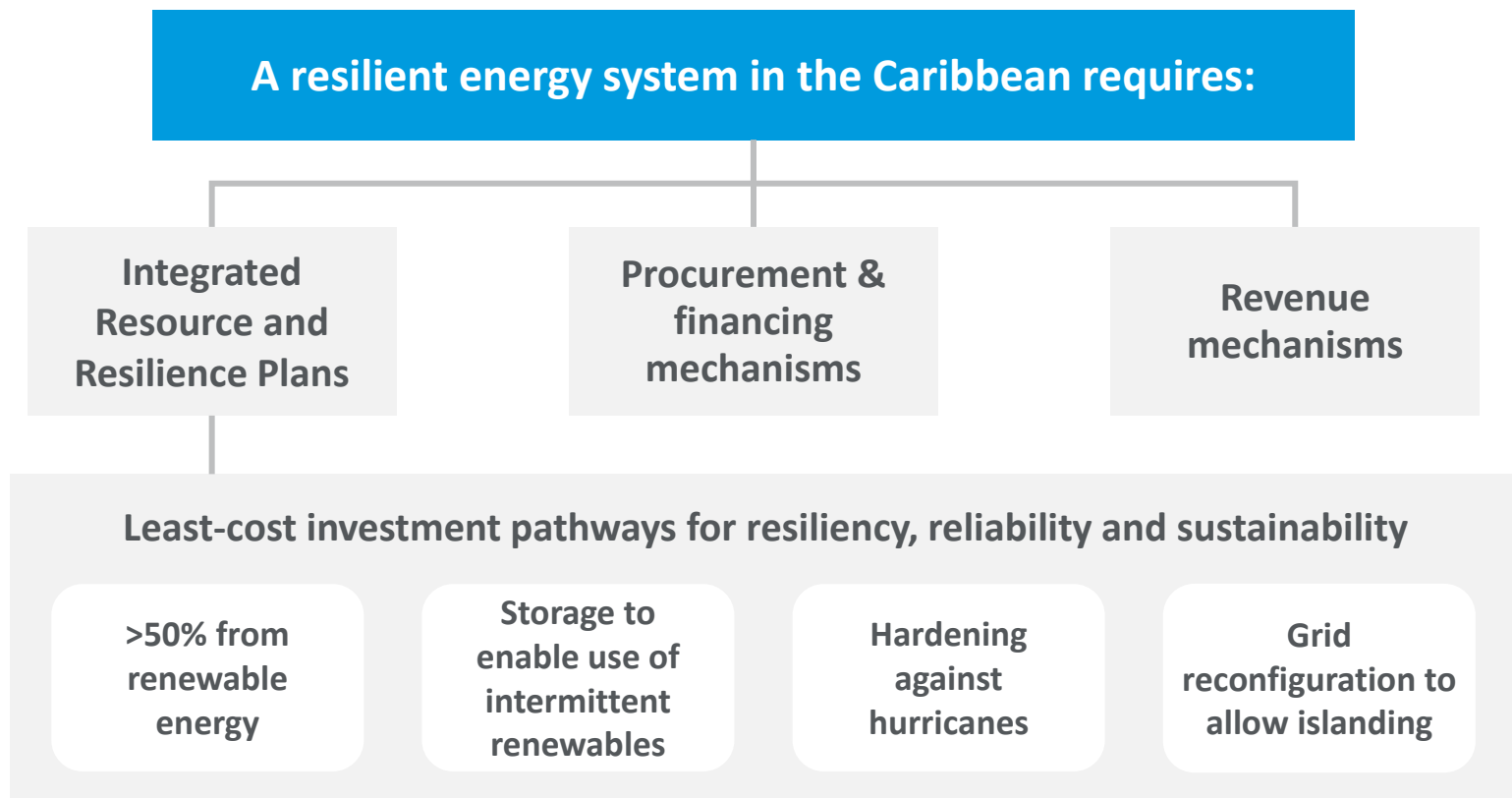


Agenda

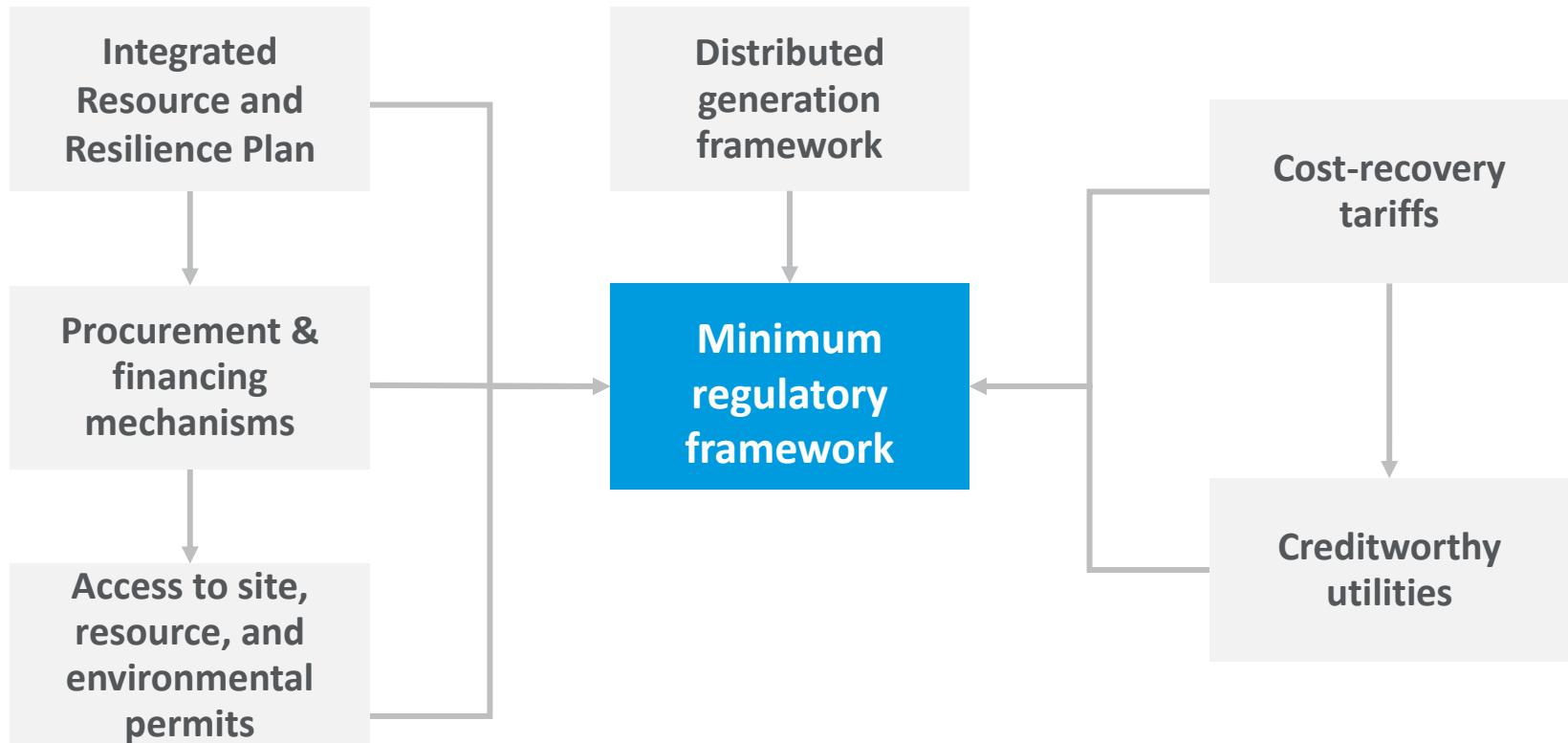
- What is preventing development of resilient energy systems in the Caribbean?
- How a minimum level of regulation can be implemented across the Caribbean
- Addressing the revenue mechanism
- The 12-month challenge

What is preventing development of resilient energy systems in the Caribbean?

A resilient energy system: One that provides continuous, reliable, affordable, sustainable electricity supply in the face of shocks, including natural disasters and economic disruptions

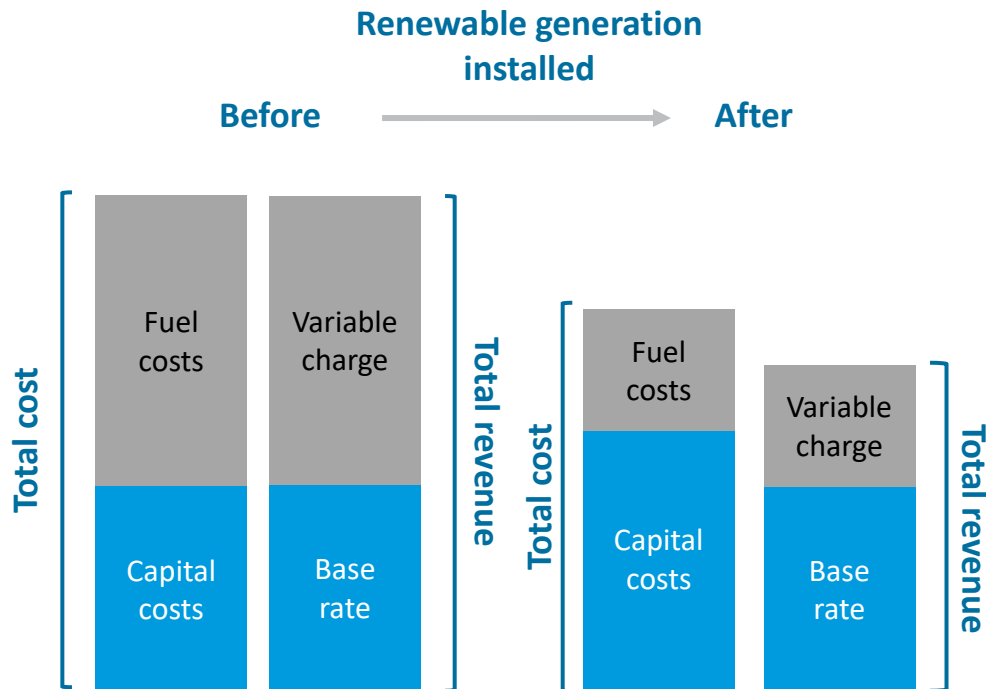


A Minimum Regulatory Framework can be implemented Caribbean-wide under CDB's ASERT program

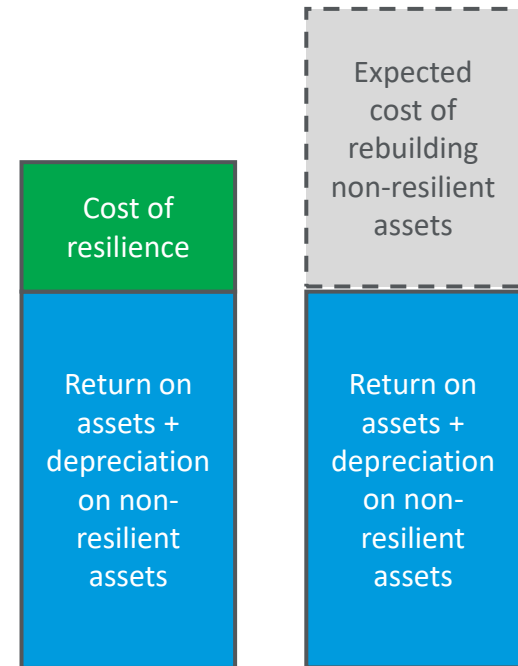


The revenue mechanism must be addressed

A problem to avoid: Renewable energy reduces costs, but reduces revenues even more



Higher upfront costs for resilience can save money in the future

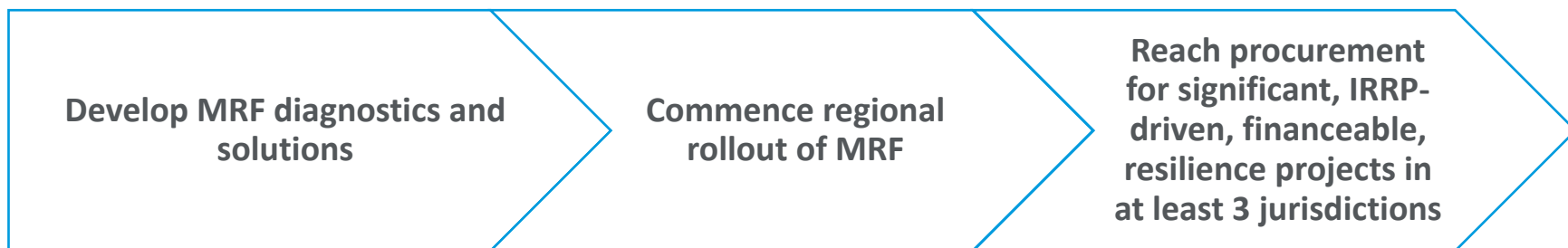


Combined with the other MRF elements, these changes will enable financing of resilient electricity systems in any jurisdiction which adopts them

The 12-month challenge

A critical, 12-month obstacle to funding the resilience cost gap in the Caribbean energy sector is the **lack of critical regulatory mechanisms to enable finance of investment needed.**

In the next 12 months:



Requirements:

Countries and donors rally around ASERT program

CDB moves quickly

Country governments and regulators also move quickly



David Ehrhardt

david.ehrhardt@castalia-advisors.com

Thinking for a better world.

WASHINGTON, DC

1747 Pennsylvania Avenue NW
Suite 1200
Washington, DC 20006
USA

SYDNEY

Suite 19.01, Level 19
227 Elizabeth Street
Sydney NSW 2000
Australia

AUCKLAND

74D France Street
Newton South
Auckland 1010
New Zealand

WELLINGTON

Level 2, 88 The Terrace
PO Box 10-225
Wellington 6011
New Zealand

PARIS

3B Rue Taylor
Paris 75481
France

BOGOTÁ

Calle 81 #11-08
Piso 5, Oficina 5-121
Bogotá
Colombia