
A Snapshot View of Transparency in Barbados' Electricity Sector

Summary

Despite near-universal electrification and ambitious targets to reach 100% renewable energy by 2030, electricity prices in Barbados remain among the highest in the Caribbean, driven in part by fuel cost pass-through mechanisms. Recent High Court disputes in 2025 exposed gaps in sector transparency and regulatory authority, sharpening the case for reform. As Barbados has now exited its seven-year International Monetary Fund-backed program, the central question is how new legislation and market reforms will translate into stronger oversight and more competitive pricing, or simply shift costs within the system.

Introduction & Electricity Overview

Barbados is moving from long-standing reliance on imported diesel and natural gas toward a target of 100% renewable energy by 2030. The system remains dominated by the Barbados Light and Power Company (BLPC), a vertically integrated monopoly responsible for generation, transmission, distribution, and retail. While BLPC continues to anchor the system, it increasingly procures solar power from a growing pool of Independent Power Producers (IPPs), reflecting a gradual transition toward a more diversified supply model.

Despite strong renewable ambitions, electricity prices remain high, driven in part by the Fuel Clause Adjustment, which passes volatile fuel costs directly to consumers.¹ At the same time, the sector is undergoing legal and regulatory reform aimed at reducing BLPC's dominance in generation and introducing competitive procurement for renewables and storage. The effectiveness of this transition will depend on whether new market structures can deliver lower costs alongside cleaner energy.

¹ Barbados Light & Power Company, "The Fuel Clause Adjustment," May 21, 2020, <https://support.blpc.com.bb/support/solutions/articles/42000059205-the-fuel-clause-adjustment>.

TABLE 1: Electricity sector overview²

FEATURE	DETAILS
Market Structure	Vertically integrated monopoly (BLPC) with emerging IPP participation.
Total Installed Capacity	325.8 MW
Generation Mix	73.4% Thermal (Diesel/Fuel Oil/Natural Gas); 22.6% Renewable (Solar PV)
Total PPAs	Many operational/pending; includes standard form PPAs for systems under and over 10 MW.

Background & Market Structure

- **Ownership and structure:** The sector is historically state-influenced but led by the Barbados Light and Power Company (BLPC), which is majority owned by Emera Inc., a publicly traded utility. BLPC operates as a vertically integrated utility within a single-buyer system.
- **Market model:** IPPs generate primarily solar power and sell to BLPC through Power Purchase Agreements (PPAs) and feed-in tariffs approved by the Fair Trading Commission.
- **Contract structure:** Many PPAs include take-or-pay features, particularly for larger projects, shaping long-term cost and risk allocation.³
- **Renewable growth and constraints:** Distributed solar has scaled rapidly, exceeding 117 megawatts (MW), but integration is constrained by limited battery storage capacity.
- **System challenge:** The resulting “storage gap” has led to pauses in new solar connections, exposing a mismatch between generation growth and grid readiness.⁴
- **Current direction:** The market is shifting toward large-scale hybrid projects that combine generation with storage to provide more reliable capacity within an isolated grid system.

Key players in the power sector

- **Barbados Light and Power Company (BLPC):** The national electric utility, primarily owned by Emera (Canada); responsible for generation, transmission, distribution, and retail.

² Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE), Barbados Energy Report Card (ERC) 2022 (Bridgetown: CCREEE, 2024).

https://www.ccreee.org/wp-content/uploads/2024/09/2022-Energy-Report-Card-Barbados_compressed.pdf.

³ Take-or-pay clauses require the buyer (usually the utility) to pay for a minimum amount of electricity or capacity whether or not it is actually used.

⁴ Barbados Today, “Light & Power seeks more battery storage to ‘stabilise grid,’ August 17, 2024, <https://barbadostoday.bb/2024/08/17/light-power-seeks-more-battery-storage-to-stabilise-grid/amp/>.

- **Fair Trading Commission (FTC):** The independent regulator that approves tariffs, reviews rate applications, and sets renewable energy feed-in tariffs.
- **Ministry of Energy & Business Development:** Sets overall energy policy, develops 100% renewable energy incentives, and oversees government energy programs.
- **Renewable Energy Procurement Committee (REPC):** A new entity established by the 2024 Electricity Supply Act to manage competitive bidding for IPPs and storage.
- **Electricity Advisory Committee:** Advises the Minister on license applications and renewals under the new regulatory framework.
- **Independent Power Producers (IPPs):** Private entities such as CloudSolar Inc. and Renewstable (Barbados) Inc. that sell renewable energy to the national grid.

Legal and Policy Framework

Barbados National Energy Policy 2019–2030 has set a target of 100% renewable energy and carbon neutrality by 2030, focusing on reducing fossil fuel dependence, scaling solar and storage, and modernizing the grid. While the target is ambitious, experts agree that it provides a clear framework for accelerating the country's energy transition.⁵

The electricity sector is governed by several instruments:

- **Electricity Supply Act, 2024:** The primary legislation replacing the 2013 Electric Power and Light Act; modernizes the value chain to include storage and mandates transparency and a predictable, rules-based regulatory framework that provides clarity and stability for investors and utilities.^{6,7,8}
- **Licensing Regime:** Established under the 2024 Act for generation, storage, dispatch, and sale; includes a mandatory public register of generation systems (though not yet fully operational).
- **Transparency Mandates:** Section 20 of the 2024 Act requires the Minister to maintain the yet-to-be operational public register of generation and storage systems, including information on the ownership, control, and operation of each system, accessible for a prescribed fee.⁹
- **Standardized PPAs:** Standard templates for systems under and over 10 MW are publicly available via the FTC website to streamline contracting.¹⁰

Current Status of Power Contract Transparency

While Barbados has made strides by publishing standardized PPA templates on the FTC website, the specific details of individual signed contracts, particularly pricing and proprietary

⁵ Barbados Today, "Barbados won't make renewable energy target," December 5, 2024, <https://barbadostoday.bb/2024/12/05/barbados-wont-make-renewable-energy-target/>.

⁶ Barbados Parliament Bills Archive | Electricity Supply Bill, 2024, <https://www.barbadosparliament.com/bills/details/798>.

⁷ Parliament of Barbados, Electricity Supply Act, 2024, (Bill as amended Sept. 27, 2024), https://www.barbadosparliament.com/uploads/bill_resolution/295d6de8a8dba3edee81c8d330cb6d83.pdf. This Bill would regulate the generation, storage, transmission, distribution, dispatch, supply and sale of electricity.

⁸ Electric Light and Power Act, 2013-21, May 2021.

<https://energy.gov.bb/wp-content/uploads/2024/07/Electric-Light-and-Power-Act-CAP.278-May2021.pdf>.

⁹ Ibid.

¹⁰ Feed-in-Tariff PPA Template," Barbados Fair Trading Commission, accessed April 25, 2025, https://ftc.gov.bb/index.php?Itemid=2&id=457&option=com_content&task=view.

financial terms, remain largely shielded from the public.¹¹ The 2024 Electricity Supply Act explicitly mandates a public register of generation and storage systems, but this has not been fully operationalized for public viewing as of the end of 2025.

Current reporting relies on the FTC's review of generation, capacity needs, and storage within rate applications, as well as the Ministry's portal, which lists licensed generators but does not include detailed data needed for the public to verify the actual cost of service for specific IPP projects. This gap in disclosure led to the 2025 High Court challenge regarding the release of utility financial reports, signaling that while the legislative intent for transparency exists, the technical and institutional channels for disclosure are still in development.¹²

Key Considerations impacting PPA contracting and IPP participation

- **Storage shortages and potential grid instability.** Barbados is facing a critical "storage gap" rather than a generation gap.¹³ While solar capacity has expanded, the grid can only host about 100 MW of solar without significant storage investment. This has created a bottleneck for new PPAs, as the utility has previously paused connections to protect grid stability.¹⁴ In response to this gap, in 2025 Barbados issued an RFP for a battery energy storage system (BESS).
- **Procurement evolution.** The country is transitioning from unsolicited bids and feed-in tariffs toward a 100% competitive bidding model for new capacity and storage. The newly formed REPC is tasked with creating transparent rules to ensure investor confidence and fair project selection.
- **Economic volatility.** The high cost of imported fossil fuels continues to impact the cost of power through the Fuel Clause Adjustment. At the same time, the transition to renewables depends on debt-financed, externally supported investment, often from institutions like the Inter-American Development Bank and International Finance Corporation, adding to fiscal pressure and long-term repayment obligations.
- **Governance and transparency risks.** Public trust is a significant concern. Recent legal disputes over the FTC's refusal to compel the release of utility financial data highlight a perceived lack of transparency in how costs are passed to consumers. Ensuring that new PPA contracts are not viewed as "secret deals" is essential to meet the 2030 target.

Key Considerations for a New Disclosure Regime

A primary barrier to full disclosure is the commercial sensitivity of pricing in IPP contracts; private developers often push back on revealing proprietary financial models. A gradual approach can help manage this, starting with the publication of contract summaries that

¹¹ Barbados Light & Power Company, Feed-In Tariff Power Purchase Agreement, 2022, https://www.ftc.gov.bb/library/ppa/2022/2022-09-01_fit_ppa_template_for_RE_1MW-10MW.pdf.

¹² Barbados Today, 'High Court to hear challenge of FTC's refusal to demand Light & Power financial records, November 19, 2025, <https://barbadostoday.bb/2025/11/19/high-court-to-hear-challenge-of-ftcs-refusal-to-demand-light-power-financial-records/>.

¹³ BNamericas. "Barbados Energy Storage Shortfall 'Unsexy,' Says PM." Accessed December 4, 2025, <https://www.bnamericas.com/en/news/barbados-energy-storage-shortfall-unsexy-says-pm>.

¹⁴ Barbados Light & Power Company Limited. BLPC Rate Application: Volume 4. September 30, 2021, https://www.ftc.gov.bb/library/blip_app/2021/rateapp/Volume%204%20-%20BLPC%20Rate%20Application%202021.09.30.pdf.

include capacity, technology, and average selling price, before publishing full contract text.

Technically, the government must transition from a manual list of licenses to a fully operational digital register as mandated by the 2024 Act. This will require building data and **publication** capabilities within the Ministry of Energy. While the law allows for public access subject to a fee, a phased approach should be adopted, with a clear transition toward free, open access for core contract information to ensure that the transparency envisioned in the law is realized in practice.

Conclusion & Actionable Policy Recommendations

Barbados is at a crossroads: it has the legal framework for transparency but lacks the implementation mechanisms. With high electricity prices and a looming "storage crisis," the government must act now to ensure the next wave of renewable PPAs and battery storage contracts are transparent and competitively sourced to maintain public and investor confidence.

- **Fully operationalize Section 20 of the Electricity Supply Act 2024** to make the register of generation systems accessible to the public.
- **The FTC and REPC should develop and publish a standard reporting template for annual PPA performance** and actual average prices paid to IPPs.
- **Enforce competitive bidding for all new renewable energy and storage capacity** through the REPC to drive down costs.
- **Develop and publish a database of all PPAs**, starting with summaries and moving toward full disclosure of non-proprietary terms.

ANNEX 1: Barbados' power generation by technology and maximum capacity

PLANT NAME	DEVELOPER/ OPERATOR	TECHNOLOGY	YEAR OF COMMISSION	ESTIMATED INSTALLED CAPACITY (MW)
Spring Garden	BLPC	Low Sulphur Diesel/ Natural gas	1967	166MW
CloudSolar various solar projects	Cloudsolar Inc	Rooftop Solar	2016	4 MW
Garrison	BPLC	Natural Gas Turbine	1990	13 MW
Seawell	BLPC	Natural Gas Turbine	1996 -2002	73 MW
Trents Solar Park	BLPC	Solar	2018	10 MW
Bridgetown Project	Masdar	Solar carport	2019	350 KW
Bowmanston Project	Masdar	Ground-mounted system solar	2019	500 KW
Renewstable at Harrow Plantation	Renewstable (HDF)	Hybrid solar and hydrogen plus battery storage	In progress	50 MWp
Lambert Wind Farms	BLPC /PPP model with IFC	Wind	In progress	30 MW with potential expansion to 50–60 MW.