



# Work Plan & Budget 2026/27

## PRELIMINARY REPORT

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## ABOUT THE WORK PLAN CONSULTATION

The Regulatory Authority of Bermuda (RA) invites feedback on its proposed 2026-27 Work Plan and Budget, which has been developed in accordance with Section 43(2) of the Regulatory Authority Act 2011. This consultation is an integral part of the RA's values of transparency and accountability, ensuring that the priorities and resources outlined for the period from April 1, 2026, to March 31, 2027, reflect both the needs of Bermuda's regulated sectors and the interests of the community.

Through this process, the RA aims to provide clarity on its strategic direction for the year ahead while welcoming the views of stakeholders and the public on how best to achieve its mandate.

The deadline for feedback is Monday, February 9, 2025. Feedback may be submitted on our website's [consultation page](#), or emailed directly to [consultation@ra.bm](mailto:consultation@ra.bm).

# 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.

REGULATORY AUTHORITY  
OF BERMUDA



A handwritten signature in black ink, appearing to read "jamb" followed by a horizontal line.

**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.

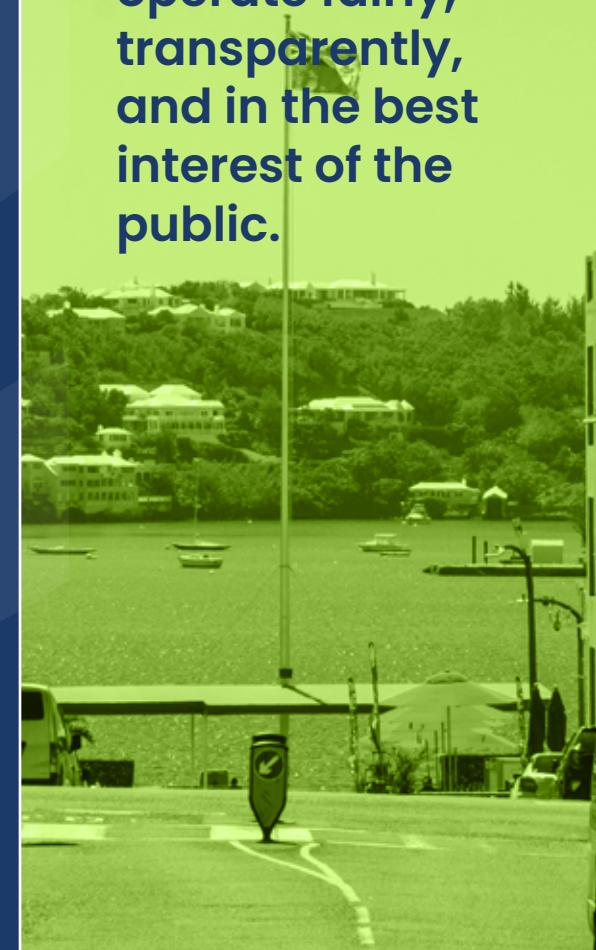
# WHAT WE DO

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.

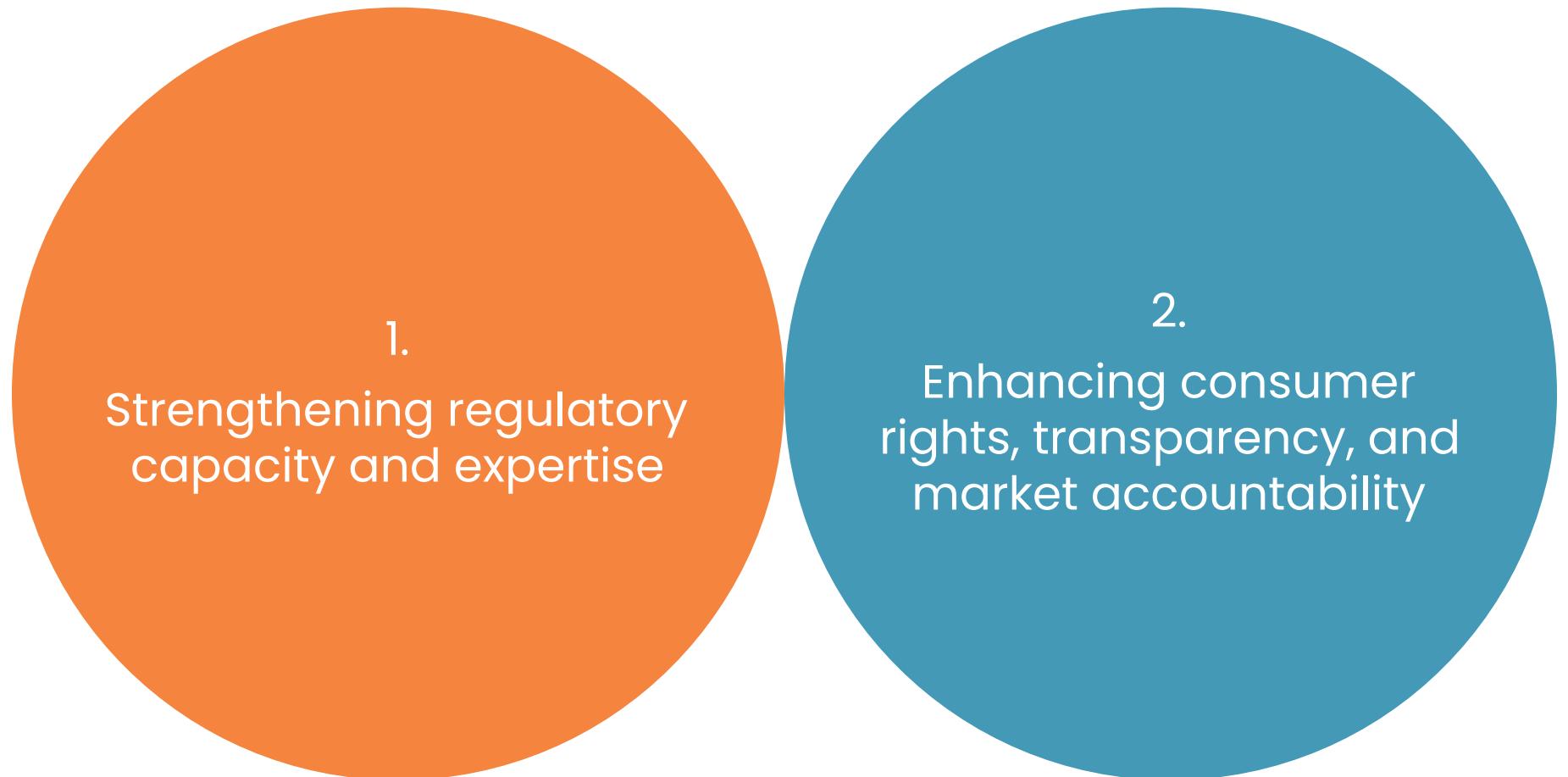
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**The RA plays a central role in shaping the island's future by ensuring that critical sectors operate fairly, transparently, and in the best interest of the public.**



# STRATEGIC PRIORITIES

The RA's work for the upcoming fiscal year focuses on four central themes:



3.

Supporting Bermuda's  
energy transition through  
evidence-based policy and  
sector planning

4.

Modernising  
communications and  
spectrum frameworks to  
support innovation

# STRATEGIC LEADERSHIP & MARKET STEWARDSHIP

The Regulatory Authority (RA) recognises that the sectors it regulates sit at the core of Bermuda's economic and social fabric. Over the next five years, these sectors will face a set of interrelated challenges that cut across traditional regulatory boundaries. Persistent pressures on costs, affecting both the cost of living and the cost of doing business, will continue to shape public and commercial expectations. At the same time, Bermuda will need to attract and sustain investment to support economic growth, modernise essential infrastructure, and enable innovation. The energy transition will remain a defining structural challenge, requiring careful balance between affordability, decarbonisation, and system performance. Overlaying all of these dynamics is an increasing emphasis on risk management, resilience, and reliability, as critical networks are expected to operate securely in the face of environmental, technological, and economic uncertainty.

Given the foundational role of its regulated sectors, and its system-wide vantage point, the RA is uniquely positioned to help frame how these challenges are understood and addressed. In response, the Authority will increasingly orient itself toward a role that combines core regulatory oversight with strategic thought leadership and convening authority. Drawing on its responsibilities for reviewing rate cases, overseeing integrated resource planning, and shaping licensing frameworks across electricity, fuels, and communications markets, the RA aims to contribute forward-looking perspectives on how regulatory models and market structures can evolve to support long-term public interest outcomes.

As a result, the following workstreams will be prioritised during the 2026/27 fiscal year.

## Ex post competition regulation

Part 7 of the Regulatory Authority Act establishes a framework for what regulators commonly describe as ex post remedies—often referred to as competition or antitrust interventions—designed to address anti-competitive conduct after it arises. While these powers currently apply within the sectors overseen by the RA, recent policy and regulatory developments point to a potential evolution in how competition oversight is exercised in Bermuda.

In particular, the Electronic Communications Market Review has highlighted the role that ex post remedies could play in complementing, and over time potentially reducing reliance on, traditional ex ante regulation for providers with significant market power. This direction is further reinforced by the Government's March 2025 Throne Speech, which signalled possible amendments to the RA's mandate to strengthen its role in promoting fair competition and addressing undue concentration of market power.

Against this backdrop, the RA will take preparatory steps to engage in the development of a modern competition framework for Bermuda, within the scope of its existing statutory remit. This includes building institutional readiness to deploy ex post remedies where appropriate and cultivating internal expertise in competition economics, law, and policy. Through this preparation, the RA aims to contribute informed, independent perspectives to policy discussions and to be well equipped to assume an expanded role in safeguarding competitive markets should its mandate evolve.

## National Energy Consensus

► *Indicates that the workstream is connected to, or overlaps with, this priority.*

The RA recognises its distinctive position within Bermuda's energy ecosystem and the opportunity this presents to provide strategic leadership on the sector's long-term evolution. Drawing on its responsibilities for reviewing rate case submissions, overseeing the development of the Integrated Resource Plan, and enabling new licensing frameworks across the electricity and fuels sectors, the RA is well placed to shape forward-looking perspectives on how Bermuda's energy system can adapt to changing economic, technological, and societal expectations.

In this context, the RA will increasingly focus on thought leadership that encourages deeper examination of how electricity transmission and distribution models may evolve to better reflect principles of fairness, efficiency, and alignment with consumer grid usage. Through analysis, stakeholder engagement, and the articulation of emerging ideas, the RA aims to catalyse informed discussion on innovative pricing constructs, system design, and opportunities to deliver long-term value for consumers while supporting a resilient and sustainable energy system.

Complementing this approach, the RA will seek to convene a broad cross-section of stakeholders through the development of a National Energy Consensus. This initiative will provide a platform for collective reflection on the future trajectory of Bermuda's energy landscape, enabling shared understanding of the challenges and opportunities ahead and helping to align policy, regulation, and market development with a common long-term vision.

## Enforcement Reforms

The Regulatory Authority recognises that effective regulation depends not only on sound policy frameworks, but on enforcement processes that are timely, proportionate, and credible. In this regard, the RA has previously made recommendations to Government that the enforcement and adjudication provisions of the Regulatory Authority Act be streamlined and modernised to better reflect the complexity, scale, and pace of contemporary regulated markets.

These recommendations are intended to strengthen dispute resolution mechanisms, expand the range of available enforcement tools, and ensure that regulatory frameworks remain fit for purpose as markets evolve and new technologies and licensing models emerge. Collectively, they are aimed at enhancing regulatory certainty, reinforcing transparency and trust, and aligning the Authority's powers more closely with those of comparable regulatory institutions.

In anticipation of potential legislative reforms, the RA will undertake preparatory work to ensure it is institutionally ready to onboard and operationalise enhanced enforcement and adjudicative functions. This preparatory work will proceed irrespective of whether amendments to the Act are enacted in the upcoming fiscal year or in later periods. Through early capacity building, process design, and internal readiness planning, the RA seeks to position itself as a more effective, responsive, and credible enforcement agency as its mandate evolves.



# 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.

Both tariff reviews will be conducted using robust evidentiary analysis and, where appropriate, external specialist expertise. 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 reviews deliver measurable

consumer outcomes and reinforce regulatory accountability. 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.



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**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 imposed certain **ex ante remedies** where significant market power was identified. However, some sectoral providers have exercised their right to appeal the RA's decision to the Supreme Court of Bermuda. The RA is waiting resolution (formal or informal) of these legal challenges. 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.

As required by section 17 of the RAA, the RA has a statutory requirement to commence the next Electronic Communications Sectoral Review on or before 9 June 2026.

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.

The RA will review its regulatory approach to **subscription radio and television services**, recognising that many providers now deliver these services "over-the-top" through internet-based platforms rather than traditional broadcast infrastructure. The review will examine the appropriate regulatory treatment of these services, including how they should be classified and licensed, whether current Government fee structures remain appropriate, and whether elements of the market should be liberalised—and to what extent—to ensure fair competition, consumer protection, and alignment with international best practice.

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

# ELECTRONIC COMMUNICATIONS

The RA anticipates that there will be a consultation on the retirement of the BTC/Digicel Copper Network in Fiscal 2026-2027. The timing of this consultation is dependent on BTC/Digicel providing the required minimum information needed to trigger the consultation process.

The RA intends to complete the update to the Principles of Consumer Protection 2020 General Determination during fiscal 2026-2027.

The **Cybersecurity Act 2024** received Royal Assent in June 2024 but has not yet been brought into operation. The RA understands that the Ministry of National Security and associated entities are progressing work to support the onboarding of the new legislative framework. It is also likely that the RA will be designated as a Critical National Information Infrastructure (CNII) authority once the Act comes into force. The sectors regulated by the RA are expected to have corresponding obligations under the framework.

The RA will continue preparations for the eventual commencement of the Act, including assessing how the legislation may affect its regulatory functions, internal operations, and stakeholder interactions. The RA expects to undertake a full scoping of these requirements during the upcoming fiscal year.

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.



# 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.

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**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.**

# 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.

# 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
<b>Total Revenue</b>	<b>3,340,000</b>	<b>2,958,000</b>	<b>-</b>	<b>7,385,000</b>	<b>6,298,000</b>
<b>OPERATING EXPENSES</b>					
<b>Employee expenses</b>					
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
<b>Sub total</b>	<b>2,246,000</b>	<b>1,883,000</b>	<b>1,076,000</b>	<b>5,205,000</b>	<b>3,866,000</b>
<b>Commissioners' expenses</b>					
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
<b>Sub total</b>	<b>200,400</b>	<b>200,400</b>	<b>100,200</b>	<b>501,000</b>	<b>451,000</b>
<b>Other expenses</b>					
Consulting Services	243,000	1,230,601	515,000	1,988,601	1,577,099
Employee training and related expenses	185,400	185,400	95200	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
<b>Sub total</b>	<b>881,920</b>	<b>1,889,636</b>	<b>996,310</b>	<b>3,767,866</b>	<b>2,647,691</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>3,328,320</b>	<b>3,973,036</b>	<b>2,172,510</b>	<b>9,473,866</b>	<b>6,964,691</b>
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
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>40,000</b>	<b>40,000</b>	<b>20,000</b>	<b>100,000</b>	<b>75,000</b>
<b>TOTAL EXPENDITURE</b>	<b>3,368,320</b>	<b>4,013,036</b>	<b>2,192,510</b>	<b>9,573,866</b>	<b>7,039,691</b>



# 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.

# SUPPORTING FINANCIAL DOCUMENTS





# FINANCIAL SUMMARY

This Work Plan and Budget sets out the Regulatory Authority's (RA) financial and operational priorities for fiscal year 2026/27, in alignment with the Government's directive to strengthen internal capacity, support knowledge transfer, and enhance consumer protection. It outlines the resources required to deliver the RA's mandate across the Electronic Communications, Submarine Communications, Electricity, and Fuel sectors, while maintaining a focus on efficiency, transparency, and long-term regulatory resilience.

For 2026/27, the RA proposes total revenues of \$7,385,000 (a 17 percent increase) and total expenditures of \$9,573,866 (a 36 percent increase). The resulting variance is primarily attributable to the onboarding of the Fuel sector. As no Fuel sector fees will be collected during 2026/27, the resulting shortfall will be funded through the Government guarantee mechanism. This approach enables the RA to draw on the existing "Due to Government" balance to support Fuel sector start-up activities, ensuring that costs are isolated and that no cross-subsidisation occurs among regulated sectors.

The budget sets Regulatory Authority Fee levels for the Electronic Communications, Submarine Communications, and Electricity sectors that are sufficient to fund the regulatory activities planned for 2026/27. Consistent with Government policy and the cost-driver principles underpinning RA funding, the RA recommends only minimal adjustments to the existing Government Authorization Fees prescribed under the Government Fees Act 1965.

A comprehensive review of the Regulatory Authority Fee framework across all regulated sectors is scheduled for 2027. This future review will ensure that fee structures remain aligned with evolving regulatory requirements, sectoral developments, and the RA's mandate to promote sustainable, well-functioning markets in the public interest.

# PROJECTED REVENUES & FEES FOR 2026/27

The RA's operations are funded through sectoral fees across the regulated industries. For 2026/27, projected RA Fee revenues total **\$7,385,000**, distributed as follows:

## Electronic Communications (EC)

- » Projected revenues: **\$3,370,000**, broadly unchanged from 2025/26.
- » The **Integrated Communications Operating Licence (ICOL)** fee remains **1.65% of relevant turnover**, which is proposed to be extended to other Communications Operating Licences (COLs).
- » The **Submarine Communications Operating Licence (SubCOL)** fee remains **1% of relevant turnover**. No SubCOL revenue is projected for 2026/27.

## Submarine Communications Cables

- » Annual licence fee remains **\$30,000 per cable**.
- » No revenue is forecast for 2026/27; however, this may change if pending applications (e.g., Google Nuvem, Sol cable) proceed before the final report.

## Electricity

- » Projected revenues: **\$4,015,000**, up from \$2,958,000 in 2025/26.
- » The **Transmission, Distribution and Retail (TD&R)** fee increases from **\$0.00545/kWh to \$0.00750/kWh**, reflecting the costs of major projects requested by Government.
- » Bulk Generation Provider fees remain unchanged.
- » Appendix E provides an illustration of how the proposed fee adjustment affects the average residential bill.

## Fuels

- » No RA Fees will be collected in 2026/27.
- » Fees will only be introduced after completion of the **Fuel Pricing Methodology** and **Cost of Service Study (COSS)**.
- » Government guarantee mechanism ensures no cross-subsidisation with other regulated sectors.

In setting these fees, the RA has applied the statutory requirement that Regulatory Authority Fees must be consistent with the RA's approved budget and sufficient to fund its operations. Fees must also include **Service Fees** that recover the cost of specific functions performed for sectoral participants, as required under section 44(3) of the RAA. Recommended Service Fee amendments are outlined in **Appendix E**.

Section 44(14) of the RAA provides that if new fee regulations are not enacted by the start of the fiscal year, prior-year fees—adjusted for Consumer Price Index changes—remain in force until new regulations are approved. If those regulations are delayed beyond the end of the fiscal year, the proposed increases take effect automatically by operation of law.

The RA will recommend to the Minister of Finance that only minimal adjustments be made to **Government Authorization Fees** applicable to the Electronic Communications, Submarine Communications, and Electricity sectors under the Government Fees Act 1965. Additional detail is provided later in this document and in **Appendices B and C**.



# PROPOSED EXPENDITURE BUDGET FOR 2026/27

Subject to the Minister of Finance's approval, the RA proposes a total expenditure budget for 2026/27 of **\$9,573,866**, comprising:

- » Operating Expenditure: **\$9,473,866**
- » Capital Expenditure: **\$100,000**

The proposed total Expenditure Budget consists of the planned costs for regulating the Electronic Communications, Submarine Communications, Electricity and Fuel sectors. Total expenditures across all sectors are budgeted to increase in 2026/27, driven primarily by capacity building, knowledge transfer, communications, and IT upgrades. These investments reflect the RA's strategy to reduce reliance on external consultants by strengthening internal expertise, while also ensuring resilience through modernised systems and enhanced stakeholder engagement.

The RA has a range of responsibilities including the collection of Government and Regulatory Authority Fees, such as fees for radio licensing, vessel and aircraft licences, and other statutory collections essential to Bermuda's communications and transportation infrastructure. The RA's responsibilities also include strategic analysis, project delivery, ensuring regulatory compliance and enforcement and attention to matters concerning consumers. The organisation also manages the assignment of radio spectrum to minimise the potential for harmful interference to users of electronic communications services and sets new standards to protect the general public.

The RA sets the Retail Tariffs including the Fuel Adjustment and the Feed-in Tariff, approves capital expenditures, licences sectoral

providers and ensures regulatory compliance in the Electricity sector. The RA manages the strategic electricity perspective via the IRP and supports the necessary steps to facilitate the strategic objectives of the IRP.

In addition to sector-specific expenditures, the RA incurs common organisational costs that support organisation-wide activities. These include staffing, office services, IT infrastructure, administrative functions, and communications—costs that cannot be attributed solely to one regulated industry.

Except for sector-specific designated expenses, general expenses are split equally between the Electricity and EC sectors, with a portion also allocated to the Fuel sector based on estimated time spent on fuel related activities. Staff members who work solely in one sector have the totality of their payroll and benefits allocated to that specific sector. Once the full multi-sector regulatory framework is implemented, common-cost allocations are expected to benefit from increased efficiencies and more balanced distribution across all regulated sectors.

The RA enters the 2026/27 period with a significant shift in its mandate, following recent discussions with the Ministry of Finance. The RA has been tasked with onboarding the Fuel sector as a regulated industry, expanding its oversight beyond the existing Electricity and Electronic Communications (EC) sectors.

This onboarding will occur without any fee collection from the Fuel sector during its initial setup phase. Consequently, the RA will operate at a projected loss in 2026/27 for this sector, supported by a Government guarantee mechanism. The Government has

# PROPOSED EXPENDITURE BUDGET FOR 2026/27

agreed to underwrite Fuel sector start-up costs by allowing the RA to utilise the existing “Due to Government” balance, ensuring no cross-subsidisation between regulated sectors.

Key considerations include:

- » Electronic Communications is expected to remain stable, with fee levels and expenditures broadly unchanged.
- » Submarine Communications Cables is expected to remain stable with the first new licences under this legislation coming into effect in 2027.
- » Electricity will absorb the greatest share of new costs, reflecting government-led projects and consulting support, balanced by the revised TD&R fee.
- » Fuel continues as a transitional expense, with costs of \$2.19 million underwritten by the Government to prevent cross-subsidisation.

A comprehensive review of the Regulatory Authority Fee across all three sectors is scheduled for 2027. This review will focus on:

- » Ensuring fair allocation of common costs across the three regulated sectors.
- » Introducing a strategy to gradually recover losses in the Electricity and Fuel sectors through future surpluses.
- » Incorporating a five-year repayment plan for the Government’s financial support of the Fuel sector onboarding.

The projected revenue and expenses for 2026/27 are set out in Table 1.

# PROJECTED REVENUES & FEES FOR 2026/27

TABLE 1: Prior year comparison of consolidated budgeted revenues and expenditures

	ELECTRONIC COMMUNICATIONS	ELECTRICITY	FUEL	TOTAL 2026-27	TOTAL 2025-26
<b>REVENUE</b>					
RA Fees	3,370,000	4,015,000	-	7,385,000	6,298,000
Total Revenue	3,370,000	4,015,000	-	7,385,000	6,298,000
<b>OPERATING EXPENSES</b>					
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' payroll tax	22,000	22,000	11,000	55,000	-
Commissioners' training	20,000	20,000	10,000	50,000	55,000
Sub total	200,400	200,400	100,200	501,000	451,000
Other expenses					
Consultancy 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
Office Space	168,765	168,765	84,382	421,911	416,558
Office Services	139,994	131,626	60,813	332,434	311,034

**TABLE 1: Prior year comparison of consolidated budgeted revenues and expenditures**

	<b>ELECTRONIC COMMUNICATIONS</b>	<b>ELECTRICITY</b>	<b>FUEL</b>	<b>TOTAL 2026-27</b>	<b>TOTAL 2025-26</b>
Communications	58,761	87,244	72,915	218,920	46,000
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	3,000	15,000	10,000
Sub total	881,920	1,889,636	996,310	3,767,866	2,647,691
<b>TOTAL OPERATING EXPENSES</b>	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	3,000	15,000	10,000
Leasehold Improvements	2,000	2,000	1,000	5,000	5,000
Furniture & Fittings	2,000	2,000	1,000	5,000	5,000
<b>TOTAL CAPITAL EXPENDITURE</b>	40,000	40,000	20,000	100,000	75,000
<b>TOTAL EXPENDITURE</b>	3,368,320	4,013,036	2,192,510	9,573,866	7,039,691

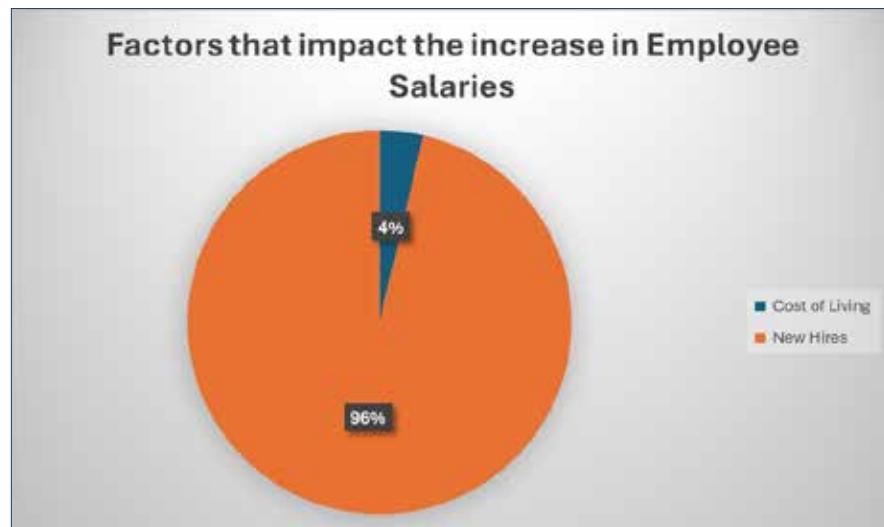
# EXPENDITURE OVERVIEW

## Employee Expenses

Employee expenses include salaries, benefits, and payroll taxes for all RA staff. Total employee salaries for 2026/27 are projected at \$3,619,000, representing a 32% increase compared to \$2,746,000 in 2025/26. This increase of \$873,000 is driven by two primary factors:

1. A cost-of-living adjustment of approximately 4%; and
2. A significant expansion of headcount, consistent with Government's directive to build internal capacity and promote long-term knowledge transfer across the organisation.

As the RA continues to regulate multiple sectors, additional technical officers and regulatory specialists are required to effectively fulfil statutory obligations and to reduce reliance on external consultants over time. These staffing enhancements



represent a strategic investment in sustainable regulatory capability, rather than administrative expansion.

The chart below illustrates the composition of the \$873,000 increase in employee salaries for 2026/27. As shown, new hires account for approximately 96% of the increase, demonstrating that the rise in employee costs is largely attributable to targeted staffing additions rather than across-the-board adjustments. The remaining 4% reflects the cost-of-living adjustment applied to existing staff.

Employee benefits increased by 46% and aligns with the growth in headcount and corresponding benefit obligations, including health insurance premiums, pension contributions, social insurance and performance-based incentives. Payroll tax is estimated at \$415,000 for 2026/27, compared to \$318,000 in the prior year, which is consistent with the increased number of employees.

## Commissioner Expenses

This category includes honoraria, payroll taxes and training for the RA Commissioners. Commissioner expenses remained stable, with the board complement unchanged. Expenditures reflect consistent honoraria and payroll tax, alongside targeted investments in commissioner training to support ongoing governance development and ensure regulatory best practice.

## Consultancy Services

Consultancy services are budgeted at \$1,988,601 in 2026/27, compared to \$1,577,099 in 2025/26, an increase of 26%. This allocation supports Government-driven projects such as the EV

# EXPENDITURE OVERVIEW

charging infrastructure review and regulatory framework, the 2028–2030 multi-year tariff review, the Integrated Resource Plan, sectoral reviews and the innovative licensing framework development.

The increase reflects the specialist expertise required to advance these large-scale, multi-year initiatives while the RA builds internal capacity to assume a greater share of the work in future years.

## Employee Training and Related Expenses

The 2026/27 budget for employee training and related expenses is \$466,000, an increase of \$252,000 compared to 2025/26. This includes staff recruitment and work permits in addition to training. The increase reflects the RA's focus on structured capacity building, strengthened internal expertise, and reduced future dependence on external consultants.

## Office Space

Office space expenditures include rent, service charges, taxes, and utilities associated with occupancy of the RA's 7,762 sq. ft. office at 8 Wesley Street, Hamilton. This category also covers internet, mobile communications, repairs and maintenance, security and telephone expenses. The 2026/27 spend is \$421,911 compared to \$416,557 in 2025/26. This is unchanged, reflecting the continuation of the existing lease and providing cost stability, enabling the RA to direct additional resources toward regulatory priorities.

## Office Services

Office services include bank charges, cleaning, copier maintenance, financial audits, general office supplies, IT support, kitchen supplies, postage and delivery and stationery. The 2026/27

budget is \$332,434, an increase of \$21,400 (7%) compared to the prior year. The increase primarily reflects updated vendor pricing, while service levels and operational requirements remain consistent.

## Communications

The communications budget increased in 2026/27 to support the RA's expanded programme of consumer awareness, consumer protection, and branding initiatives. As the RA continues to regulate multiple sectors, proactive communication is essential to ensuring that consumers and stakeholders are fully informed of their rights, responsibilities, and the impact of regulatory decisions. This expenditure category also includes the ongoing maintenance of the RA website, digital content management, marketing and advertising, and the placement of statutory notices in local media and publications.

The work plan further provides for hosting a RA conference, designed to strengthen stakeholder engagement and enhance Bermuda's visibility within the regional and international regulatory community. A conference of this nature enables the RA to attract participation from foreign regulators, industry experts, and market participants, fostering collaboration, knowledge exchange and professional development. These events support Bermuda's position as a jurisdiction committed to regulatory excellence and innovation, while contributing to long-term capacity building within the RA.

The RA conference is expected to be cost-neutral or revenue-generating on a full-cost-recovery basis and therefore does not



# EXPENDITURE OVERVIEW

influence RA Fee levels. The electricity fee increase is driven solely by sector-specific obligations and is unrelated to communications expenditures. Therefore, removing the conference line-item would not result in a reduction in sector fees.

## Litigation

Litigation expenditure increased to \$250,000 in 2026/27, compared to \$8,000 in 2025/26. The increase reflects anticipated disputes arising from ongoing market reviews and regulatory reforms, as well as a one-time provision for the Fuel sector as its regulatory framework is established. This allocation ensures the RA is appropriately resourced to defend regulatory decisions and manage emerging sectoral risks.

## Subscriptions

Subscription expenses for 2026/27 are budgeted at \$75,000, compared to \$65,000 in 2025/26, an increase of \$10,000 (15%). This category includes professional memberships, regulatory publications, software licences and access to technical resources that support the RA's analytical and regulatory responsibilities. The increase reflects inflationary adjustments and enhancements to essential regulatory tools and systems.

## Meetings and Conferences

Meeting and conference expenses for 2026/27 are budgeted at \$15,000, compared to \$10,000 in 2025/26, an increase of \$5,000 (50%). This budget supports staff participation in training workshops and regulatory forums, contributing to ongoing capacity building and professional development. These engagements enhance regulatory capability and support the RA's capacity-building strategy.

## Capital Expenditure

Capital expenditure for 2026/27 totals \$100,000, compared to \$75,000 in 2025/26, an increase of \$25,000 (33%).

Breakdown:

- » Furniture and Fittings (\$5,000),
- » Office Equipment (\$15,000),
- » Computers and Software (\$75,000) and
- » Leasehold Improvements (\$5,000).

The largest increase relates to IT upgrades, which are critical for cybersecurity, digital transformation, and operational efficiency.

# SECTORAL BREAKDOWN

## Electronic Communications Sector

The RA's proposed expenditure for the Electronic Communications (EC) sector in 2026/27 is \$3,368,320, compared to \$2,999,422 in 2025/26—an increase of \$368,898 (12%). Forecasted revenues for the sector are \$3,370,000, up slightly from \$3,340,000 in the prior year. The sector continues to provide stable and predictable revenue, supporting fee stability for licensees while enabling the RA to meet its statutory responsibilities.

The increase in expenditure reflects the RA's ongoing investment in capacity building, professional development, and consumer awareness. These initiatives strengthen internal expertise and reduce medium-term dependence on external consultants, aligning with Government's directive to enhance internal regulatory capability. Expanded communication activities ensure that consumers remain informed of their rights, obligations, and the rationale behind regulatory decisions.

The EC budget also incorporates resources to address emerging regulatory challenges, including potential disputes arising from market reviews and enforcement actions. Overall, the 2026/27 EC budget maintains cost stability while positioning the RA to effectively manage an evolving, innovation-driven sector.

Projected revenues and expenses for the EC sector are presented in Table 2.

## Submarine Communications Cables Sector

The RA's proposed expenditure for the Submarine Communications Cables sector in 2026/27 is minimal. Costs related to applications, licensing, and related assessments continue to be recovered directly through associated service fees, ensuring that no cross-subsidisation occurs between sectors. The sector remains stable, with new licences under the 2021 regulatory framework expected to come into effect beginning in 2027.



TABLE 2: Electronic Communications Sector Budget Prior Year Comparison

	2026-27	2025-26	INCREASE/ (DECREASE)	% CHANGE
<b>REVENUES</b>	<b>3,370,000</b>	<b>3,340,000</b>	<b>30,000</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>				
<b>Employee expenses</b>				
Employee salaries	1,562,000	1,402,000	160,000	11%
Employee benefits	505,000	374,000	131,000	35%
Employer payroll tax	179,000	148,000	31,000	21%
<b>Sub total</b>	<b>2,246,000</b>	<b>1,924,000</b>	<b>322,000</b>	<b>17%</b>
Commissioners' expenses				
Honoraria	158,400	159,923	(1,523)	-1%
Commissioners' payroll tax	22,000	22,000	-	0%
Commissioners' training	20,000	-	20,000	-
<b>Sub total</b>	<b>200,400</b>	<b>181,923</b>	<b>18,477</b>	<b>10%</b>

**TABLE 2: Electronic Communications Sector Budget Prior Year Comparison (cont'd.)**

	<b>2026-27</b>	<b>2025-26</b>	<b>INCREASE/ (DECREASE)</b>	<b>% CHANGE</b>
<b>Other expenses</b>				
Consulting Services	243,000	344,000	(101,000)	-29%
Office Space	168,765	197,865	(29,100)	-15%
Office Services	139,994	150,509	(10,515)	-7%
Employee training and related expenses	185,400	107,000	78,400	73%
Subscriptions	30,000	32,500	(2,500)	-8%
Communications	58,761	17,000	41,761	246%
Meetings & Conferences	6,000	5,000	1,000	20%
Provision for Mediation & Litigation	50,000	4,000	46,000	1150%
Sub total	881,920	857,874	24,046	3%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,328,320</b>	<b>2,963,797</b>	<b>364,523</b>	<b>12%</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>40,000</b>	<b>35,625</b>	<b>4,375</b>	<b>12%</b>
<b>TOTAL EXPENDITURE</b>	<b>3,368,320</b>	<b>2,999,422</b>	<b>368,898</b>	<b>12%</b>

# SECTORAL BREAKDOWN

## Electricity Sector

The RA's proposed expenditure for the Electricity sector in 2026/27 is \$4,013,036, compared to \$3,054,154 in 2025/26—an increase of \$958,882 (31%). Forecasted revenues for the sector are \$4,015,000, up from \$2,958,000 in the prior year, primarily due to the adjustment of the Transmission, Distribution and Retail (TD&R) fee from \$0.00545 per kWh to \$0.00750 per kWh. Appendix E provides an illustrative example of the impact on a typical residential electricity bill.

The significant increase in expenditure reflects the scale and complexity of major Government-directed regulatory projects that must be completed during the fiscal year. These include:

- » The Multi-Year Retail Tariff Review (2028–2030)
- » Development of the EV charging regulatory framework
- » Continued implementation and refinement of the Integrated Resource Plan (IRP)
- » The Electricity Sectoral Review
- » The Innovation Licensing Framework

Each of these workstreams requires specialised expertise and technical analysis, reflected in increased consultancy costs and staff resource allocation. These initiatives are essential to supporting Bermuda's long-term energy policy objectives, facilitating renewable integration, modernising system infrastructure, and ensuring reliable service delivery.

The expenditure increase also reflects targeted investments in internal capacity building within the electricity team. As the sector continues to evolve, the RA must enhance its in-house technical and economic capabilities to reduce long-term reliance on consultants and to manage increasingly complex regulatory interventions. Provisions for litigation and dispute resolution have also been strengthened, recognising potential challenges arising from tariff decisions and structural reforms.

Overall, the 2026/27 electricity sector budget represents a necessary and forward-looking investment in Bermuda's energy regulation. It ensures that the RA can fulfil its statutory obligations, advance Government-led initiatives, and maintain a modern, resilient, and consumer-focused electricity sector.

Projected revenues and expenses for the Electricity sector are presented in Table 3.

TABLE 3: Electricity Sector Budget Prior Year Comparison

	2026-27	2025-26	Increase/ (Decrease)	% Change
<b>REVENUES</b>	4,015,000	2,958,000	1,057,000	36%
<b>OPERATING EXPENSES</b>				
<b>Employee expenses</b>				
Employee salaries	1,309,000	1,158,000	151,000	13%
Employee benefits	424,000	374,000	50,000	13%
Employer payroll tax	150,000	148,000	2,000	1%
<b>Sub total</b>	<b>1,883,000</b>	<b>1,680,000</b>	<b>203,000</b>	<b>12%</b>
Commissioners' expenses				
Honoraria	158,400	159,923	(1,523)	-1%
Commissioners' payroll tax	22,000	22,000	-	0%
Commissioners' training	20,000	-	20,000	-
<b>Sub total</b>	<b>200,400</b>	<b>181,923</b>	<b>18,477</b>	<b>10%</b>
<b>Other expenses</b>				
Consulting Services	1,230,601	640,099	590,502	92%
Office Space	168,765	197,865	(29,100)	-15%
Office Services	131,626	147,142	(15,516)	-11%
Employee training and related expenses	185,400	107,000	78,400	73%
Subscriptions	30,000	32,500	(2,500)	-8%
Communications	87,244	23,000	64,244	279%
Meetings & Conferences	6,000	5,000	1,000	20%
Provision for Mediation & Litigation	50,000	4,000	46,000	1150%
Sub total	1,889,636	1,156,606	733,030	63%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,973,036</b>	<b>3,018,529</b>	<b>954,507</b>	<b>32%</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>40,000</b>	<b>35,625</b>	<b>4,375</b>	<b>12%</b>
<b>TOTAL EXPENDITURE</b>	<b>4,013,036</b>	<b>3,054,154</b>	<b>958,882</b>	<b>31%</b>

# SECTORAL BREAKDOWN

## Fuel Sector

The RA's proposed expenditure for the Fuel sector in 2026/27 is \$2,192,510, compared to \$986,115 in 2025/26 (a figure that remained significantly unspent). This represents an increase of \$1,206,395. Revenues remain at zero because Fuel is not yet funded through sector fees. During this onboarding phase, the sector continues to operate under the Government guarantee mechanism, which ensures that the RA can meet its statutory obligations without placing premature financial burdens on industry participants or consumers.

Fuel sector fees are expected to be introduced once the Cost of Service Study (COSS) is completed and a regulatory framework is established. Because the COSS remains underway, no revenue forecasts can be provided at this time. Once completed, the RA will undertake a comprehensive review to determine an appropriate and sustainable fee structure for the sector.

The expenditure increase reflects the substantial work required to operationalise the Fuel sector regulatory framework. Key drivers include:

- » Targeted staff capacity building
- » Expanded communications and consumer awareness activities
- » Enhanced provisions for litigation associated with new regulatory requirements
- » Fair allocation of corporate, governance, facilities, and administrative costs

These shared costs are allocated to the Fuel sector in accordance with the RA's cost-recovery principles, ensuring transparency and consistency across sectors while avoiding prohibited cross-subsidisation.

As the Fuel sector matures and fees are introduced, the RA expects greater transparency in cost allocation, enhanced long-term planning, and the progressive recovery of Government-supported start-up costs. Until then, the Government guarantee continues to provide an essential stabilising mechanism that supports the RA's ability to execute its regulatory responsibilities.

Projected revenues and expenses for the Fuel sector are presented in Table 4.

TABLE 4: Fuel Sector Budget Prior Year Comparison

	2026-27	2025-26	Increase/(Decrease)	% Change
<b>OPERATING EXPENSES</b>				
<b>Employee expenses</b>				
Employee salaries	748,000	186,000	562,000	302%
Employee benefits	242,000	54,000	188,000	348%
Employer payroll tax	86,000	22,000	64,000	291%
<b>Sub total</b>	<b>1,076,000</b>	<b>262,000</b>	<b>814,000</b>	<b>311%</b>
<b>Commissioners' expenses</b>				
Honoraria	79,200	76,154	3,046	4%
Commissioners' payroll tax	11,000	11,000	-	0%
Commissioners' training	10,000	-	10,000	-
<b>Sub total</b>	<b>100,200</b>	<b>87,154</b>	<b>13,046</b>	<b>15%</b>
<b>Other expenses</b>				
Consulting Services	515,000	593,000	(78,000)	-13%
Office Space	84,382	20,828	63,554	305%
Office Services	60,813	13,383	47,430	354%
Employee training and related expenses	95,200	-	95,200	-
Subscriptions	15,000	-	15,000	-
Communications	72,915	6,000	66,915	1115%
Meetings & Conferences	3,000	-	3,000	-
Provision for Mediation & Litigation	150,000	-	150,000	-
<b>Sub total</b>	<b>996,310</b>	<b>633,211</b>	<b>363,099</b>	<b>57%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>2,172,510</b>	<b>982,365</b>	<b>1,190,145</b>	<b>121%</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>20,000</b>	<b>3,750</b>	<b>16,250</b>	<b>433%</b>
<b>TOTAL EXPENDITURE</b>	<b>2,192,510</b>	<b>986,115</b>	<b>1,206,395</b>	<b>122%</b>

# SECTORAL BREAKDOWN

## Government Authorization Fees

During the fiscal year 2026/27, the RA anticipates collecting revenues on behalf of the Government of Bermuda of approximately \$18,426,000 and \$177,000 from the Electronic Communications and Electricity sectors, respectively. Government authorization fees for 2026/27 are based on the expected level of activity within each regulated sector.

For the Electronic Communications sector, fees are calculated using historical collections, expected growth in sector turnover and the number of spectrum licences held.

For the Submarine Communications sector, fees are calculated based on the number of operating licences held.

For the Electricity sector, fees are determined using BELCO's forecasted kilowatt-hour sales, along with the installed capacity of bulk, waste-to-energy, and renewable generators for all industry providers.

The RA recommends to the Minister of Finance that no changes be made to the existing 3.5% Government Authorization Fees imposed on the Electronic Communications industry under the regulations. The projected revenues for 2026/27 are set out in Table 5.

**TABLE 5: Electronic Communications Sector – RA Fee Revenues and Government Authorization Fee Collections**

	Regulatory Authority	Government
Electronic Communications	3,340,000	7,160,000
Spectrum Fees	-	3,121,000
Radio Communications Licences	-	140,000
Handset Fees	-	8,005,000
<b>TOTAL</b>	<b>3,340,000</b>	<b>18,426,000</b>

The RA further recommends no change to the Government fees applicable to the Submarine Communications Cables sector under the Government Fees Act 1965.

The RA recommends to the Minister of Finance that there should be no change in the current Government fees imposed on the Electricity sector under the Government Fees Act 1965. The projected revenues for 2026/27 are set out in Table 6 below.

**TABLE 6: Electronic Communications Sector – RA Fee Revenues and Government Authorization Fee Collections**

	Regulatory Authority	Government
Transmission, Distribution & Retail	2,788,900	102,000
Utility Scale Bulk Electricity Generation	143,300	70,000
Waste-to-Energy Bulk Electricity Generation	16,800	-
Renewable Energy Bulk Electricity Generation	9,000	5,000
<b>TOTAL</b>	<b>2,958,000</b>	<b>177,000</b>

# **APPENDIX A**

Summary of Responses to Consultation Document

# SUMMARY OF RESPONSES TO CONSULTATION DOCUMENT

The Consultation Document was published on 8 October 2025, with responses due on 7 November. The RA received two submissions from One Communications and Digicel. The following summarises these submissions as well as the RA's responses thereto.

## 1. ONE COMMUNICATIONS SUBMISSION AND RA RESPONSE

### SUMMARY OF SUBMISSION

One Communications raises three primary concerns regarding the RA's Proposed Work Plan and Budget for 2026/27.

First, OneComm argues that the Work Plan does not satisfy the statutory requirements of sections 43 and 70 of the RAA. They contend that the document does not include all required elements—such as sufficiently articulated strategic priorities, performance indicators, and a fully developed evidentiary basis—and further note concerns about the commencement and conduct of the public consultation.

Second, OneComm submits that the Work Plan does not justify maintaining the current level of the Regulatory Authority Fee (RAF) for the Electronic Communications sector. They argue that certain EC workstreams, particularly the 2025 market review, have concluded or been stayed, implying that the level of activity and associated regulatory cost should be materially lower. In their view, this suggests that the RAF should be reduced rather than held constant.

Third, OneComm expresses concern regarding what it views as declining financial transparency at the RA. This includes the timing

and publication of Work Plans and budgets, delays in the release of audited statements, and the absence of publicly available information regarding the Litigation Reserve Fund. OneComm encourages the RA to adopt more transparent reporting practices to ensure accountability and stakeholder confidence.

### RA RESPONSE

#### 1. Statutory compliance of the Work Plan and consultation

The RA acknowledges OneComm's comments on the statutory obligations of sections 43 and 70 of the RAA. The RA considers that the 2026/27 Work Plan meets all legal requirements, including identifying strategic priorities, planned activities, and preliminary resource needs. The Work Plan is intended as a forward-looking planning document rather than a comprehensive operational report; detailed performance monitoring occurs through audited statements, annual reports, and sectoral reviews. The RA will continue to assess opportunities to further enhance readability and clarity in future Work Plans.

Regarding the EC plans, the RA notes that as outlined above, the RA will also conduct a sectoral review and possibly copper discontinuation public consultation. The RA also plans to complete the update to the Principles of Consumer Protection 2020 General Determination during the 2026-27 fiscal year.

#### 2. RAF level for the EC sector

The RA notes OneComm's view that the EC RAF should be reduced. The RA emphasises that several significant EC workstreams will continue through the 2026/27 fiscal year, including follow-

up to the market analysis, spectrum policy initiatives, the radiofrequency study, Type Approval reforms, and monitoring of SMP-related obligations. Maintaining the RAF at its current level ensures continuity of regulatory oversight during this active period.

In addition, the RA anticipates substantial expenditures linked to ongoing EC-sector litigation, which is expected to continue well into 2026/27. Certain projects—most notably the full implementation of ex post remedies—have also carried over without the level of progress originally planned and will require dedicated resourcing in the coming fiscal year. A reduction in the RAF at this time would constrain the RA's ability to fulfil its statutory duties, particularly in an environment of elevated regulatory and legal activity.

### **3. Financial transparency and disclosure practices**

The RA acknowledges OneComm's interest in enhanced transparency. The RA notes that the timing of Work Plan publication, audited statements, and related documents is governed by statutory approvals and external auditing processes.

The RA thanks OneComm for bringing to its attention that the 2025–26 Work Plan was not published on the RA's website. The RA apologizes for this oversight and can advise that the document has been subsequently posted. Regarding the Official Gazette, the RA has no control as to when notices, legislation, documents or information will be gazetted.

The RA published its 2025 PATI statement on 6 Feb 2025 covering the 2023–24 fiscal year. This publication contains notice of all contracts valued at \$50,000 or more.

The Litigation Reserve Fund is subject to confidentiality considerations in order to avoid prejudicing active cases, though it remains subject to appropriate oversight and audit.

Nevertheless, the RA remains committed to meeting all statutory reporting obligations and will continue to review opportunities to improve public-facing financial disclosures.

## **2. DIGICEL SUBMISSION AND RA RESPONSE**

### **SUMMARY OF SUBMISSION**

Digicel's submission focuses on ensuring that regulation keeps pace with sectoral evolution while enabling continued investment and innovation. Digicel highlights ongoing challenges relating to over-the-top (OTT) service providers, who they argue contribute heavily to network traffic without being subject to licensing or other regulatory obligations. They encourage the RA to adopt a balanced approach that supports operator investment, accounts for increasing technology convergence, and considers emerging developments such as satellite communications.

Digicel also comments on several workstreams identified in the Work Plan. They emphasise the importance of proportionate and non-intrusive ex-ante remedies, transparent implementation of the radiofrequency study,

# SUMMARY OF RESPONSES TO CONSULTATION DOCUMENT

collaborative development of updated spectrum policies, and careful consideration of reporting obligations to avoid undue administrative burden. Digicel welcomes the planned review of Type Approval requirements, which they view as necessary to keep pace with technological advancement.

Finally, Digicel expresses support for the RA's commitment to strengthen stakeholder engagement, including through an inaugural Regulatory Conference and expanded public awareness initiatives.

## RA RESPONSE

The RA appreciates Digicel's engagement and its recognition of the need for regulation to keep pace with innovation, market evolution, and emerging technologies. The RA continues to monitor international developments—particularly concerning OTT services—and acknowledges the importance of ensuring that Bermuda's regulatory framework remains proportionate, forward-looking, and capable of supporting continued investment and competition while safeguarding consumer interests.

With respect to the key workstreams identified in the Work Plan, the RA reaffirms its commitment to implementing proportionate and evidence-based remedies, conducting the radiofrequency study in a transparent and accountable manner, and collaborating with sectoral providers in the development of updated spectrum management policies and technical standards. The RA will also ensure

that reporting obligations under section 53 of the RAA are designed to support effective regulatory oversight without imposing undue administrative burden on licensees.

In addition, as outlined in the Preliminary Report on the Work Plan 2026/27, the RA will undertake a review of its regulatory approach to subscription radio and television services. This review is prompted by the increasing prevalence of OTT delivery models, which rely on internet-based platforms rather than traditional broadcast infrastructure. The RA will examine the appropriate regulatory treatment of these services, including their classification and licensing requirements, the continued suitability of Government fee structures, and whether elements of the market should be liberalised—and to what extent—to promote fair competition, strengthen consumer protection, and align with international best practice. The RA recognises the relevance of this workstream to Digicel's concerns and will engage with sectoral providers as the review progresses.

Finally, the RA welcomes Digicel's support for enhanced stakeholder outreach. Initiatives such as the proposed inaugural Regulatory Conference and expanded awareness campaigns are intended to improve sector dialogue, strengthen public understanding, and facilitate more effective regulatory outcomes. The RA looks forward to Digicel's continued participation in these engagement efforts.

# **APPENDIX B**

Request to Approve the Regulatory Authority's Budget  
for 2026/27

# REQUEST TO APPROVE THE REGULATORY AUTHORITY'S BUDGET FOR 2026/27

Pursuant to sections 43(3) and 43(4) of the RAA, the RA requests that the Minister of Finance approve the RA's proposed expenditure budget totaling \$9,573,866 for the fiscal year 2026/27 as set out below.

	ELECTRONIC COMMUNICATIONS	ELECTRICITY	FUEL	TOTAL 2026-27	TOTAL 2025-26
<b>REVENUE</b>					
<b>RA Fees</b>	3,370,000	4,015,000	-	7,385,000	6,298,000
<b>Total Revenue</b>	3,370,000	4,015,000	-	7,385,000	6,298,000
<b>OPERATING EXPENSES</b>					
<b>Employee expenses</b>					
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
<b>Sub total</b>	2,246,000	1,883,000	1,076,000	5,205,000	3,866,000
<b>Commissioners' expenses</b>					
Honoraria	158,400	158,400	79,200	396,000	396,000
Commissioners' payroll tax	22,000	22,000	11,000	55,000	-
Commissioners' training	20,000	20,000	10,000	50,000	55,000
<b>Sub total</b>	200,400	200,400	100,200	501,000	451,000

	<b>ELECTRONIC COMMUNICATIONS</b>	<b>ELECTRICITY</b>	<b>FUEL</b>	<b>TOTAL 2026-27</b>	<b>TOTAL 2025-26</b>
<b>Other expenses</b>					
Consultancy 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
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
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	3,000	15,000	10,000
<b>Sub total</b>	<b>881,920</b>	<b>1,889,636</b>	<b>996,310</b>	<b>3,767,866</b>	<b>2,647,691</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>3,328,320</b>	<b>3,973,036</b>	<b>2,172,510</b>	<b>9,473,866</b>	<b>6,964,691</b>
Computers & Software	30,000	30,000	15,000	75,000	55,000
Office Equipment	6,000	6,000	3,000	15,000	10,000
Leasehold Improvements	2,000	2,000	1,000	5,000	5,000
Furniture & Fittings	2,000	2,000	1,000	5,000	5,000
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>40,000</b>	<b>40,000</b>	<b>20,000</b>	<b>100,000</b>	<b>75,000</b>
<b>TOTAL EXPENDITURE</b>	<b>3,368,320</b>	<b>4,013,036</b>	<b>2,192,510</b>	<b>9,573,866</b>	<b>7,039,691</b>

# APPENDIX C

## Recommendation to make a Regulation Regarding RA Fees

# RECOMMENDATION TO MAKE A REGULATION REGARDING RA FEES

Pursuant to section 44(1) of the Regulatory Authority Act 2011 (RAA), the Regulatory Authority (RA) recommends that the Minister of Finance make regulations providing for the following Regulatory Authority Fees for fiscal year 2026/27.

## 1. ELECTRICITY SECTOR

The RA recommends an adjustment to the General Regulatory Authority Fee payable by the Transmission, Distribution, and Retail Service Provider under paragraph 1 of the Schedule to the Electricity (Regulatory Authority Fees) Amendment Regulations 2023, such that the fee increase from \$0.00545 to \$0.00750 per kilowatt-hour sold.

The RA further recommends that the Minister maintain the General Regulatory Authority Fees under paragraphs 2 to 6 of the Schedule to the Electricity (Regulatory Authority Fees) Regulations 2021 payable by Bulk Electricity Generation Providers as follows:

- a. Utility Scale Electricity Generation Providers (installed capacity greater than 25 MW): \$1,000 per MW per annum.
- b. Fossil Fuel Bulk Electricity Generation Providers (installed capacity greater than 0.5 MW and less than 25 MW): \$1,500 per MW per annum.
- c. Waste-to-Energy Bulk Electricity Generation Provider (installed capacity greater than 0.5 MW and less than 25 MW): \$1,500 per MW per annum.
- d. Renewable Energy Bulk Electricity Generation Providers (installed capacity greater than 0.5 MW and less than 25 MW): \$1,500 per MW per annum.

- e. Self-Supply Generation Licence Providers (installed capacity greater than 0.5 MW): \$6,500 per MW per annum.
- f. Bulk Generation Sole Use Installation (BGSUI) Licence Providers (installed capacity greater than 0.5 MW): \$1,500 per MW per annum.

## 2. ELECTRONIC COMMUNICATIONS SECTOR

The RA recommends the following fees under the Electronic Communications (Regulatory Authority Fees) Regulations 2022 for fiscal year 2026/27:

- a. The Regulatory Authority Fee applicable to Integrated Communications Operating Licences (ICOLs) under paragraph 1 of the Schedule shall remain at 1.650% of Annual Relevant Turnover, and the same rate shall be extended to other forms of Communications Operating Licences (COLs), not being a Submarine Communications Operating Licence (SubCOL).
- b. The Regulatory Authority Fee applicable to SubCOLs under paragraph 2 of the Schedule shall remain at 1% of Annual Relevant Turnover.

## 3. SUBMARINE COMMUNICATIONS CABLES SECTOR

The RA recommends that the Regulatory Authority Fee under section 3 of the Schedule to the Submarine Communications Cables (Regulatory Authority Fees) Regulations 2021 remain at \$30,000 per licence for fiscal year 2026/27.

# APPENDIX D

## Recommendation Regarding Government Authorization Fees

# RECOMMENDATION REGARDING GOVERNMENT AUTHORIZATION FEES

Pursuant to section 52(2) of the Regulatory Authority Act 2011 (RAA), the Regulatory Authority (RA) recommends that the Minister of Finance prescribe the following Government Authorization Fees for fiscal year 2026/27:

## **1. ELECTRONIC COMMUNICATIONS SECTOR**

That the Government Authorization Fee applicable to Integrated Communications Operating Licences (ICOLs) remain unchanged, and that this fee structure be extended to all other forms of Communications Operating Licences (COLs), not being a SubCOL.

## **2. ELECTRICITY SECTOR**

That the Government Authorization Fees applicable to the Electricity sector remain unchanged.

## **3. SUBMARINE COMMUNICATIONS CABLES SECTOR**

That the Government Authorization Fees applicable to the Submarine Communications Cables sector remain unchanged.

# APPENDIX E

## Recommendation Regarding Regulatory Authority Service Fees

# RECOMMENDATION REGARDING REGULATORY AUTHORITY SERVICE FEES

Pursuant to section 44(3) of the Regulatory Authority Act 2011 (RAA), the Regulatory Authority (RA) recommends that the Minister of Finance make regulations prescribing the following RA Service Fees for fiscal year 2026/27.

## 1. ELECTRICITY SECTOR

### GENERAL REGULATORY AUTHORITY FEES

Schedule 2, Electricity (Regulatory Authority Fees) Regulations 2021

Fee Description	Fee Amount
<b>Application for Electricity Transmission, Distribution and Retail Service Provider Licence</b>	<b>\$52,000</b> (up from \$40,000)
<b>Application for Bulk Generation Licence (25 MW or above)</b>	<b>\$52,000</b> (up from \$40,000)
<b>Application for Bulk Generation Licence (less than 25 MW)</b>	<b>\$32,500</b> (up from \$25,000)
<b>Application for Large Self-Supply Licence</b>	<b>\$19,500</b> (up from \$15,000)
<b>Concentration Review</b>	<b>\$32,500</b> (up from \$25,000)
<b>Change of Control / Licence Transfer or Assignment</b>	<b>\$10,000</b> (up from \$2,400)
<b>Bulk Generation Proposal Review</b>	<b>\$13,000</b> (up from \$10,000)
<b>Innovative Licence Application Fee</b>	<b>\$13,000</b> (up from \$1,000)
<b>Bulk Generation Sole Use Installation (BGSUI) Licence Application Fee</b>	<b>\$19,500</b> (up from \$1,000)



# RECOMMENDATION REGARDING REGULATORY AUTHORITY SERVICE FEES

## 2. ELECTRONIC COMMUNICATIONS SECTOR

### GENERAL REGULATORY AUTHORITY FEES

Schedule 2, Electronic Communications (Regulatory Authority Fees) Regulations 2022

Fee Description	Fee Amount
Application for ICOL	<b>\$110,500</b> (up from \$85,000)
Application for COL (other than an ICOL)	<b>\$5,000</b> (new fee)
Dormant COL annual fee (no relevant turnover)	<b>\$750</b> per quarter (new fee)
Application for High Demand Spectrum (HDS)	<b>\$19,500</b> (up from \$15,000)
Application for commercial non-HDS spectrum	<b>\$7,500</b> (new fee; replaces "Application for Non-HDS")
Application for non-commercial non-HDS spectrum	<b>\$500</b> (new fee; replaces "Application for Non-HDS")
Application for licence exemption	<b>\$500</b> (up from \$320)
Concentration Review	<b>\$32,500</b> (up from \$25,000)
Licence Transfer or Assignment	<b>\$10,000</b> (up from \$2,400)
Inspection fee – radio frequency hazard analysis (Residential 1 and 2)	<b>\$500</b> (unchanged)
Inspection fee – radio frequency hazard analysis (other zones)	<b>\$750</b> (up from \$500)
Inspection fee – on-site equipment inspection (vessels and aircraft)	<b>\$2,500</b> (up from \$2,000)
Inspection fee – Network Interference Investigation	<b>\$1,950</b> (up from \$1,500)

# RECOMMENDATION REGARDING REGULATORY AUTHORITY SERVICE FEES

## 3. RADIO CLASS LICENCE FEES

The RA recommends that a new Schedule 3 be added to the Electronic Communications (Regulatory Authority Fees) Regulations 2022 to provide for the following fees.

Fee amounts apply equally to initial applications and renewals.

<b>Licence Type</b>	<b>Fee</b>
<b>Stock licence</b>	<b>\$25</b>
<b>Class 1 licence</b>	<b>\$100</b>
<b>Class 2 licence</b>	<b>\$25</b>
<b>Class 3 licence</b>	<b>\$25</b>
<b>Class 4 licence – repeater station</b>	<b>\$25</b>
<b>Class 4 licence – base station</b>	<b>\$25</b>
<b>Class 4 licence – mobile station (other than cellular)</b>	<b>\$0</b>
<b>Class 4 licence – cellular telephone (per month)</b>	<b>\$0</b>
<b>Class 4 licence – multiple units (regardless of number)</b>	<b>\$100</b>
<b>Class 5 licence</b>	<b>\$25</b>
<b>Class 6 licence</b>	<b>\$25</b>
<b>Class 7 licence</b>	<b>\$25</b>
<b>Class 8 licence</b>	<b>\$25</b>
<b>Class 9 licence</b>	<b>\$25</b>
<b>Class 11 licence</b>	<b>\$25</b>

# RECOMMENDATION REGARDING REGULATORY AUTHORITY SERVICE FEES

## 4. TYPE APPROVAL FEES

The RA recommends that a new Schedule 5 be added to the Electronic Communications (Regulatory Authority Fees) Regulations 2022 to establish the following fees for certifications under Part 7 relating to electronic communications networks and radio apparatus standards listed in section 50.

Category	Fee Amount
<b>Equipment manufacturer</b> - For any manufacturer looking to allow their device to be used in Bermuda.	<b>\$50 administration fee</b>
<b>Sectoral Provider</b> - For any sectoral provider seeking to lease equipment to customers (e.g. 2-way radios)	<b>\$50 administration fee</b>
<b>Equipment reseller (direct from manufacturer)</b> - For any equipment reseller looking to import multiple units and sell them commercially	<b>\$50 administration fee</b>
<b>Equipment reseller (from third party)</b> - For any equipment reseller looking to import multiple units and sell them commercially	<b>\$50 administration fee</b>
<b>Individual importer</b> - For any individual importer that is not importing a device for commercial sale and is importing less than 10 units	<b>\$25 administration fee</b>
<b>Bermuda Government entities</b> - Where any certification is sought under subparagraphs (a) to (e) by a Bermuda Government entity.	<b>\$0</b> (exempt, but still required to file Type Approval requests)

# RECOMMENDATION REGARDING REGULATORY AUTHORITY SERVICE FEES

## 5. SUBMARINE COMMUNICATIONS CABLES SECTOR

### GENERAL REGULATORY AUTHORITY FEES

Schedule, Submarine Communications Cables (Regulatory Authority Fees) Regulations 2021

Fee Description	Fee Amount
Service fee for installation permit application	<b>\$10,000</b> (up from \$1,000)
Service fee for licence application	<b>\$10,000</b> (up from \$1,000)

# APPENDIX F

Illustrative Impact on a Typical Residential Electricity Bill

# ILLUSTRATIVE IMPACT ON A TYPICAL RESIDENTIAL ELECTRICITY BILL

The following illustration outlines the expected impact of the proposed 2026/27 Regulatory Authority Fee (RAF) adjustment on a typical residential electricity customer. The example assumes a two-occupant household with average monthly consumption of 697 kWh.

Under the current RAF of \$0.00545 per kWh, the monthly fee attributable to this usage is \$3.80. Under the proposed RAF of \$0.00750 per kWh, the fee would increase to \$5.23,

representing a monthly difference of \$1.43. This change reflects the incremental RAF increase of \$0.00205 per kWh.

This illustration is intended to demonstrate the practical effect of the proposed adjustment on an average residential bill. Actual customer impacts will vary depending on individual consumption patterns.

	EXISTING RATE/KWH	PROPOSED RATE/KWH	Difference
<b>Regulatory Authority Fee (RAF)</b>	\$0.00545	\$0.00750	\$0.0021
<b>Monthly consumption (kWh)</b>	697	697	-
<b>Total RAF payable per month</b>	\$3.80	\$5.23	\$1.4289



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