

## **ENERGY SMART FUND**

### **TERMS OF REFERENCE FOR THE SELECTION OF RETAILERS UNDER THE ENERGY EFFICIENT LIGHTING DISTRIBUTION FACILITY**

#### **1.0 BACKGROUND**

The escalating demands of the global population on the planet's natural resources continue to compel efforts for innovative, sustainable and efficient energy use. Elevated demand for energy has led to the relatively high market price of oil, a vital commodity and primary energy source. Since oil is integral to basically all production processes employed worldwide, there have been continual increases in the cost of living. These inflationary pressures have several negative consequences for Barbados, including the erosion of the citizenry's purchasing power and the increasing demand for foreign exchange for oil imports.

To combat these challenges, the Government of Barbados has encouraged the efficient generation and the conservation of energy through its diversified initiatives. This policy position was explicitly expressed in the 2008 budgetary proposal which stressed the need to harness natural sources in the generation of electricity, retrofit properties and revamp vehicles, as well as devise standards and incentives to encourage energy conservation.

To achieve their objectives, Government pledged a cumulative capital injection of BDS\$20.0 million to establish a multi-tier facility, the Energy Smart Fund (hereinafter referred to as ESF). This Fund will assist with the execution of energy efficiency (EE) and renewable energy (RE) projects by Barbadian businesses and households alike. The facility will be funded through a loan from the Inter-American Development Bank (IDB). Component One of the Fund will be managed by Enterprise Growth Fund Limited (EGFL).

#### **2.0 OBJECTIVES OF THE ASSIGNMENT**

EGFL is seeking proposals from eligible Barbadian retailers to procure and distribute LEDs free of cost to residential customers of Barbados Light and Power. Retailers will be reimbursed through grant funding.

LEDs are notably more economical and energy efficient when compared to traditional incandescent bulbs, thereby resulting in noticeable energy savings. It is believed this programme will encourage retailers to stock greater quantities of LEDs, as well as assist in improving consumer awareness and demand for these items within the local market.

### 3.0 SCOPE OF THE ASSIGNMENT

Selected retailers will be expected to undertake the following:

- Specify the proposed volume of LEDs to be distributed under the requested grant amount.
- Ensure that LEDs are solely distributed to BL&P residential consumers.
- Indicate the technical specifications of the LEDs to be purchased, stored and distributed to consumers. As well, the proposed unit cost per LED to be offered under this programme should be stated. The unit price includes the cost of purchasing, storing, distributing, as well as any incidental cost.
- Receive voucher from beneficiary and ensure that the recipient's name, national registration number and BL&P account number are recorded on same. Verify national registration number on voucher against beneficiary's ID card. Each voucher must be signed by the corresponding beneficiary.
- Void voucher and attach it to a copy of the official receipt.
- Work with customers to ensure that all parties fully understand the details of the programme, the merchandise it relates to and the associated benefits.
- Submit a formal request for reimbursement from EGFL on a monthly basis, based on the actual value of LEDs distributed. Collated proof of all completed LED distribution transactions must be forwarded in support of each grant disbursement requested.
- Comply with the Technical Specifications established by the Smart Fund Technical Committee established by the Energy and Telecommunications Division, with respect to LEDs procured and distributed to consumers under this programme.
- Submit periodic reports to EGFL outlining the performance of the programme. This report will show the wattage and volume of bulbs distributed and will include constructive feedback to improve the administration, operation, monitoring and economic impact of the programme.
- Ensure that adequate resources are made available to facilitate the programme's satisfactory operation.
- Comply with the terms and conditions of the EE Lighting Distribution Facility.

### 4.0 DURATION OF THE ASSIGNMENT

This project is being undertaken to ensure that the island becomes more energy efficient through the utilisation of EE and energy conservation technologies, as well as RE systems. The EE Lighting Distribution Facility will be capitalised with BDS\$1.0 million from the Smart Fund. Given the intended purpose of this facility, the programme will operate on a non-revolving basis until its resources are completely disbursed.

## 5.0 CONTRACTUAL AND REPORTING ARRANGEMENTS

Approved retailers will at all times be deemed as independent business institutions and not EGFL's employee(s) or agent.

The selected retailers shall submit or cause to be submitted to EGFL such reports as may be required pursuant to this engagement.

## 6.0 APPLICATION PROCEDURES FOR RETAILERS

The general eligibility criterion for Smart Fund support is to be a business operating in Barbados, with priority given to SMEs as defined by the Central Bank of Barbados. With specific regards to the EE Lighting Distribution Facility, this general criterion is augmented by the following conditions:

- Proven experience in the retail sale of electrical lighting products. Previous experience in the sale of EE Lights would be an asset.
- Proven experience in utilising a voucher system for retail sales would be an asset.

In order to become an eligible retailer, a standardised application form will be completed, signed and dated by the applying retailer and submitted to EGFL for review. Approval for participation in this programme will be decided by EGFL, on the advice of the SFTC. The applicant will be required to forward the following information and documentation in support of their application to EGFL:

- A brief history of the organisation and its functions.
- A profile of the organisation's main customers.
- The amount of grant funding requested.
- The proposed number of LEDs to be distributed under the programme.
- Technical specifications of the LEDs to be distributed to consumers along with a **SAMPLE**.
- Information on the management skills and experience within the organisation.
- Information on previous EE Lights sold – type, brand and volume of items.
- Any other relevant information.

Applicants will be responsible for ensuring the accuracy and completeness of their applications.

## 7.0 **MAXIMUM GRANT SIZE**

Approved retailers will be limited to a maximum grant of \$500,000. Depending on the level of applicant interest observed and the performance of the EE Lighting Distribution programme in the first instance, this area may be subject to review and adjustment by EGFL on a periodic basis.

## 8.0 **INDEPENDENT AUDIT**

EGFL or duly authorised person shall reserve the right to request an inspection or an audit of the accounts, records and LEDs to be distributed by any approved retailer, to ensure compliance with prudent business practices and the terms and conditions of the EE Lighting Distribution Facility.

## 9.0 **RESTRICTIONS**

Approved retailers are bound by their proposal to procure the stipulated volume of LEDs that satisfy the minimum technical specifications as outlined in the technical specifications for the LEDs. The procurement, purchase, storage and distribution of LEDs, are the selected retailers' responsibility.

There will be a limit of five (5) LEDs per residential customer. Vouchers will be deemed as void after the specified deadline.

Only residential customers will be allowed to benefit from this programme. Commercial entities, state owned enterprises and government entities are not eligible.

## 10.0 **DISBURSEMENT**

Disbursement shall be made upon submission of documentary evidence satisfactory to EGFL on a monthly basis. Disbursement will be made directly to the account of the selected retailers on a reimbursement basis.