



REQUEST FOR EXPRESSIONS OF INTEREST

Consulting Services for Customer Connection Contribution Policy Review

Belize Electricity Limited (BEL) intends to procure Consulting Services (“the Services”) for the review and revision of its current Customer Connection Contribution Policy. In line with the Company’s Mission “We deliver safe, reliable, and sustainable energy solutions to enhance the quality of life and the productivity of enterprise and to support national development.” and as a condition of the Company’s license to distribute electricity, BEL is required to take all steps necessary to satisfy all reasonable demands for supply by persons in its license area. In practice, this may entail the installation or upgrading of service lines or other accessories or equipment, and/or the expansion or upgrading of the distribution system which can carry significant capital costs. In cases where a customer connection requires infrastructure beyond a simple service drop or a two-pole extension, the customer may be required to make a capital contribution towards the infrastructure costs to help reduce the investment risk which is ultimately born by rate payers. Presently, the share of cost between BEL and the customer is determined by an economic analysis of the net present value of the expected cost of and expected revenue flow from the investment.

BEL typically receives over 300 service connection requests annually requiring, on average upwards of BZ\$20,000 (US\$10,000) in customer contribution. However, the customer contribution in many cases proves prohibitive resulting in less than half of these requests actualizing into projects and new service installations. Therefore, BEL’s ability to provide access to energy services for our customers is constrained in this regard. BEL is seeking expertise to help review its customer contribution policy to make it more inclusive, transparent and conducive to sustainable market growth.

The specific deliverables are as follows:

The Consultant will review BEL’s current Customer Connection Contribution Policy, and cost recovery and rate setting regulations to see how they align with regional and international best practices. Based on the findings and other relevant considerations, the Consultant will draft a revised policy with the express objective of promoting market growth through the equitable and transparent allocation of investment costs between BEL and its customers (present and future). The policy should be transparent, easy to understand and easy to implement.

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1. Conduct a fact-finding exercise to understand the legal, regulatory, and business parameters influencing infrastructure investment and cost-sharing decisions for customer connection projects done by BEL. This would include a desk review of relevant documents and interviews with key stakeholders.
2. Conduct key desk review of customer contribution policies and practices for a reasonable sample of utilities regionally and international for comparison. BEL suggests as a minimum: Caribbean Utilities Company Ltd., Florida Power and Light, and Tucson Electricity Power
3. Assess BEL’s policies and practices for customer contributions considering comparable practices and policies in sample utilities and, if available, any international standards or guidance material on the same. Given the significant costs that may be involved in customer connection projects, the assessment should include commentary on the effectiveness of these policies in managing the project return risks. Preliminary recommendations for policy revisions are expected here as well.
4. Revise BEL’s Customer Connection Contribution Policy using the findings and assessments from the fore-going tasks. This policy should address the following questions:
 - I. When should a customer contribution be required to contribute to the capital cost of their connection request?
 - II. How should that customer contribution be calculated/determined?
 - III. How should the customer make the required contribution? (E.g. up front one-time payment, separate monthly payments etc.)
 - IV. Should there be any post-project evaluations to determine if customer reimbursements are due for good performing investments? If yes, how should reimbursements be calculated? The converse should also be addressed.
5. Revise BEL Project Appraisal Tool (or devise a new one if necessary) based on the principles outlined in the revised policy to calculate customer contribution.

It is anticipated that the Services can be carried out for a period of fifty (50) business days from the contract start date. Deliverables are outlined as follows:

Item	Description	Due Date
Assessment Report	Review of BEL’s current Customer Connection Contribution Policy with recommendations for revisions in line with the consultancy’s stated objective. Special note should be made of any recommendations that might require a change in law/regulations.	15 business days after contract execution
BEL Feedback and Comments	BEL will provide feedback and comments on report to be reflected in the ensuing tasks. Feedback is not limited to written submission and may also involve discussion sessions.	25 business days after contract execution
Revised Policy	Revised Policy that should incorporate BEL’s feedback on the Assessment Report.	35 business days after contract execution
BEL Feedback and Comments	BEL will provide feedback and comments on report to be reflected in the ensuing tasks. Feedback is not limited to written submission and may also involve discussion sessions.	45 business days after contract execution
Project Appraisal Tool	Microsoft Excel based tool designed around policy principles that automates the calculation of customer contribution based on inputs for pre-determined parameters. N.B: The tool, and all underlying software code built on top of the Excel program will become the IP of BEL immediately upon handing over to BEL.	50 business days after contract execution

The Consultant will report to the Manager, Strategy and Business Innovation in the Commercial and Retail Services Division at BEL.

Education and Experience:

- Bachelor’s or Master’s Degree in Economics, Finance, Business Management or related field.
- Minimum of ten years’ experience doing investment appraisals, preferably in a regulated market and/or similar years of experience conducting economic, financial, and policy analysis for infrastructure projects for public utilities (water, gas, telecommunications or electricity).

Familiarity with rate setting methodologies and rate design for regulated public utilities would be an asset.

BEL now invites interested eligible consultants to submit proposals for the provision of these consulting services. Proposals should be a maximum of five pages and should demonstrate an understanding of the core issues, research approach, and qualifications to effectively deliver on terms of reference. Proposal should also clearly indicate a daily rate and the number of business (work) days to complete deliverables.

Inquires can be submitted by email to Danielle.Jones@bel.com.bz no later than **4:00 p.m. on Wednesday, July 14, 2021**.

An email submission must be received at the email address below **no later than 4:00 p.m. local time on Friday, July 16, 2021**. The email containing the submission should be sent to bidsubmittal@bel.com.bz and clearly labeled “**BID #2021-132 - Consultancy for Customer Connection Contribution Policy Review**”.