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# A Snapshot View of Transparency in Jamaica's Electricity Sector

## Summary

Jamaica is entering a critical phase of power sector reform. Despite diversifying into liquified natural gas (LNG), wind, and solar, it continues to face some of the highest electricity tariffs in the Caribbean Community (CARICOM) region and globally, driven by system losses of roughly ~27% and legacy power purchase agreements (PPAs) that have locked in high costs. In late 2025, the government announced it would not renew the Jamaica Public Service Company's (JPS) license under its current terms. As the monopoly provider of transmission and distribution services, the system operator, and a major generator, JPS sits at the center of the sector, making the decision a potential turning point in the structure and governance of Jamaica's electricity market. The success of this transition will depend on whether reforms tackle underlying issues such as system losses, contract transparency, and sector governance, rather than focusing solely on renegotiating existing arrangements.

## Introduction & Electricity Sector Overview

Jamaica's electricity sector operates under a liberalized generation model, with Independent Power Producers (IPPs) and the JPS supplying the grid. Introduced in the mid-1990s, starting with the Dr. Bird Power Station, the IPP model aimed to attract private capital and reduce public investment in generation.

Today, JPS sits at the center of the power system, with a monopoly on transmission and distribution,<sup>1</sup> and manages part of the generation. It is 80% foreign-owned — by Marubeni Corporation and Korea East-West Power — with the Jamaican government retaining 19.9% share.<sup>2</sup> JPS operates its own fleet of power plants while purchasing power from nine IPPs, creating a hybrid single-buyer system. The sector is now targeting 50% renewable electricity by 2030,<sup>3</sup> but doing so within a system shaped by long-term contracts raises clear risks around cost and flexibility.

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<sup>1</sup> Until at least 2027, unless the current law is amended.

<sup>2</sup> Jamaica Observer, "JPS plans \$500-m investment," September 20, 2022.  
<https://www.jamaicaobserver.com/2022/09/20/jps-plans-500-m-investment/>.

<sup>3</sup> The Most Honourable Andrew Holness, "80th Session of the United Nations General Assembly (UNGA) General Debate," Office of the Prime Minister, September 26, 2025.

**TABLE 1:** Electricity sector overview

Feature	Details
<b>Market Structure</b>	Generation is open to competition; Transmission and distribution is a monopoly held by JPS.
<b>Total Installed Capacity</b>	Approximately 1,047 MW <sup>4</sup>
<b>Generation Mix</b>	CCGT (Natural Gas), CHP, HFO, Diesel, Solar, Wind, and Hydro.
<b>Total PPAs</b>	Numerous long-term contracts; JPS procures from 9 IPPs.

## Background & Market Structure

Jamaica utilizes a "single-buyer" model where JPS has exclusive rights to transmission, distribution, and retail supply until 2031.

- **Demand:** Peak demand reached 692 megawatts (MW) in 2023.<sup>5</sup>
- **Contracting:** JPS buys power from IPPs through long-term PPAs that give investors certainty but pass contracted costs, including fuel charges and capacity payments, onto consumers.
- **Self-Generation:** Some major hotels, agro-processing, and manufacturing companies operate their own in-house co-generation or tri-generation systems, often utilizing imported LNG.

## Key Players in the Power Sector

- **Jamaica Public Service (JPS):** The grid operator and sole retailer responsible for supply and grid modernization.
- **Office of Utilities Regulation (OUR):** The independent regulator that approves PPAs, regulates pricing, and encourages competition.
- **Ministry of Science, Energy and Technology:** Oversees energy policy and licensing.
- **Generation Procurement Entity (GPE):** Manages the competitive, transparent bidding process for new generation capacity.

<sup>4</sup> Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE), *Energy Report Card (ERC) for Jamaica 2022* (August 2024), <https://cekh.ccreee.org/wp-content/uploads/2024/08/2022-Energy-Report-Card-Jamaica-1.pdf>.

<sup>5</sup> Jamaica Public Service Company. "Jamaica Experiences Highest Electricity Demand Ever on July 12, 2023." Last updated October 12, 2023. [Jamaica Experiences Highest Electricity Demand Ever on July 12, 2023 - JPS](#).

- **Jamaica Public Procurement Commission (JPPC):** Monitors compliance with procurement rules during government tenders.
- **Independent Power Producers (IPPs):** Private entities that generate power for sale to the grid.

## Legal and Regulatory Framework

The electricity sector is governed by several instruments:

- **Electricity Act, 2015:** Modernized the sector, replaced the 1890 Act, and established the competitive framework for IPPs.
- **Office of Utilities Regulation Act (1995):** Created the regulator to oversee liberalization and protect consumers.
- **All-Island Electricity Licence (2001):** The primary instrument granting JPS exclusive rights to the grid.
- **Integrated Resource Plan (IRP):** The long-term roadmap for power generation investments.

## Comparison of Tariffs in Jamaica to CARICOM Region Tariffs

Electricity tariffs in Jamaica remain among the highest in the CARICOM region and globally.<sup>6</sup> Comparative data show residential tariffs in Jamaica are several times higher than in neighboring countries, reflecting one of the widest cost gaps in the region.<sup>7</sup>

These costs are driven by reliance on imported fuel oil and diesel, and system losses of 26.9% from theft and grid inefficiencies — both passed on to consumers.<sup>8</sup> While diversification into LNG, wind, and solar has improved the energy mix, the gains have not fully translated into lower tariffs. Legacy PPAs also continue to lock in uncompetitive pricing, limiting the system’s ability to benefit from falling renewable costs.<sup>9</sup>

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<sup>6</sup> Industry Sources, March 2025.

<sup>7</sup> Worldwatch Institute. *Jamaica Sustainable Energy Roadmap: Pathways to an Affordable, Reliable, Low-Emission Electricity System*. October 2013.

[https://www.international-climate-initiative.com/legacy/Dokumente/2013/1321120\\_Sustainable\\_Energy\\_Roadmap\\_Jamaica.pdf](https://www.international-climate-initiative.com/legacy/Dokumente/2013/1321120_Sustainable_Energy_Roadmap_Jamaica.pdf).

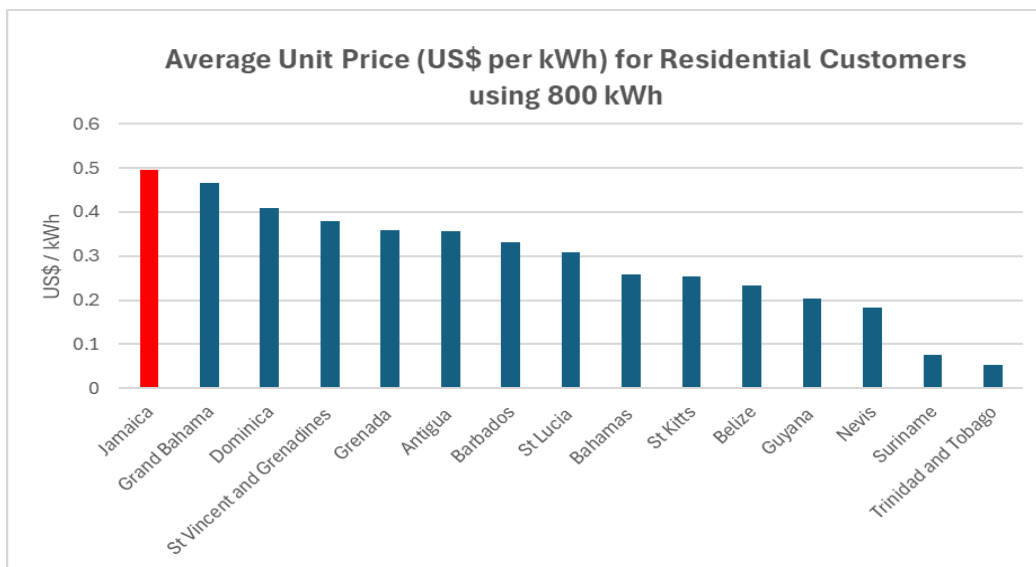
<sup>8</sup> Jamaica Public Service Company (JPS). *Annual Report 2024*. Kingston: JPS, April 30, 2025.

<https://www.jpSCO.com/wp-content/uploads/2025/04/JPS-AR-2024-MM-FINAL-300425-SPREADS.pdf>.

<sup>9</sup> Our Today. “‘We Must Confront Hard Truths:’ Private Sector Welcomes Government’s Position on JPS Licence.” *Our Today*, July 2, 2025.

<https://our.today/private-sector-welcomes-governments-commitment-to-reforming-jamaicas-electricity-framework/>.

**FIGURE 1:** Average residential electricity prices per kilowatt-hour (kWh) in US\$ in CARICOM<sup>10</sup>



## Current Status of Power Contract Transparency

While a framework for competition exists, PPA negotiations have been a source of significant controversy.

- **Transparency concerns:** Public debate around electricity tariffs has highlighted limited disclosure of key cost drivers, including fuel use and IPP charges, with stakeholders calling the process opaque and demanding greater transparency.<sup>11</sup>
- **Disclosure gaps:** While headline tariffs are publicly available, there is limited visibility into underlying PPA terms such as pricing structures, indexation, and risk allocation, constraining benchmarking and oversight.
- **Legacy contract concerns:** Jamaica’s high electricity tariffs are partly driven by structural features such as fuel pass-through mechanisms and IPP cost recovery, reinforcing concerns that earlier contractual arrangements embed costs that are ultimately borne by consumers.<sup>12</sup>

## Key Issues Impacting PPA Contracting and IPP Participation

- **Market structure and IPP dependence:** Jamaica’s liberalized model, anchored by strong IPP participation and a single-buyer system led by JPS, provides investor certainty but concentrates contractual and pricing risks within long-term PPAs.

<sup>10</sup> Caribbean Electric Utility Services Corporation (CARILEC), Electricity Tariff Survey: March 2025 (Castries, St. Lucia: CARILEC, 2025).

<sup>11</sup> *Jamaica Gleaner*, “Paulwell demands ‘full transparency’ after 7% hike in electricity bills,” December 16, 2025, <https://jamaica-gleaner.com/article/news/20251216/paulwell-demands-full-transparency-after-7-hike-electricity-bills>.

<sup>12</sup> *Jamaica Gleaner*, “JPS Strikes Conciliatory Tone as It Awaits Talks with GOJ over Licence,” August 1, 2025, <https://jamaica-gleaner.com/article/business/20250801/jps-strikes-conciliatory-tone-awaits-talks-goj-over-licence>.

- **Legacy contracts and generation mix:** The generation mix is heavily shaped by existing PPAs, including major plants such as Dr. Bird, West Kingston Power Partners, and Jamaica Private Power Company. While newer agreements have enabled a shift toward natural gas, legacy contract terms continue to influence system costs and flexibility.
- **Risk allocation through PPAs:** The single-buyer model ensures off-take for IPPs, but contract structures such as capacity payments, fuel pass-throughs, and take-or-pay provisions transfer significant cost and demand risk to consumers.
- **Renewable procurement design:** Competitive procurement has supported growth in wind and solar projects, but the effectiveness of these processes will depend on transparent bidding, standardized contracts, and alignment with system planning.
- **Fuel exposure:** Continued reliance on imported fuel oil and diesel exposes the system to global price volatility, reinforcing the importance of how fuel risk is allocated within PPAs.
- **Procurement evolution:** The role of the GPE in improving bidding processes marks progress, but the legacy of earlier, less competitive agreements continues to shape current pricing outcomes.

**TABLE 2:** Electricity Tariffs in Jamaica

Customer Category	Energy Charge (USD/kWh)	Customer Charge (USD/month)	Demand Charge (USD/kVA/month)
<b>Residential</b>			
– 0–100 kWh	\$0.051	\$3.71	N/A
– Above 100 kWh	\$0.147	\$3.71	N/A
<b>Small Commercial</b>	\$0.063	\$7.92	N/A
<b>Large Commercial</b>			
– Standard	\$0.043	\$55.80	\$19.11
– Time-of-Use (TOU)		\$55.80	
– On-Peak	\$0.041		\$10.66
– Part-Peak	\$0.037		\$7.87
– Off-Peak	\$0.036		\$2.28
<b>Industrial</b>	\$0.043	\$55.80	\$19.11
<b>Low Voltage (LV)</b>			
<b>Industrial Medium Voltage (MV)</b>	\$0.030	\$55.80	\$13.24

**Note:** These tariffs do not include foreign exchange adjustment, fuel charge, and IPP variable charge.

## Key Considerations for a New Disclosure Regime

Strengthening transparency in Jamaica’s power sector will require moving beyond ad hoc disclosure toward a more systematic contracting and oversight approach.

- **Standardization:** Introducing standardized PPA templates would reduce negotiation opacity, improve comparability across projects, and limit the scope for unfavorable or inconsistent terms.
- **Reporting:** Publishing an annual, regulator-led report on PPA performance — including tariffs, capacity payments, and key risk allocations — would allow relevant actors to assess value for money and system-wide cost drivers.
- **Public Engagement:** Embedding structured public consultation into the PPA process would improve accountability and ensure procurement decisions reflect broader economic and consumer interests.

## Conclusion & Actionable Policy Recommendations

Jamaica stands at a critical juncture as it decides whether to renew its primary utility's license. To ensure future PPAs are fair and transparent, the following is recommended:

- **Mandate the public disclosure of all PPA terms** and formalize a public consultation process for new generation capacity.
- **Empower the Office of Utilities Regulation to provide more independent oversight of negotiations** and require the publication of annual PPA performance reports.
- **Provide technical support** to ensure negotiators can match the expertise of international private investors.
- **Address the 26.9% system losses** to ensure that the lower costs achieved through transparent PPAs are actually felt by consumers.

## ANNEX 1: Jamaica Power Generation by Technology and Max Capacity<sup>13</sup>

PLANT NAME	OWNER/OPERATOR	TECHNOLOGY	ESTIMATED INSTALLED CAPACITY (MW)
<b>Bogue Power Station<sup>14</sup></b>	JPS	CCGT (Natural Gas)	120.0
<b>Old Harbour</b>	JPS/ South Jamaica Power Company	CCGT (Natural Gas)	194.0
<b>Jamalco</b>	Excelerate Energy	Combined Heat and Power (CHP)	150
<b>Cogeneration</b>	Jamaica Broilers Group Limited	Jam Broilers LNG cogeneration plants <sup>15</sup>	22.5
<b>JPS CHP plant at the Nest</b>	JPS/ Caribbean Broilers Group	Cogeneration (Natural Gas). <sup>16</sup>	10.0
<b>Bahia Principe Resort – Runaway Bay</b>	Bahia Principe Resort	Cogeneration based on HFO.	8.1
<b>Grand Palladium Hotel</b>	Sampol	Trigeneration (Natural Gas and Solar PV)	10
<b>H10 Ocean Coral Spring</b>	H10 Hotels	Trigeneration (Natural Gas / Diesel)	2.6
<b>Dr Bird I and Dr Bird II</b>	Jamaica Energy Partners (JEP)	Diesel	124
<b>West Kingston Power Partners</b>	JEP/ West Kingston Power Partners	HFO	65.5
<b>Rockfort</b>	JEP/ Jamaica Private Power Company	Diesel / HFO	60.0
<b>Rockfort (RF 1 and RF 2)</b>	JPS	RF#1 (slow speed diesel)	36.0
<b>Constant Spring Hydro</b>	JPS	Hydro	0.80
<b>Lower White River Hydro</b>	JPS	Hydro	4.0
<b>Maggotty Falls Hydro</b>	JPS	Hydro	13
<b>Rio Bueno Hydro</b>	JPS	Hydro	3.6
<b>Roaring River Hydro</b>	JPS	Hydro	3.8
<b>Upper White River Hydro</b>	JPS	Hydro	3.8
<b>Paradise Park Solar</b>	Eight Rivers	Solar <sup>17</sup>	52.0
<b>Content Solar Farm</b>	WRB Enterprises	Solar	20.0

<sup>13</sup> Data in table 1 is more up to date than the 2022 figure cited earlier which was sourced from CCREEE. This may account for the slight discrepancy.

<sup>14</sup> Jamaica Public Service Company, Our Business, accessed September 10, 2025, <https://www.jpsco.com/our-business/>.

<sup>15</sup> "PM Commissions Best Dressed Chicken's LNG Plant," Jamaica Information Service, August 5, 2025, <https://jis.gov.jm/pm-commissions-best-dressed-chickens-lng-plant/>.

<sup>16</sup> Jamaica Public Service Company Limited, 2021 Annual Report (Kingston: Jamaica Public Service, 2023), 13, <https://www.jpsco.com/wp-content/uploads/2023/05/JPS-2021-Annual-Report-1.pdf>.

<sup>17</sup> Power Technology. "Power Plant Profile: EREC Paradise Solar PV Park, Jamaica." Accessed September 10, 2025. <https://www.power-technology.com/data-insights/power-plant-profile-erec-paradise-solar-pv-park-jamaica/>.

<b>BMR Wind Farm</b>	BMR Energy	Wind <sup>18</sup>	36.0
<b>Munro Wind Farm</b>	JPS	Wind	3.0
<b>Wigton#1<sup>19</sup></b>	Wigton Windfarm Limited	Wind	20.7
<b>Wigton#2</b>	Wigton Windfarm Limited	Wind	18.0
<b>Wigton#3</b>	Wigton Windfarm Limited	Wind	24.0
<b>Total</b>			1005.4

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<sup>18</sup> Global Energy Monitor. "Jamaican Wind Project." [https://www.gem.wiki/Jamaica\\_Wind\\_Project](https://www.gem.wiki/Jamaica_Wind_Project).

<sup>19</sup> *Power Technology*, "Power Plant Profile: Wigton, Jamaica," accessed August 29, 2025, <https://www.power-technology.com/data-insights/power-plant-profile-wigton-jamaica/?cf-view>.