

A Snapshot View of Transparency in the CARICOM Electricity Sector

Summary

The price of electricity in the CARICOM region (excluding Trinidad and Tobago and Suriname) is among the highest in the world, often reaching twice the rates paid in Latin America. These elevated costs serve as a major drag on economic development and export competitiveness, with energy imports consuming approximately 7% of regional GDP.^{1,2} As the region shifts toward renewable energy to mitigate these costs, the lack of transparency in power contracting remains a critical barrier to sustainable growth.

Introduction & Electricity overview

The Caribbean Community (CARICOM), established in 1973, consists of 15 full member states and 5 associate members with a combined population of 18 million. The regional electricity landscape is defined by a total installed capacity of approximately 6 GW, with roughly 12% derived from renewable sources.^{3,4} While Barbados, Belize, Jamaica, and Suriname are regional leaders in renewable energy, the energy transition is complicated by ageing generation plants and extreme price volatility.

FIGURE 1: Regional Electricity Sector Overview (Selected Members)

CARICOM Member	Approx. Installed Capacity (MW)	Approx. Total Installed RE (MW)	System Losses (%)
Antigua and Barbuda ⁵	72.8	10.4	13.5
Bahamas ⁶	735	18.4	12.3
Barbados	252.2	73.6	6.6
Belize ⁷	132	76.6	11.9

¹ Mowla, W. 2024. As cited in Caribbean Development Dynamics 2025. Paris: OECD Publishing, Organisation for Economic Co-operation and Development and Inter-American Development Bank, 2024, 204.

² OECD and Inter-American Development Bank. Caribbean Development Dynamics 2025. Paris: OECD Publishing, 2024.

³ [2022 Energy Report Card – CARICOM](#)

⁴ [CARICOM Member States Demonstrate Strong Progress Towards Renewable Energy Targets - CARILEC](#)

⁵ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, Antigua & Barbuda, 2023

⁶ Government of Bahamas, The Bahamas National Energy Policy 2025 to 2030, May 2025.

⁷ Government of Belize. *Belize Solar PV Project: Request for Expression of Interest*. Belmopan: Ministry of Finance, with International Finance Corporation, March 2025.

Dominica ⁸	18.9	7.1	8.2
Grenada	52	5.1	7.9
Guyana	325	6	24.0 ⁹
Haiti ¹⁰	382.3	68.9	45
Jamaica	1005.4	203	27.9 ¹¹
Montserrat ¹²	7.1	1	8.66
St Kitts / Nevis ¹³	76.0	2.7	4.1
St Lucia ¹⁴	88.4	5	5.7
St Vincent and Grenadines ¹⁵	45.5	10.2	6.8
Trinidad and Tobago	2100	92	7.2
Suriname ¹⁶	322.3	197	10

Key Players in the Power Sector

- **CARICOM (Caribbean Community):** The regional body facilitating economic integration and functional cooperation.
- **CARILEC (Caribbean Electric Utility Services Corporation):** The regional association of electric utilities that provides data and tariff reporting.
- **Independent Power Producers (IPPs):** Private sector investors increasingly responsible for renewable energy projects.
- **OECD (Organisation for Economic Co-operation and Development) and IDB (Inter-American Development Bank):** International organizations providing guidance on regional energy integration and regulatory frameworks.

Market Overview

The regional market is shifting toward a decentralized system of generation, with growth in rooftop solar, microgrids, and battery storage. Many countries are introducing net metering

⁸ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, Dominica, 2023

⁹ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, Guyana, 2023.

¹⁰ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, Haiti, 2023.

¹¹ Jamaica Public Service Company Limited, *Annual Report 2023* (Kingston: JPS, 2024), <https://www.jpSCO.com/wp-content/uploads/2024/06/JPS-Annual-Report-2023.pdf>.

¹² Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, Montserrat, 2023.

¹³ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, St Kitts Nevis, 2023.

¹⁴ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, St Lucia, 2023.

¹⁵ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card, St Vincent & the Grenadines, 2023.

¹⁶ Caribbean Centre for Renewable Energy and Energy Efficiency, Energy Report Card Suriname, 2023.

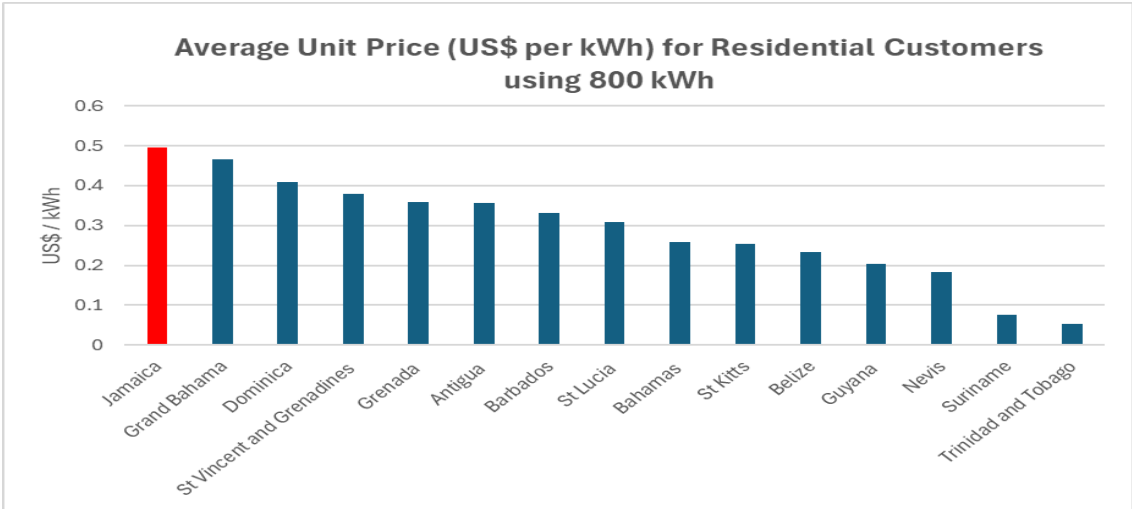
and feed-in tariffs to support this transition. However, the primary commercial vehicle for new generation remains the Power Purchase Agreement (PPA) between IPPs and national utilities.

Tariffs in CARICOM

The CARICOM region has some of the highest electricity tariffs globally, alongside significant variation in prices across member states. Jamaica has the highest average residential tariffs, driven largely by its reliance on imported fuels, in contrast to Trinidad and Tobago, where access to domestic natural gas keeps generation costs and tariffs relatively low.

The table below is based on information from CARILEC's March 2025 tariff report and is for residential customers using 800 kWh per month.¹⁷

FIGURE 2: Average residential electricity prices per kilowatt-hour (kWh) in US\$ in CARICOM



Legal & Regulatory Framework

Regional energy governance is guided by the Treaty of Chaguaramas, which promotes policy harmonization, cross-border investment, and cooperation among Caribbean Community member states to support energy security and renewable development.

This includes efforts to standardize energy-efficiency requirements and procurement models to attract capital. Initiatives such as the Energy for Growth Hub's [partnership](#) with the Organisation of Caribbean Utility Regulators to develop standardized PPA templates, alongside the [RELP's \(Renewables for all\)](#) aggregated procurement approach, aim to pool demand across small markets to enhance regional cooperation and bring prices down by increasing economies of scale.

¹⁷ Caribbean Electric Utility Services Corporation (CARILEC). Electricity Tariff Report: March 2025. Castries, Saint Lucia: CARILEC, 2025.

Current Status of Power Contract Disclosure

Currently, there are limited meaningful reference points for PPA pricing across the region. While utilities have access to headline tariffs in other CARICOM jurisdictions, underlying contract structures remain opaque. Key provisions such as capacity payments, risk allocation, and indexation that determine those prices are often not disclosed. This limits the ability to benchmark deals and negotiate effectively.

The increase in IPPs necessitates greater access to PPA models to ensure competitive pricing and fair contract terms.

Key Considerations Impacting PPA Contracting

- **High dependence on imports:** The Caribbean remains heavily reliant on imported petroleum, which accounts for roughly 90% of consumption, compared to about 20% globally. Electricity systems are still dominated by diesel and fuel oil, with aging infrastructure and small, isolated grids highly exposed to climate shocks.¹⁸
- **Small market size:** A lack of economies of scale increases the unit cost of power.
- **System losses:** High technical and non-technical losses — peaking at ~27% in Jamaica — inflate prices for paying customers.¹⁹
- **Grid fragility:** Ageing grids and centralized generation systems require significant modernization to handle decentralized renewables.

Why Transparency Matters for the Region

The CARICOM region is gradually shifting from fossil fuels, mainly imported diesel and fuel oil, to renewable energy. Much of this investment is driven by the private sector, with PPAs as the primary commercial vehicle between independent power producers and utilities.

However, limited transparency constrains effective benchmarking. While utilities can observe tariffs across the region, there is little visibility into how those prices are structured, particularly around risk allocation, indexation, and payment terms. This weakens negotiating capacity, increases the risk of overpaying for electricity, and can contribute to higher tariffs and fiscal pressure in systems where utilities rely on government support and guarantees. Greater transparency in PPA design and disclosure would help mitigate these risks.

Island systems also face a transition challenge. As countries scale renewables, particularly hybrid projects combining solar and battery storage, regulators and utilities must manage unfamiliar cost structures and operational risks. This creates uncertainty in how projects are evaluated, priced, and integrated into already constrained grids.

At the same time, procurement models are shifting from bilateral negotiations to competitive tenders. While this can improve transparency and pricing, it requires getting the design right upfront. If contract terms and risk allocation are not properly calibrated before auctions, multiple projects can lock in suboptimal outcomes at scale, creating long-term cost burdens for utilities, regulators, and consumers.

¹⁸ [Caribbean Countries Move Toward Energy Sustainability with New Regional Project](#)

¹⁹ <https://data.worldbank.org/indicator/EG.ELC.LOSS.ZS?locations=JM-HT>

Key Considerations for a New Disclosure Regime

Increased transparency in PPA negotiations is essential to mitigate regional economic risks:

- **Reducing indebtedness:** Transparent contracting can [help state-owned utilities avoid high levels of debt](#) that could result from uncompetitive agreements.
- **Protecting public pricing:** Accessible pricing data prevents utilities from overpaying or accepting risk allocations that are out of line with market norms. This ultimately translates into lower costs for the public.
- **Investor confidence:** A shared regulatory framework provides a clearer and more predictable roadmap for private investment, enabling developers to scale renewable projects within and across countries. This helps overcome the structural limits of small island markets by aggregating demand and improving economies of scale, ultimately lowering costs and increasing investment viability.

Conclusion & Actionable Policy Recommendations

To address the regional energy situation, CARICOM must prioritize transparency and integration:

- **Regional integration:** Develop a shared regulatory framework to harmonize PPA standards across member states, supported by aggregated procurement approaches that pool demand across small markets to enhance cooperation and reduce costs through greater economies of scale.²⁰
- **Information sharing:** Establish a regional repository for PPA models and comparative tariff design and to serve as a benchmark for national utilities via CCREEE or OOCUR.
- **Procurement transparency:** Formalize the shift toward competitive bidding to ensure that IPP investments deliver the best possible value to consumers.

²⁰ OECD and Inter-American Development Bank. Caribbean Development Dynamics 2025. Paris: OECD Publishing, 2024.