



Work Plan & Budget 2026/27

TABLE OF CONTENTS

Letter from the Chief Executive.....	3
Electricity.....	6
Fuels.....	8
Electronic Communications.....	9
HR, Operations & Capacity Building.....	10
Communication & Strategic Development.....	12
Proposed Budget & Fees.....	14
2026-27 Projected Expenditures.....	16
Conclusion.....	19
Appendix	

LETTER FROM THE CHIEF EXECUTIVE

I am pleased to introduce the Regulatory Authority of Bermuda's (RA) 2026/27 Work Plan and Budget. This plan sets out a clear and ambitious agenda for the year ahead, aligned with the RA's broader strategic direction of ensuring fairness, resilience, and transparency across Bermuda's regulated sectors. The projects outlined within this document represent the collective work of a dedicated team that continues to meet increasing demands with professionalism and foresight. I fully endorse the priorities set out in this plan and the resources required to deliver them. It is both a statement of intent and a commitment to Bermuda's future, ensuring that consumers and stakeholders alike can have confidence in the RA's role, responsibilities, and long-term vision.

The coming fiscal year presents both opportunities and challenges for Bermuda's regulated sectors. As the island navigates a global energy transition, shifting fuel markets, and the evolving necessities of electronic communications, The RA must act with foresight and discipline.

Our 2026/27 Work Plan sets out a clear programme of work that responds to these challenges while remaining firmly anchored in our statutory remit. It is structured around the dual responsibility of protecting the interests of consumers and enabling regulated sectors to develop sustainably.

In doing so, the RA is sharpening its focus on outcomes. Each project in this plan has been selected because it addresses a specific need for Bermuda: a cleaner and more resilient energy system, comprehensive consumer protections, fairer prices, or an electronic communications sector that supports innovation and competition.

The budget required to deliver this programme is designed with discipline. It recognises the financial pressures faced across the island, while also ensuring The RA has the capacity and expertise to meet the demands of its expanding mandate. This balance is not optional; it is essential if we are to safeguard Bermuda's long-term interests.

This Work Plan is not only a statement of intent. It serves as an engagement tool for stakeholders to speak with us openly, constructively, and critically. Public consultation plays a central role in all that the RA does, thus ensuring that the plan, in its final form, reflects both industry realities and community priorities.

Bermuda deserves a regulator that is transparent, strategic, and effective. This Work Plan represents our commitment to deliver exactly that.



A stylized, handwritten signature in black ink, appearing to read 'R. Ambrosio'.

RICHARD AMBROSIO

Chief Executive
Regulatory Authority of Bermuda

OUR COMMITMENTS

Championing Fair Competition: We ensure consumers have access to a wide range of choices and quality services.

Protecting Consumer Rights: We ensure service providers deliver on their promises and contractual agreements within specified timelines.

Promoting Economic Development and Investment: We encourage new business and investment to the island and promoting ownership by Bermudian individuals and businesses.

Encouraging Innovation: We help foster the development and implementation of new technologies and approaches that can benefit consumers and the overall economy.

WHO WE ARE

The Regulatory Authority of Bermuda (RA) plays a central role in shaping the island's future by ensuring that critical sectors operate fairly, transparently, and in the best interest of the public. The RA's mandate spans electricity, fuels, electronic communications, and submarine cables. Across these sectors, the RA balances consumer protection with the need to create an environment where industry can innovate, invest, and deliver long-term value for Bermuda.

The RA's work is not only about oversight, but also enabling progress, protecting the interests of the community, and holding regulated entities to the highest standards. Every initiative is designed to strengthen Bermuda's infrastructure, secure its energy future, enable competition, and reinforce public trust.

WHAT WE DO

As an independent regulator established by law, the RA operates with a long-term view of Bermuda's needs. Independence is essential to its role, ensuring that decisions are guided by evidence, expertise, and fairness rather than short-term pressures. In this way, the RA serves as a cornerstone of stability, supporting the sustainable development of Bermuda's economy while ensuring decisions made are in the interests of the community.

This upcoming year the RA is aligning its resources to demonstrate value in a way that is accessible to all, balancing the complexity of regulation with the need for accountability. The projects and priorities outlined in this Work Plan have been chosen to ensure that Bermuda's regulated sectors remain robust, forward-looking, and able to serve both industry and consumers with fairness and resilience.

“

The RA plays a central role in shaping the island's future by ensuring that critical sectors operate fairly, transparently, and in the best interest of the public.



ELECTRICITY

Electricity continues to underpin every aspect of life in Bermuda. It keeps homes powered, businesses running, and innovation possible. The RA's work in this sector is not only technical but deeply connected to fairness, resilience, and transition.

The **Retail Tariff Review 2027** will update the allowed revenue and rates for 2027, marking a mid-point in the multi-year process. This review will test how well the newly introduced 2026 tariff structure is performing. By re-examining capital expenditure, performance metrics, and annual adjustments, The RA will ensure that electricity costs remain fair while keeping providers accountable for efficiency.

Looking further ahead, the RA will also initiate the **Retail Tariff Review 2028–2030**, which will establish rates for three years. This longer horizon provides stability for households and businesses, while ensuring that utilities are benchmarked against international standards for performance and efficiency. Within this review, the RA will also evaluate new tariff models, such as time-of-use tariffs, which encourage smarter consumption and create space for renewable integration.

It is essential that both tariff reviews are conducted comprehensively and with the expertise of industry specialists. When reviews are approached in this way, the benefits for the community are tangible. Between 2020 and 2024, thorough regulatory scrutiny of revenue allowances sought by BELCO resulted in consumer savings of up to \$90 million. These are not

abstract exercises; they deliver measurable outcomes that protect Bermuda's households and businesses. The RA's work in tariff reviews demonstrates why a properly resourced and independent regulator matters, and why investment in this Work Plan directly translates into consumer protection, accountability, and fairness across the energy sector.

The **Electricity Sectoral Review** will ask deeper questions about the framework governing the sector. Are consumers adequately protected? Are service standards strong enough? Are the conditions in place for renewable energy to flourish? By consulting widely and analysing every aspect of Bermuda's electricity industry, the RA will deliver a blueprint for the next decade.

The rise of **electric vehicles (EVs)** makes this year pivotal. With the Government's EV transition policy advancing, the RA will lead a **review of EV charging infrastructure** to ensure that regulation supports fairness, accessibility, and the resilience of the grid. Alongside this, the RA will operationalise the **Innovation Licence Framework**, allowing new technologies and business models to be tested in a controlled environment, potentially reshaping Bermuda's energy system in the years to come.

ELECTRICITY

The **Integrated Resource Plan (IRP)** is set to be finalised. The IRP is the roadmap for Bermuda's energy future, providing a data-driven strategy that balances reliability, sustainability, and fairness. Built on comprehensive studies of wind, solar, and natural gas, it does not simply identify preferred technologies but sets out how Bermuda can meet its energy needs in a way that is secure, resilient, and aligned with global best practice. The IRP is critical because it transforms fragmented debates about energy options into a coherent, evidence-based strategy that the public, government, and industry can rely upon. Without it, Bermuda risks uncertainty, piecemeal decision-making, and a future shaped by short-term pressures rather than long-term vision. By finalising the IRP, the RA ensures that the island's energy transition is guided by fairness, transparency, and a clear path toward sustainability, providing a framework that protects consumers while encouraging investment and innovation.

Lastly, as part of its ongoing responsibilities, the RA will also continue to manage cost-recovery mechanisms that ensure fluctuations in global fuel markets are reflected in electricity pricing.



“

By finalising the IRP, the RA ensures that the island's energy transition is guided by fairness, transparency, and a clear path toward sustainability, providing a framework that protects consumers while encouraging investment and innovation.

FUELS

Fuel prices and supply affect every household and business in Bermuda. As the newest sector under The RA's regulatory remit, fuels represent both a responsibility and an opportunity. The work in 2026/27 will focus on building a clear and accountable framework that ensures pricing reflects actual costs, supply remains reliable, and consumers gain confidence through greater transparency. By establishing strong foundations now, the RA will provide long-term stability in a sector that underpins daily life and economic resilience.

The transition to a regulated fuels framework will begin with the finalising of the fuel pricing methodology, along with the development of licensing framework, setting service standards, and establishing reporting requirements. These initial steps will create clarity and predictability, while also signaling to both industry and consumers that the sector is now guided by clear rules and oversight.

The centrepiece of this year's work is the **Cost of Service Study**, which will provide the first comprehensive analysis of the true costs of importing, storing, and distributing fuel in Bermuda. Every cost driver will be examined, from operating expenses and capital investment to compliance and infrastructure, and the results will be published in a way that the public can understand. This will replace speculation with evidence, ensuring that fuel prices reflect real business costs rather than assumptions.

It is important to note that The RA's legislation prevents the cross-subsidisation of regulatory fees across sectors. In other words, the fees collected from electricity or electronic communications cannot be used to fund work in fuels. This means that the

establishment of the fuels framework, including the Cost of Service Study, must be entirely resourced by the fuels sector itself.

As such, the budget increase tied to this work is not discretionary; it is a legal and operational necessity to ensure proper regulation of a critical new sector.

Looking further ahead, The RA will also prepare for the Fuels Sectoral Review, required by law to begin in 2027. This review will include a comprehensive consultation and analysis of legislation, safety standards, infrastructure, and consumer protections. By laying the groundwork now, Bermuda will be positioned to secure its fuel supply, strengthen transparency, and embed fairness for years to come.



ELECTRONIC COMMUNICATIONS

The electronic communications sector is in constant evolution, and the RA must ensure that regulation keeps pace with innovation.

Following the **Market Review**, concluded in 2025, the RA may impose **ex ante remedies** where significant market power is identified. These remedies will be implemented rapidly and monitored closely to ensure effectiveness, protecting fair competition and consumer choice.

The RA will also continue its **Radiofrequency (RF) Study**, monitoring spectrum usage across Bermuda. With new networks deployed in recent years, this study will assess their impact and ensure that the spectrum is being used efficiently. The results will be published, contributing to transparency and sector accountability.

Spectrum Policy Updates will also take shape, focusing on high-demand bands and 5G readiness. Guidelines will be

developed for efficient spectrum use and verification processes for new RF installations.

The RA will publish its **Annual Market Analysis**, providing insight into sector performance and trends. This transparency builds public trust and informs investment decisions.

The review of **Type Approval requirements** under the **Electronic Communications Act** will ensure that regulatory standards keep pace with advances in technology, particularly with the growing prevalence of WiFi-enabled devices and the Internet of Things.

Finally, the RA will strengthen compliance with **Section 53 of the RAA**, which mandates reporting by licensees. This initiative will ensure that reporting obligations are met in full, reinforcing accountability across the sector.

“

The electronic communications sector is in constant evolution, and the RA must ensure that regulation keeps pace with innovation.

HR, OPERATIONS, & CAPACITY BUILDING

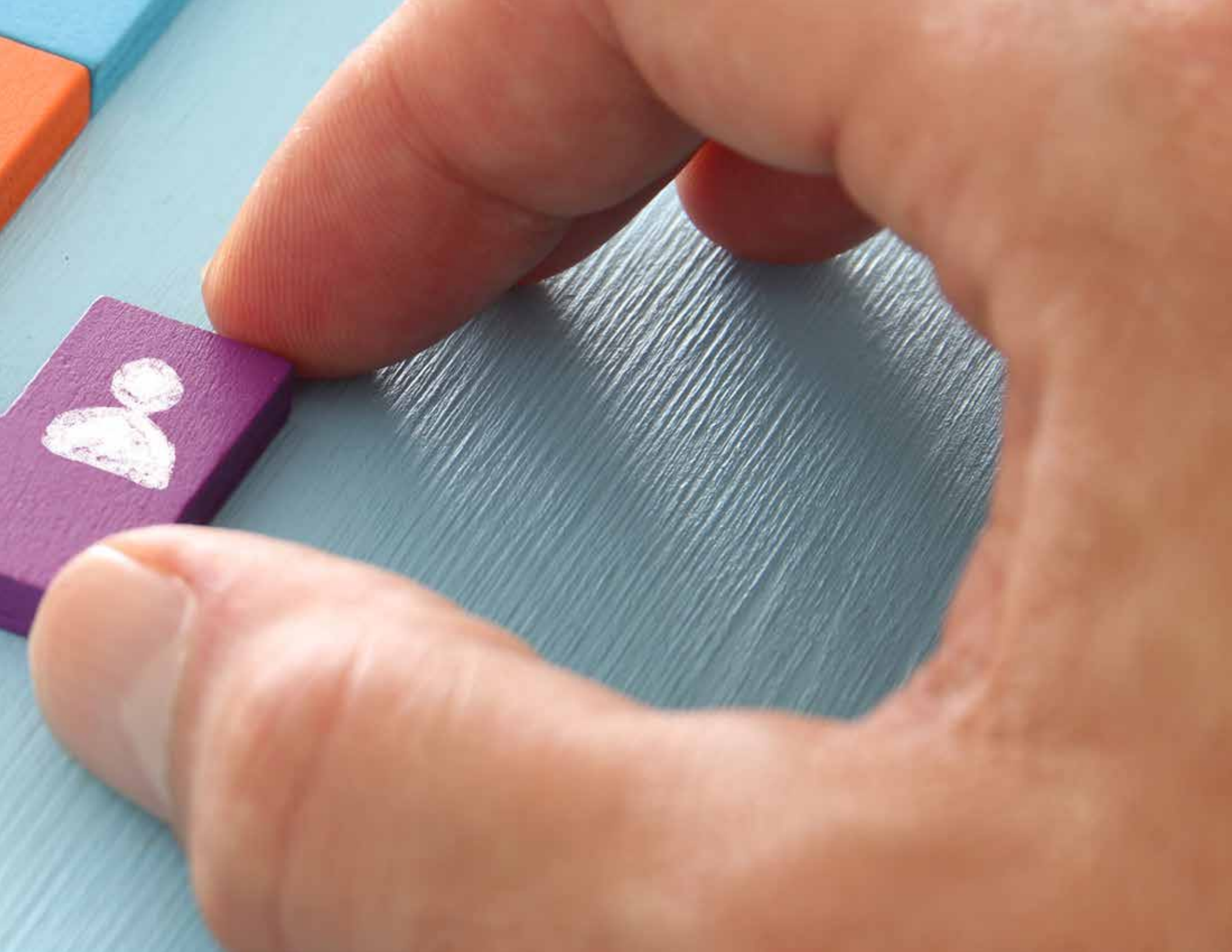
Regulation is only as strong as the people who deliver it. In recent years, the RA has operated with fewer staff than planned, which has at times required heavier reliance on external consultants. While consultants are essential in providing independent expertise and ensuring unbiased decisions, the current level of dependence reflects an understaffed organisation rather than strategic choice. The 2026/27 Work Plan places people at the centre, committing to investment in knowledge, skills, and organisational resilience so that consultants are used where they add the greatest value, while the RA builds the in-house capacity to sustain its mandate long term.

The RA recognises that building capacity is not only about filling vacancies but also about evolving how existing talent is deployed. Filling long-vacant positions and recruiting strategically will help close the gap between the RA's current capacity and its true potential. At the same time, greater opportunities for staff to expand their roles and develop new areas of expertise will ensure the organisation remains engaged and well-equipped to meet the growing demands of regulation.

A focus will be placed on not reducing consultant engagement outright but on embedding **Knowledge Transfer** into every engagement. By ensuring that external expertise leaves behind lasting skills and frameworks, the RA will reduce future dependence and strengthen its internal capability.

At the same time, the RA will invest in **Capacity Building**. This includes targeted training, professional development programmes, and tools to support staff in their roles. These investments will ensure that the RA's regulatory oversight remains forward-looking, evidence-based, and effective.

Overhead expenses such as office space, technology, and operational support are necessary enablers of this work. While often viewed as background costs, they are in fact strategic investments in the RA's ability to function effectively and efficiently.



COMMUNICATION & STRATEGIC DEVELOPMENT

Awareness and stakeholder engagement are not ancillary to regulation; they are essential to its success. A regulatory framework is only as strong as the trust and understanding it commands. For Bermuda, where small size amplifies both opportunity and scrutiny, communication is essential to effective regulation. It is through clear and proactive engagement that the RA demonstrates transparency, builds credibility, and reinforces its value to the community.

Despite the RA's best efforts, previous budgetary restrictions have limited the extent to which communications and awareness initiatives could be fully realised. However, the coming year will see a more deliberate and strategic approach to awareness. The RA will continue to meet its statutory obligations of publishing consultations, decisions, and reports, but will also invest in expanding how these obligations are communicated and understood. Global regulators have shown that public awareness is not achieved by information alone, but by ensuring that information is accessible, contextualised, and directly connected to the lives of consumers and stakeholders.

In 2026/27, the RA will build on this principle through several initiatives:

Inaugural Regulation Conference

The RA will host its first summit bringing together industry leaders, government representatives, consumer groups, and international experts. This event will position Bermuda as part of the global regulatory conversation, showcasing

the island's unique challenges and opportunities while drawing from international best practice. The summit will also serve as a tangible demonstration of transparency and stakeholder inclusion, offering the public and decision-makers a seat at the table.

Awareness Campaigns

Campaigns will remain a central component of the RA's engagement. These are designed not simply to inform, but to build understanding and trust. Campaigns on subjects such as electricity tariffs, fuels regulation, or spectrum allocation will be crafted with the consumer in mind, breaking down technical complexity into accessible, relevant insights. This approach reflects international models, where effective regulators are those that can translate policy and regulation into meaningful public dialogue.

Research and Public Insights

The RA will continue to invest in research, both to inform its own strategies and to share with the public. Research initiatives will focus on consumer perceptions, sectoral awareness, and accessibility of regulatory decisions. This data-driven approach ensures that awareness is not treated as a one-way broadcast, but as a dialogue where community perspectives shape the RA's priorities.

COMMUNICATION & STRATEGIC DEVELOPMENT

Building Long-Term Understanding

The goal of awareness is not fleeting recognition, but enduring understanding. In practical terms, this means embedding communications into every project from the outset rather than as an afterthought. For example, when conducting tariff reviews, sectoral studies, or compliance initiatives, the RA will integrate communications plans that anticipate public questions, clarify rationale, and reinforce fairness. This approach reduces the space for misinformation and strengthens confidence in the regulatory process.

The Value of Strategic Communication

Globally, regulators have learned that communication is as critical as enforcement or technical analysis. Without public confidence, even the strongest regulatory frameworks struggle to deliver. The RA recognises that in Bermuda, where its value is sometimes questioned, communication is not a cost centre but a strategic enabler. By telling the RA's story with clarity, consistency, and credibility, the Communications & Stakeholder Development

function protects not only the reputation of the RA but also the integrity of the sectors it regulates.

Through these initiatives, the RA's communications strategy will demonstrate that regulation is not confined to the technical or legal sphere. It lives in the confidence of the public, the stability of the marketplace, and the strength of stakeholder trust.

“

The RA will continue to meet its statutory obligations of publishing consultations, decisions, and reports, but will also invest in expanding how these obligations are communicated and understood.

PROPOSED BUDGET & FEES

The RA's financial planning is central to how it fulfils its mandate. Independence and fairness are not achieved by principles alone, but by ensuring that the resources exist to carry out regulation in practice. The 2026/27 budget reflects this reality. It balances financial discipline with the investment required to deliver an expanding mandate, protect consumers, and provide stability across Bermuda's regulated sectors.

For the coming year, total revenues are forecast at \$7.39 million, while expenditures are projected at \$9.57 million, resulting in a planned deficit. This shortfall is not the product of inefficiency, but of responsibility. The onboarding of the fuel sector has introduced significant costs, which cannot legally be supported by cross-subsidy from other industries. The RA's legislation requires that each sector be funded by its own fees, meaning that fuels must stand on its own. To bridge this transitional period, the Bermuda Government has agreed to underwrite fuels regulation through a guarantee arrangement. This ensures fairness across sectors while giving the RA the resources required to establish a proper framework for fuels.

At the same time, the RA is responding to public calls from the Minister of Home Affairs for greater internal expertise and knowledge transfer, which, while essential, come at a cost. The RA's current team is highly qualified, yet as a small organisation with a broad remit, additional headcount and dedicated time for knowledge transfer are required to meet these expectations. By investing in staff development and targeted recruitment, the RA will ensure that external expertise enhances, rather than substitutes, its internal capability. This budget reflects a

deliberate choice to strengthen capacity now, so that regulation remains effective, credible, and sustainable into the future.

Revenues and Fees

The RA's operations are funded through sectoral fees, structured to reflect the scale and needs of each industry:

- » **Electronic Communications (EC):** The Integrated Communications Operating Licence (ICOL) fee remains at 1.65% of relevant turnover, expected to generate approximately \$3.37 million.
- » **Submarine Communications Cables:** SubCOL licence holders will continue to pay 1% of relevant turnover, with no change from the prior year.
- » **Electricity:** Fees are expected to generate \$4.02 million, primarily driven by an increase in the Transmission, Distribution and Retail (TD&R) fee from \$0.00545/kWh to \$0.00750/kWh. This reflects the costs of major government-directed projects while ensuring that providers contribute fairly to the regulatory framework that underpins their operations. Bulk generation providers, including fossil fuel, renewable, and waste-to-energy facilities, will remain at current levels.
- » **Fuel:** No sector fees will be collected until the Cost of Service Study is complete and a regulatory framework is established. As in the prior year, the Bermuda Government has agreed to underwrite the sector's operating costs, ensuring no cross-subsidisation occurs across regulated industries.

PROPOSED BUDGET & FEES

Expenditures

- » Total projected expenditures of **\$9.57 million** reflect both the RA's ongoing responsibilities and deliberate investment in capacity building. The increase compared to prior years is concentrated in areas that directly strengthen the RA's ability to deliver on its mandate:
- » **Human Resources:** At **\$5.21 million**, staffing remains the largest expenditure. This includes targeted recruitment, training, and development programmes to build long-term resilience. Commissioners' costs remain stable, though increased governance training has been allocated.
- » **Consulting Services:** Nearly **\$2.0 million** is allocated for specialised legal, technical, and regulatory expertise. This is a necessary investment, but one structured to ensure knowledge transfer and reduce future dependency.
- » **Litigation and Enforcement:** A **\$250,000** provision has been included to safeguard consumers in the event of disputes or legal proceedings, particularly as new fuel regulations take effect.
- » **Communications:** At **\$219,000**, this allocation has been increased to strengthen public engagement, ensuring that consultations, reports, and regulatory decisions are not only published but also accessible and understood.
- » **Office Space and Services:** Costs remain broadly consistent with the previous year, reflecting modest increases from vendors.
- » **Capital Expenditure:** **\$100,000** has been set aside for IT systems and hardware, critical for ensuring operational continuity as older systems reach end of life.

Sector Outlook

- » **Electronic Communications** remains stable, with revenues and costs steady year on year.
- » **Electricity** will absorb the largest share of new regulatory costs, reflecting the intensity of government-directed projects and the need for robust oversight.
- » **Fuels** represents a transitional expense, with **\$2.19 million** in costs underwritten by Government until the sector's fee framework is established.

Medium-Term Sustainability

The RA's long-term financial health is a priority. While FY26/27 reflects a temporary deficit during the fuel onboarding period, this is a transitional stage. A comprehensive review of fee structures is planned for 2027 to ensure that costs are allocated equitably, transitional deficits are addressed, and the RA's funding remains fair, transparent, and sustainable.

The RA's budget is not simply an accounting exercise. It is a reflection of the resources required to carry out its mandate independently, to protect consumers, and to hold industry to account. Every dollar allocated is directed toward ensuring that Bermuda's regulated sectors operate fairly, transparently, and in the best interests of the community.

2026-27

PROJECTED EXPENDITURES

REVENUE	ELECTRONIC COMMUNICATIONS	ELECTRICITY	FUEL	TOTAL 2026-27	TOTAL 2025-26
RA Fees	3,370,000	4,015,000	-	7,385,000	6,298,000
Total Revenue	3,340,000	2,958,000	-	7,385,000	6,298,000
OPERATING EXPENSES					
Employee expenses					
Employee salaries	1,562,000	1,309,000	748,000	3,619,000	2,746,000
Employee benefits	505,000	424,000	242,000	1,171,000	802,000
Employer payroll tax	179,000	150,000	86,000	415,000	318,000
Sub total	2,246,000	1,883,000	1,076,000	5,205,000	3,866,000
Commissioners' expenses					
Honoraria	158,400	158,400	79,200	396,000	396,000
Commissioners' training	22,000	22,000	11,000	55,000	-
Commissioners' payroll tax	20,000	20,000	10,000	50,000	55,000
Sub total	200,400	200,400	100,200	501,000	451,000
Other expenses					
Consulting Services	243,000	1,230,601	515,000	1,988,601	1,577,099
Employee training and related expenses	185,400	185,400	95,200	466,000	214,000

2026-27

PROJECTED EXPENDITURES

REVENUE	ELECTRONIC COMMUNICATIONS	ELECTRICITY	FUEL	TOTAL 2026-27	TOTAL 2025-26
Office Space	168,765	168,765	84,382	421,911	416,558
Office Services	139,994	131,626	60,813	332,434	311,034
Communications	58,761	87,244	72,915	218,920	46,000
Provision for Mediation & Litigation	50,000	50,000	150,000	250,000	8,000
Subscriptions	30,000	30,000	15,000	75,000	65,000
Meetings & Conferences	6,000	6,000	3000	15,000	10,000
Sub total	881,920	1,889,636	996,310	3,767,866	2,647,691
TOTAL OPERATING EXPENSES	3,328,320	3,973,036	2,172,510	9,473,866	6,964,691
Computers & Software	30,000	30,000	15,000	75,000	55,000
Office Equipment	6,000	6,000	3000	15,000	10,000
Leasehold Improvements	2,000	2,000	1000	5,000	5,000
Furniture & Fittings	2,000	2,000	1000	5,000	5,000
TOTAL CAPITAL EXPENDITURE	40,000	40,000	20,000	100,000	75,000
TOTAL EXPENDITURE	3,368,320	4,013,036	2,192,510	9,573,866	7,039,691







CONCLUSION

Over the past three years, the RA's budget has remained stagnant despite the reality of rising global costs and the expanding scope of its responsibilities. Previous budget constraints have limited the organisation's ability to fully meet the growing demands of regulation, often requiring difficult choices and delaying initiatives that would have brought meaningful benefit to Bermuda as a whole. Yet, the demand for effective regulation has only intensified, and the expectations placed upon the RA continue to grow.

This year's budget has therefore been prepared with particular care. Every line has been scrutinised, every allocation reviewed, to ensure that the community is not unduly impacted while still enabling the RA to carry out its legislated mandates with the resources required. The result is a budget that is both prudent and purposeful; one that balances fiscal responsibility with the pressing need to strengthen Bermuda's regulatory framework.

The costs associated with modern regulation are real. Litigation, knowledge transfer, technical expertise, and the development of future talent all require investment. These are not optional expenditures but essential components of a regulatory system that protects consumers, ensures fair competition, and builds resilience in the sectors that sustain the island. Without them, the RA risks being unable to deliver on the very outcomes that the public, industry, and government rely upon.

This Work Plan and Budget reflect more than operational planning and growth; they reflect a commitment to fairness, transparency, and accountability. They are a blueprint for ensuring that Bermuda's regulated sectors remain strong, forward-looking, and able to serve both industry and the public in equal measure. With the proper resourcing, the RA can continue to be a trusted, independent regulator, upholding its duty to the people of Bermuda and safeguarding the island's future.

