

Cover document consultation public bodies Bonaire, Sint Eustatius and Saba

Draft Law Electricity and Drinking Water BES

Date of submission	16 August 2013								
Closing Date reactions	7 October 2013								
Contents Draft Law	<p>The aim is regulation of the electricity and drinking water companies (the companies) for a secure, affordable, durable and qualitatively high performing service which is ensured for all customers.</p> <p>The companies need a ministerial license. A company with a license has to abide by standards in book keeping, governance, operations and tariffs. Tariffs have to be cost-based. A structural subsidy on network is put in place. The regulator ACM (Autoriteit Consument en Markt) and ILT (Inspectie Leefomgeving en Transport) will supervise tariffs and technical operations respectively.</p>								
Why implementation in CN despite legislative restraint	<p><input type="checkbox"/> Maintenance of existing legislation</p> <p><input checked="" type="checkbox"/> Making necessary improvements</p> <p><input checked="" type="checkbox"/> New legislation to lift existing abuses</p>								
Why (also) pertaining to CN	<p>The monopolistic companies provide in primary life necessities. Therefore, the quality and tariffs of services of the companies have to be regulated. The present framework fails in this respect. This leads to enduring challenges which the Draft Law solves. The most poignant is that despite poor affordability (high tariffs), the companies are not financially sound and operating in a future proof way.</p>								
Relevant consequences for CN	<p>The companies are regulated and technical and economic supervision is installed. Tariffs are rationalised (based on costs including a reasonable profit margin) and structurally subsidised. Stability is insured by allowing tariffs for end-users to be adjusted at most once a year. A capacity tariff is introduced next to the usage dependent tariff. Tariffs are expected to decrease on average, but the change will differ per category of end-users. End-users who lay a heavy burden on infrastructure by high peak demand will pay accordingly. The companies have to provide drinking water and electricity securely (safely, few outages) and in a future proof way.</p>								
Relevant articles or passages	The entire draft law								
Financial aspects (effects and dealing with them)	<p>The structural subsidy is provided for by the departmental budget of the ministries of I&M and EZ.</p> <p>The tariffs for electricity and drinking water have to be cost-based, including a reasonable profit margin for the companies. The effect on the total bill will differ per category of end-users. The structural subsidy will lower the average bill relative to a cost-based tariff without subsidy.</p>								
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Contact persons	<table> <tr> <td>Name Luit-Jan Dijkhuis</td> <td>Aurél Kenessey</td> </tr> <tr> <td>Ministry of I&M</td> <td>Ministry of Economic Affairs</td> </tr> <tr> <td>Telephone +31 70 456 8332</td> <td>+31 70 379 6689</td> </tr> <tr> <td>Email Luit-Jan.Dijkhuis@minienm.nl</td> <td>A.R.D.KenesseyDeKenese@minez.nl</td> </tr> </table>	Name Luit-Jan Dijkhuis	Aurél Kenessey	Ministry of I&M	Ministry of Economic Affairs	Telephone +31 70 456 8332	+31 70 379 6689	Email Luit-Jan.Dijkhuis@minienm.nl	A.R.D.KenesseyDeKenese@minez.nl
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Agreement									
Disagreement									
Other remarks	<p>The draft law is amongst others an elaboration of the advice report of Jan van Beuningen and Jeroen van Berghenhenegouwen sent on 19 December 2012 by the Minister of EZ to parliament.</p>								