



**ADDRESS TO THE NATION**  
**BY**  
**HON. ROOSEVELT SKERRIT**  
**PRIME MINISTER OF THE COMMONWEALTH OF DOMINICA**  
**IN RESPECT OF**  
**GOVERNMENT'S ACQUISITION OF MAJORITY SHARES IN DOMINICA**  
**ELECTRICITY SERVICES LIMITED (DOMLEC)**

**WEDNESDAY, MARCH 30<sup>TH</sup>, 2022**

Fellow Dominicans, friends.....greetings.

Approximately one year ago, I informed the nation that Government had begun discussions with Emera Incorporated, with a view to acquiring their majority share ownership in the

Dominica Electricity Services Company (DOMLEC). On several occasions prior to that time, I have expressed publicly the need for us to take greater control of our energy security and correct an historic wrong, returning DOMLEC to the ownership of the Dominican people.

This interest in the ownership of DOMLEC is predicated on the firm belief that our citizens are better served when the country's main utilities, such as water and electricity, are in the hands of the State.

You will recall that the Government of the late Dame Mary Eugenia Charles', Freedom Party acquired majority shares in DOMLEC between 1983-1993 from the Commonwealth Development Corporation (CDC). DOMLEC, was expanded and brought to profitability, and was later sold back to CDC in 1997, by the United Workers Party Government. 72% of DOMLEC's shares were sold for a mere \$21.0 million leaving the majority of Dominicans in shock and dismay. This decision to sell was widely

viewed as ill-advised, and against the best interest of the electricity consumers of this country.

The majority share ownership of DOMLEC has changed twice since 1997—on both occasions these shares were owned by foreign companies—with the most recent being Light & Power Holdings Ltd. (LPH) of Barbados, a majority-owned subsidiary of Emera Inc.

Although there has been a marked improvement in DOMLEC's services since Emera Inc. acquired majority shares in April 2013, it has always been the desire of this Dominica Labour Party Government to regain ownership of DOMLEC, for the people of Dominica.

We have enjoyed over the years a solid, professional relationship with Emera Inc. that has been defined by mutual trust and respect. This has categorized our discussions over the last several

months as we have been in negotiations to acquire their shares in DOMLEC.

I now have the privilege to announce that the Government of the Commonwealth of Dominica will on March 31, 2022 sign an agreement with Emera Inc. to purchase its 52% stake in DOMLEC. This means that from April 1, 2022, (and this is not an April Fools joke), the Government and People of Dominica will once more hold controlling interest in DOMLEC. Twenty-one percent of the shares will continue to be held by the Dominica Social Security and the remaining 27% is owned by private investors—mainly Dominicans.

The acquisition of DOMLEC aligns with our goals to build resilience in the energy sector through deliberate action to improve energy security, and strengthen growth and economic prospects. As part of our vision for a Dynamic Dominica, we are pursuing greater efficiency in electricity generation to meet our

national target of 100% clean, carbon neutral energy by the year 2030.

We anticipate that the sustainable utilization of our country's renewable geothermal energy resource in the Roseau Valley will enhance the resilience of our power systems, reduce our energy import bill and help secure our economic future. Our exploration of this readily available and more cost-effective energy option will promote shared prosperity, and further position Dominica to confront climate change challenges and other economic shocks.

Recognizing the vulnerability of our island to severe weather events brought about by climate change, we will seek to enhance the integrated system for the generation, transmission and distribution of affordable and sustainable energy.

Enhancing the resilience of the power system will require significant investment to avert risks, minimize damage to infrastructure and avoid disruptions of service. As a matter of

priority, the Government of Dominica will undertake further upgrades of transmission and distribution lines and fortify operations at existing power plants, to deliver a more efficient electricity supply to homes and businesses. These targeted efficiency measures, along with cleaner more affordable geothermal energy, is expected to result in, lower utility bills, reduced cost of doing business, and job creation as a spillover effect.

We do not want to create the illusion to customers that assuming majority ownership of DOMLEC, will immediately translate to lower electricity bills, but we are preparing the foundation for that. It is important to note that we will inherit the debt associated with the post-Hurricane Maria restoration of the electricity grid. Additionally, the cost inherent in reducing our island's vulnerability to climate hazards, the adverse effects of the Russia-Ukraine war on energy and commodity prices, and an ongoing rate review by the Independent Regulatory Commission

(IRC) could potentially impact how swiftly we are able to reduce the cost of electricity.

The Government of Dominica commits to action, which will ensure that these costs are not too burdensome for consumers. As a long-term objective, the Government will endeavor to stabilize electricity costs and boost capacity. Working with the regulators, we will seek to protect consumers from rising energy prices through the application of reasonable tariffs; and ensure that every Dominican consumer can afford basic electricity rates.

We are also exploring the potential for further development of our geothermal resources. We have two consultancies ongoing at the moment, supported by the World Bank, where we are doing a gap analysis of the legal, regulatory and institutional framework for geothermal and conducting a market analysis of downstream uses of geothermal, in particular the use of heat.

CREAD and the Ministry of Planning, Economic Development, Climate Resilience, Sustainable Development and Renewable Energy are also in discussions with a Trinidad company who are very excited about partnering with us on the development of our geothermal potential in the North of the island to spur our green industrialization and green energy projects, in line with our commitments to pursue a low carbon economy. All these are geared towards enhancing economic diversification and growth, supporting sustainable jobs and catalysing a Dynamic Dominica.

I must point out that the acquisition of DOMLEC by the Government does not mean consumers are now exempt from the payment of their bills. As owners of DOMLEC, Dominicans now have a more urgent responsibility to ensure the company's sustainability and profitability over the long term. The Government of Dominica is also fully cognizant of our own responsibility to protect and serve the interests of DOMLEC's shareholders, including current and future pensioners of the Dominica Social Security as well as the many regular citizens



among you who depend on the payment of dividends to sustain their livelihoods. It is incumbent on all of us, therefore, to continue to meet our commitments to DOMLEC.

As part of our mandate, we will appoint a strong, diverse, and qualified Board of Directors, to help set the long-term direction of the company and ensure its sustainability. I wish to assure all concerned, that Government does not intend to get involved in the day to day running of DOMLEC. Rather, the management team at DOMLEC, led by the capable Mrs. Bertillia Mc Kenzie, will administer the affairs of the Company, guided by their experience and familiarity with the Company's structure and operations.

The Government of Dominica is confident that the decision to acquire DOMLEC is in the best of interest of electricity consumers, the shareholders and employees of the Company, and Dominica. This is an important milestone for all of us and I am gratified that the efforts of this Dominica Labour Party Government to reestablish DOMLEC as a public entity have paid off.

Indeed, it is an historic achievement of which we must all be proud.

It is especially significant for our children, who now have a more personal stake in the development of this country's energy resources and this improves our future prospects for energy independence.

Once again, on behalf of the Government and people of Dominica, I thank Emera Inc. for an amicable and productive partnership over the past years. As a people, we now look forward to the creation of a more resilient and sustainable energy infrastructure and the provision of affordable, reliable electricity for all citizens and residents. I invite the collaboration and support of every Dominican, as we embark on this new journey.

May God Bless you and may God Bless Dominica. Thank you