

CoopEnergy News

www.coopenergy.org

Dear members,

We are pleased to share the following key updates since our last communication on 8 January 2025.

1. Sugar Industry - On the matter of the completion of the transfer of BAMC sugar operations and assets to BESCO and ABC, there has been no further word from the government on the process. CoopEnergy has closely followed the steps outlined in both the initial Memorandum of Understanding as well as the Shareholders agreement that was crafted by the government.
2. The only outstanding matter now is for an independently verified statement of the assets and liabilities being transferred, to be provided by BAMC, and then for CoopEnergy to make the required share contributions.
3. A number of written communications from CoopEnergy to both the Board of BAMC, and to the Minister of Agriculture, are all still awaiting both acknowledgement and responses.
4. The BLPC Rate Hearing was on hold during a High Court appeal process that was raised by BLPC. In the interim, it came to our notice that the company had applied to the FTC for an exemption with respect to penalty payments that are due to customers, for unacceptable services received after Hurricane Beryl.
5. This application hits at the very core of CoopEnergy's arguments during the substantive Rate Hearing. Consequently, we submitted a letter of objection to BLPC's application, and we intend to pursue this matter quite diligently.
6. [Our letter of objection is attached for your information and review.](#)
7. Coop Cable - Our communications technology and Media productions initiative, **Coop Cable Inc.** has commenced operations in full. The initial phase has seen a number of major customers successfully adopt our Cable TV systems, and we anticipate that we will shortly be accepting applications from the public for personal installations. [Visit our website www.coopcable.com for details.](http://www.coopcable.com)
8. Dividends on Shares and Deposits. At the February Board meeting, the CoopEnergy Board approved the payment of interest on deposits made by members made during our 2024 investment drive.
9. These payments will be posted to member's shares account by the end of February, with effect from 31 Dec 2024.
10. We thank all members for your support of our various initiatives and we look forward to working together to build a successful and transformational CoopEnergy for Barbados.

Board of Directors

CoopEnergy Barbados

28 January 2025

Mr Kevin Webster
General Legal Counsel / Commission Secretary
Fair Trading Commission
Good Hope
Green Hill, St. Michael
BARBADOS

OBJECTION TO BL&P REQUEST FOR FORCE MAJEURE EXEMPTION FOR JULY 1 -14, 2024.

Dear Sir,

1. We refer to the FTC's 17 January 2025 Notice that, via an application dated August 21, 2024, BL&P was requesting a '*force majeure*' exemption for certain standards of service set by the commission for the period 2023 to 2025. This notice invited comments from the public on BL&P's application.
2. The **Barbados Sustainable Energy Cooperative Society Ltd.** (CoopEnergy Barbados) wishes to express our deep concerns, and our strong objection to this request from BL&P to be exempted from bearing any penalties or payments of compensation as a result of the passing of Hurricane Beryl.
3. While the application of *force majeure* may be generally justifiable following hurricane conditions, this is conditional on the utility having taken all reasonable and prudent steps to minimize the likely disruptive impacts of the hazard, as well as making appropriate arrangements to respond to any likely disruptions from such a predictable event as a hurricane in the Caribbean. BL&P has clearly and demonstrably failed this fundamental requirement, and should not now expect its customers to pay the price of its failures.
4. Prior to the 100% take-over of BL&P's franchise, share ownership, and directorships by Emera, records show that, on average, the company's profits were allocated in the ratio of 15% to shareholders' dividends, and 85% to Company's operations and its reserves. It was based on this level of operational funding that the BL&P was then able to establish and maintain the high levels of customer service to which customers became accustomed, and for which they paid - and hence the associate Service Standards set by the FTC.
5. Immediately following this franchise change, the company's records clearly show that a new policy was instituted, where the ratio of dividends to reinvested capital was literally reversed - with 85% on average being directed to dividends, while a mere 15% was made available for utility operations.
6. Concurrent with this change, major reductions in staff, reductions in preventative maintenance, increased outsourcing of critical services, and cuts in emergency response resources had to be undertaken in response to the massive cuts made in utility funding. Even where the company's net profits were high and consistent, operations - and particularly capital investments were starved - so that large dividends could be diverted to Emera's shareholders instead.
7. Specifically, during the period following the 2010 rate increase, and up to the BL&P's 2021 rate application, the company realized profits of some \$635 Million. Of this, \$538 Million were directed by the Emera controlled Board of Directors to pay dividends, while just \$97 Million were available - for that whole decade - for local operations. Obviously this would have played a major part in the lack of proper preparations, and hence in the scale of disruptions suffered, and then also in the poor restoration of services after the hurricane event.

8. Storms and hurricanes are highly possible hazards in Barbados for half of every year. Any engineered utility infrastructure that admits failure to plan, prepare, and deal with this reality is unqualified to hold the public trust and needs to be brought to account. Furthermore, *force majeure*, by definition, applies to unforeseeable circumstances - and a Category 1 hurricane in Barbados in June does not qualify as 'unforeseeable'.
9. While some reasonable level of disruption is therefore understandable, the significant responsibility lies with the utility to do the required proactive preparations, at industry standards of quality, and to have plans in place for urgent return to normalcy afterwards. Clearly such levels of preparedness are not possible where basic and needed financial resources are diverted from CAPEX and OPEX towards shareholders' dividends.
10. But to now expect the customers - who paid high rates for an expected high quality of service, to now forgo established penalties - which were put in place precisely as incentive for the company to place proper focus on service quality and customer responsiveness, makes a complete mockery of the whole standards of service policy.
11. Many questions remain unanswered as to how we have reached this point with a company that was known to be one of exceptionally high quality and customer service - prior to Emera's involvement. We have already raised questions about the decision by the FTC to allow Emera to acquire 100% shareholdings, and Board control, of our only monopoly energy utility. Completely opposite FTC decisions were given against similar anti-competitive moves in other less critical areas, such as oil and ice cream.
12. In the circumstances, and given the intended role of Service Standards to encourage quality-based policy actions by utilities, it is our considered opinion and recommendation that, far from applying the *force majeure* exemption requested, the FTC should;
 1. Deny the application in full until the Company can demonstrate that all reasonable policy steps were taken in keeping with expectations when the 2010 rates were granted, and when the standards were agreed.
 2. Launch a full investigation into the preparedness of the utility for what is an annually possible hazard - and particularly into its financial commitment to providing that quality service and preparedness.
 3. The 2010 rate decision (at paragraph 133) set absolutely clear limits on the **maximum dividends** that are to be paid to BL&P investors. These limits have been exceeded every year (except for the 2020 Rate review 'test year') - by huge margins. The Co-op intervenors dealt with this matter in detail via a formal motion to the FTC which, to date, has not been acted on by the FTC.
 4. Obviously Emera cannot be allowed to take out whatever amount of BL&P's profits that they may wish, and then ask its customers to make adjustments to accept the resulting poor service standards, and also to pay increased rates. Yet this is exactly what has been presented to customers by BL&P.
13. It must be clear by now, that there are fundamental issues with the present ownership structure and with the financial policies of this country's electric utility ever since Emera took control. It is equally clear that our antiquated **Rate Review process** has been inadequate to address these complex issues.

14. The FTC itself - in its role of Utility Regulator, faces a clear conflict of interest, and a high degree of responsibility for the fact that BL&P could go for a whole decade with such flawed operational policies, and then retroactively seek to penalize customers for their mess.

We joined the BL&P Rate Hearing process in an effort to try to understand the country's national energy policies and structures, so as to educate our members accordingly. This issue will not go away quietly.

Our expectation is that the FTC will take the required decisive steps that are needed to regularize the current quagmire, and to restore BL&P to its pre - Emera era of high quality service and excellent customer service with utmost urgency.

Trevor Browne

The Barbados Sustainable Energy Cooperative Society Ltd.

January 28, 2024

Members' General Update 8 January 2025



Dear members,

Best wishes for 2025, the year which the United Nations General Assembly has designated as the **"International Year of Co-operatives."**

We are pleased to share the attached general update of the key projects being undertaken by CoopEnergy. This is for your information and review, and will also be posted on our website.

A **Special General Meeting** is also being planned during the first Quarter, where more detailed information can be shared with members.

Your co-op is well poised to see major positive strides during this special year for Co-ops.

General

On behalf of the Supervisory Committee and Board of Directors, we wish all members a blessed new year of financial growth and of progress towards your personal goals.

For your Co-op, 2024 has been a year of consolidation and reflection - as we have reached a few critical points with respect to the launch of a number of our key projects. These include the Sugar Industry / Energy initiative, The BLPC rate case, The CBC divestment proposal, and the Light & Power Franchise initiative.

The year 2025 has been designated by the **United Nations General Assembly** as the International Year of Co-operatives. It promises to be a watershed period for CoopEnergy and for cooperatives in general, as we see increasing chaos within the traditional financial sectors, at both the local and global levels - largely arising from the contentious profit-led motivations that drive these non-co-op operations.

We will endeavor to keep members updated with our progress during the year as matters unfold.

CoopEnergy Continues to Await Full Hand-over of Sugar Industry

As we indicated in our November update, the excellent progress that was initially made in the transfer of BAMC control of their sugar interests over to the CoopEnergy controlled companies, ABC Ltd and BESCO Ltd, stalled when government failed to produce independently verified valuations of the assets and liabilities to be transferred, as outlined in the agreements.



This is obviously a basic fiduciary requirement for us, and is clearly outlined in the initial MOU as well as in the Shareholder's Agreement.

We recognize the general challenge that exist within many state agencies with respect to financial and management reports, audits etc. However, given the less than stellar history of the sugar industry, our position is that special efforts must be made in this particular case.

We have offered an alternative proposal to government through the Minister, that the provisional transfer of control to ABC / BESCO be confirmed via a written document from Government. The new companies will then complete the required independent financial reports and asset valuations, and provide the completed reports to Government confirming the final takeover details. We are awaiting a response from government officials on the way forward.

CoopEnergy has reiterated to government that:

1 - Our primary interest in this project is the transformation of the dated sugar industry into a new renewable energy and sugar operation. We have no interest in perpetuating the old sugar model.



2024 END-OF-CROP STATEMENT - 13 July 2024

Agricultural Business Company Ltd
Barbados Energy and Sugar Company Ltd.



Successful 2024 Sugar Crop

The 2024 Barbados sugar harvest ended officially on June 22, after a March 25 startup of operations.

Directors and management of ABC Ltd and BESCO Ltd wish to express our deep and sincere thanks to all managers, staff, and our other associates, for their excellent work and strong commitment to ensuring the success of this harvest exercise.

Having undergone fundamental changes in ownership and in operational structure only in January 2024, the levels of commitment and performance seen during the season have been more than commendable. We are therefore even more excited about the future, as we work together to transform this vital aspect of local agriculture.

Some 4800 tonnes of sugar and over 8000 tonnes of molasses are available for consumption. This year just over 101,000 tonnes of cane were ground compare to 109,000 tonnes in 2023. These figures are well in line with our expectations for 2024.

A high point for us has been the exceptional performance of the aged Portvale factory, performing with very good reliability. Indeed the main reason for factory stoppages this year was low cane stocks as deliveries tried to keep up. This we believe, is a reflexion of the skill and commitment of our management and staff in knowing the equipment, and properly preparing for the season.

We also wish to note the outstanding performance of the Agricultural Business Company (ABC). Now the single largest sugar cane farming entity on island. ABC provided some 26% of the sugar cane delivered in 2024, and did so at impressively improved levels of efficiency.

We are generally therefore quite satisfied with the overall performance of the 2024 sugar crop.

Concerns

We note that some concerns have been raised about the 'late' start of the crop. We do appreciate the concerns being expressed by interested parties for the success of our new enterprise, however, please be aware that decisions made by our operations are, and will be made by our management teams based on an abundance of factual data available, and on the best judgement of our professional and capable staff.



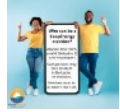


We are not discounting the concerns raised by others based on their experiences, but the new management teams of ABC and BESCO have chartered a totally new path for the sugar cane industry in Barbados

For example, the date of commencement of harvest operations is a matter that takes into consideration not just what is best for the farmers, or the factory, or any single group, but the best overall interest of the industry. To continue with the traditional approach would overlook these important variables which management must consider in making their determinations. We fully expect to have an earlier start in 2025 – all factors considered.

The 2024 results now confirm that our management teams had made wise choices, and this reinforces our commitment to following scientific rather than traditional advice.

We thank the Minister of Agriculture and his various teams, the Chairman and Board of BAMC, the management and staff of BESCO and ABC and all of our various contractors and associates who supported our 2024 harvest operations.

Boards of Directors of
ABC / BESCO

 <p>Cooperative Ownership thrust by Co-op Movement</p>	 <p>CoopEnergy to mix Sugar with</p>	 <p>Special Offer For CoopEnergy Members</p>	 <p>Great Investment options for Barbadians</p>	 <p>FTC blanks Co-op's dividends concerns</p>
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All Bajans now have the opportunity to
invest safely in Barbados' productive assets

And investing is much easier than
you thought

Available options..



Agricultural Business
Company Ltd



Barbados Energy and
Sugar Company



Koop Electric Inc



Barbados Sustainable
Energy Co-operative
Society Ltd.

Coming soon...

Sea Island
Cotton

*Growing, processing
the world's best cotton*

Co-op Cable
IS HERE!!

*State-of-the-art
telecommunications
services*

Renewable
Energy

*All aspects of
Barbados' Sustainable
Energy Transformation*

Food Crops

*Non-sugar agricultural
products*

coopCABLE

is here...

CoopEnergy Barbados is pleased to announce the launch of **Coop Cable Inc.** This is Barbados' newest, best, and most affordable Cable TV Service. The new service was launched during the Cooperatives Day 2024 ceremonies at the Central Bank grounds in Bridgetown.

Coop Cable is yet another CoopEnergy joint venture, this time, executed in partnership with outstanding local technology companies, **Caritech Solutions Inc.**, **Riveting Media Inc.**, and the **Cooperative Investment Fund Ltd.**

Using the very latest technology, and in partnership with some key international players, CoopCable will be offering the very best rates island-wide, with packages starting as low as \$30 per month.

With Coop Cable, you will enjoy top quality entertainment without breaking the bank. Our service provides seamless at-home viewing as well as reliable on-the-go access, so no more poor signals or limited options.



Special discounts are available for members of Cooperatives, including 25% discount on rates, as well as a complementary two months free subscription for the first 200 members who register and pay the \$100.00 installation fee.

Join Coop Cable today and experience unparalleled service and value.
Your entertainment, Your cooperative way.

Visit our website: www.coopcable.com

For full details, and to register for the service.

Members Report:

CoopEnergy Sugar Operations Board Report

April 10 2024

The Joint Boards of ABC Ltd and BESCO Ltd met on 8th March at Portvale for the March meeting.

2024 Crop

The meeting expressed general satisfaction with the progress made in preparations for the 2024 sugar harvest. While some delays were noted in the major maintenance overhauls being undertaken, it was generally agreed that all should be ready in time to effectively execute a successful harvest.

It was estimated that all would be ready around mid March. Some last minute delays with transport licenses and Bin inspections resulted in the 2024 Crop operations starting on March 25.

Financial Reports

The Boards received detailed financial reports from the managers and from Amb. Mascoll on behalf of BAMC, who has continued to assist the new operations with financial administration. Board members expresses satisfaction with the financial operations and administration. However it was decided to expedite the opening of the new bank accounts, and to prepare to transfer financial operations fully to the respective companies by April.

Resolutions

A number of operational resolutions were approved by the Boards, These related to the new Bank accounts being established, the approval of updated company bylaws, shareholders' agreements, and the price of molasses ex-factory.

Operations

The Board received updates from both managers on operations. All concerns raised by the Board were addressed satisfactorily at the meeting.

Coop Investment Strategy

The Chairman outlined the plans of CoopEnergy Barbados to open investment options to the general public. First option has been given to cooperatives and now, starting in April, the various offers will be open to the general public.

The general CoopEnergy policy is to seek as broad an investment pool as is possible, rather than to go with small numbers of very substantial investors. We therefore are projecting a slower take-up than would otherwise the case.

Relations with Our Staff

Numerous meeting have been held with the BWU during the course of the transition. The two Boards are very pleased with the relationship that has developed. We have been able to work with the BWU to better understand our workers' concerns, and workers have come to better understand and appreciate the new direction being forged by CoopEnergy Barbados as a result.

*Trevor Browne
Chairman
April 10*

HISTORIC 2024 CROP STARTS UNDER COOPERATIVE OWNERSHIP

On 19 December 1 2024, in a historic divestment, BAMC, a state-owned-enterprise, handed operations of its agricultural lands, factory operations, and related assets over to two new privately owned companies - both of which are majority owned by **The Barbados Sustainable Energy Cooperative Society Ltd.** (CoopEnergy Barbados). This means that for the very first time, significant national assets now fall under the direct control of large numbers of ordinary Barbadians, including the workers of the new Co-op businesses.



A historic Sugar Crop commenced on Monday 25 March 2024 when the operations of the Barbados sugar industry, under the control and management of **CoopEnergy Barbados**, a Cooperative Society registered in Barbados, announced the start of grinding operations.

After months of nay-sayers and doubtful skepticism about the very idea of the project, the major complaints from key stakeholders has been that a few of the independent truckers, contracted by ABC Ltd to haul the sugar canes to the factory (at no cost to farmers), did not perform flawlessly on the first day, and that the new owners chose to commence grinding operations later that farmers would have liked.

In the three months in which CoopEnergy has had control of operations, the business has been completely reengineered, such that what previously operated as a multi-million dollar loss-maker has been converted into two sustainable, profitable, employee-engaged enterprises.

Employee and union relationships have been revised; employees have become shareholders; management has been empowered; and CoopEnergy members have become owners.



Press Release - 24 March 2024

On 19 December 2023, The Barbados Sustainable Energy Cooperative Society Ltd (CoopEnergy Barbados) took control of the operations of those sectors of the local sugar industry which were previously under the management of the Barbados Agricultural Management Company (BAMC) through our two new companies, ABC Ltd and BESCO Ltd..

This followed months of discussions and negotiations between all of the various stakeholders. The process was generally conducted under the oversight of minister of agriculture Hon. Indar Weir, and Chairman of BAMC, Dr Clyde Mascoll.

CoopEnergy is an investment co-operative, whose focus is on sustainable energy. The Barbados sugar industry presents a most excellent foundation asset for any serious push into renewable energy. As a result, despite its reputation for declining performance, and operational losses, the sugar industry represented a key resource for CoopEnergy with respect to our RE objectives.

Our initial projections were that, while we should expect continued losses in the sugar industry, this would be easily buttressed by expected profits from the new renewable energy projects which were planned.

Sugar operations under ABC & BESCO's control and management commenced on 15 January 2024.

A number of fundamental and Immediate changes were implemented by the new owners. Some of these changes included;

1. The introduction of the concept of cooperative ownership
2. The immediate "right sizing" of the two organizations
3. Steps to achieve the enfranchisement of all of our workers
4. A total review of all business processes, contracts and agreements was undertaken.
5. A complete review of relationships with all stakeholders was done.

These changes required the holding of multiple meetings, analyses of available data, negotiations with multiple stakeholders, and led to a complete review of our initial strategic and operational plans.

Coming out of this initial organizational re-engineering exercise, a number of realities became very obvious to the new Boards of Directors, and to CoopEnergy Barbados.

A. The Barbados sugar industry is a viable, sustainable, extremely suitable, profitable and desirable industry for this country.

- *The sugar industry has been very profitable over the past years*
- *Sugar is a product that has unprecedented global demand and is currently experiencing raising prices on the world market.*
- *The sugar cane industry provides a unique carbon benefit to Barbados as a fast growing greening crop, and has significant potential in terms of carbon credits.*
- *As a tourist destination, in the absence of our sugar fields, significant resources would be required in cleaning, de-bushing, and landscaping - in order to present an environment suitable for high quality tourism*

B. Even before the next step into renewable energy are implemented, we are now confident that the Barbados sugar operations can be sustainable and profitable on their own.

- Many of the loss-making aspects of the industry were quite easily discovered and addressed from the perspective of a privately owned, professionally run business.
- Our discussions with employees and with the unions so far, leads us to believe that a new type of relationship can be developed that will be to the benefit of everyone involved.
- Our interactions with other stakeholders such as planters, retailers, food farmers, rum producers etc, similarly suggest that a synergetic industry future is achievable.

C. CoopEnergy Barbados is extremely optimistic that our entry into the sugar industry has been a key strategic move that presents a most excellent platform for growth and development of our cooperative ownership initiative.

D. Our current investment strategy has now been updated to reflect the unexpectedly sound performance of the restructured industry. We have also moved to the second phase of our investment program where we have invited the targeted interest of CoopEnergy members to participate more extensively in this exciting opportunity.

CoopEnergy's team wish to take this opportunity to make it clear that our operations now fall within the domain of private enterprise.

While, as a cooperative society, we will strive for transparency, our strategic and management decisions - including when it best suit our management teams to commence crop operations, and when we choose to make public statements, will be driven by our internal policies and procedures and not by political or competing business interests.

We wish to specially express our thanks and gratitude to our CoopEnergy members - whose faith and loyalty has been the key to all the progress that has been made with this project so far.



SPECIAL OFFER

For **CoopEnergy** Members ONLY!

Thank you for your FAITH, and for your SUPPORT.



On December 18, 2023, with government's divestment of its sugar industry operations, **CoopEnergy Barbados** has become the majority shareholder of the two new companies which have taken over these operations.

ABC Ltd, of the farms operations, and **BESCO Ltd** of the Portvale factory complex.

This creates extremely attractive investment opportunities for members of CoopEnergy going forward, and increasingly so as we move into energy production.

CoopEnergy Barbados has assumed ownership of key operations in the vital sugar and energy industry, as Barbados forges a Sustainable Energy Future

We are making this one-time **SPECIAL OFFER** to all of our members / early Investors who supported our vision, and brought us to this excellent position as of Feb. 2024.

- We will guarantee 6% return minimum, on all 5-yr-term deposits that have been made with CoopEnergy to date, this rate will take effect from March 1 2024.
- WE will also guarantee 5.5% on any additional investments (*to a maximum total of \$5 million*), that are made by existing or new members, and completed by 31 Mar.

Specific offers to various categories of members

Category	Up-to-29 Feb 24	As-of-March 2024
Current Members		
Existing Permanent Shares	Normal dividend as declared at AGM	Interest of 6%
Existing Additional Shares	Normal dividend as declared at AGM	Interest of 6%
New Additional Shares	N/A	5.5% interest
Current Term Deposits	Interest As agreed up to 29 Feb.	6% as of March 2024
New Term Deposits	N/A	5.5% as of March 24
New Members (Joining while Total investments are under \$5M)		
Permanent Shares		Interest of 5.5%
Additional Shares		Interest of 5.5%
Term Deposits		5.5% as of March 24
After Set Investment Target is Reached		
New Members (AFTER total investments reach target)		
Permanent Shares		Dividends at AGM
Additional Shares		Dividends at AGM
New Term Deposits		As per current Prospectus

GENERAL MEETING - THURSDAY MARCH 7

All members are invited to attend our scheduled General Meeting via Zoom, on Thursday March 7 at 8.00 pm, where we will provide updates on our operations, and answer any questions that members may have for CoopEnergy leadership.

Our special Guest will be **Ambassador, Dr Clyde Mascoll**, Special Advisor in the Prime Ministers Office, and Chairman of BAMC, who will discuss the divestment of the local sugar operations of the BAMC.

JOIN US VIA ZOOM
Link will be sent to members



FULL STEAM ON 2024 SUGAR CROP PREPARATIONS

Operations at BESCO's Portvale Factory and at ABC's various farms are now on full stream as employees and management make final preparations to ensure that equipment, processes, personnel and of course the sugar cane crop are ready for this year's crop season.

The Board of CoopEnergy is excited to be a part of this historic transformation of the traditional sugar industry of Barbados and look forward to partnering with all stakeholders to make this years experience a successful and productive exercise.

Barbados Co-operative Movement Takes Control of Local Sugar Industry Operations 18 Dec. 2023



In August 2023, we informed members, and the Co-operative Movement in general, that the Barbados Sustainable Energy Cooperative Society Ltd (**CoopEnergy Barbados**) had entered into discussions with officials of BAMC to take control of that operation in government's scheduled divestment of such assets.

We are pleased to advise that this sensitive and complex transfer of ownership process is now completed, and that the former BAMC has now been divided into two distinct companies - The Agricultural Business Company Ltd (**ABC Ltd**), and the Barbados Energy and Sugar Company Ltd (**BESCO Ltd**), both of which have been established with 55% equity allocated to CoopEnergy Barbados.

ABC Ltd will manage the over 4500 acres of farmlands held through a number of plantations and BESCO takes control of the island's only sugar factory at Portvale.

Changes Are Coming

The local sugar industry has undergone a very dismal performance in recent decades. There have been various reasons for this poor performance. However, working with management of the two businesses, we have already identified exciting potential of that industry's assets to perform outstandingly well in the traditional production areas, and in the emerging sustainable energy market. This is a key factor in our investment interest.

This particular investment therefore represents a medium to long-term commitment, that sees the Renewable Energy (RE) benefits coming fully on stream around year-three after takeover, and after careful and pragmatic innovations to upgrade current operations.

In the meantime, some major changes will be coming to the existing sugar operations under CoopEnergy management. Key among these changes will be the introduction of **Co-operative Ownership** to Barbados on a major scale. This will see large numbers of ordinary citizens collectively taking ownership of an increasing percentage of national assets - reversing a disturbing trend that we have been seeing globally.



Ownership Model

CoopEnergy is now inviting all Cooperative Societies to join with us in making this new ownership thrust a reality, and to this end, we are inviting applications from CoopEnergy members, and from all Cooperatives, for investment in this exciting new project. We will also be extending the investment offer to the general public if it is not fully taken up by Co-op members. **Please review our BEEP investment memo** (on our website) **for more information.**

We have opportunities for Bds \$50 million in energy-related opportunities over the next three to six months, at a rate of \$5-\$10 million per month to capitalize the venture. These investments will attract very competitive interest returns, and will become even more attractive when our energy projects are launched.

Summary

It has been a long and complex process to successfully complete this transfer of ownership to CoopEnergy. We appreciate your patience and support so far during the process.

Resignations



Two longstanding stalwarts of CoopEnergy and of the National Credit Union Movement, Bros. Dalton Medford and Kelvin Whittaker recently tendered their resignation from the Committees of Management and the Supervisory Committee respectively. In both cases this has been necessitated by their heavy commitment to other duties as well as the increasingly hectic schedule imposed by CoopEnergy initiatives.



These stalwarts have both made outstanding contributions in bringing CoopEnergy to our current stage and now pass the batons on to others to advance the effort.

We will forever thank them for their contributions.

Bros. McClean & Simmons Joins CoopEnergy Board & Supervisory Committees respectively

With the resignation of Brother Dalton Medford and Kelvin Whittaker, The Board of Directors has invited Brother Hugh McClean to fill the vacant Board position until our next AGM when members will make the final appointment.



Brother McClean is a former CEO of City of Bridgetown Credit Union, a longstanding Credit Union leader and a highly experienced financial analyst and businessman. His experience is expected to be of critical value to CoopEnergy as we step into the major high profile project which we have earmarked for investment.

We welcome Bro. McClean's enthusiasm and drive to see this new phase of co-operative development take root in Barbados.



Brother Rivelino Simmons was elected at the last AGM held in 2023.

Every Bajan Everywhere- Should Become a Member

Energy is a fundamental pillar on which all modern societies are built. Electric power has been central to the phenomenon growth of the energy business globally.

Barbados is scheduled to restructure our energy framework from its present fossil fuel structure, into a totally sustainable format over the next decade. This project is projected to involve some \$ 5 billion of investment opportunities.

CoopEnergy was created by the collective Co-operative Movement of Barbados to provide an opportunity for every Barbadian to benefit from this exciting opportunity to support national growth, and to build wealth.

All residents, and citizens at home and abroad, now have an opportunity to participate in this critical and rewarding investment in energy, and to do so in a manner that protects their interest in the short and long term. This is a critical aspect of the **Barbados National Energy Policy**, in that it is important to ensure that such long-term local investment and benefits from this vital sector are sustainable, and that it continues for the benefit of future generations of citizens.

CoopEnergy was created by the collective Co-operative Movement of Barbados to provide an opportunity for every Barbadian to benefit from this exciting opportunity to support national growth, and to build wealth.



Third AGM Held on 23 September 2023.

The Third AGM of the Barbados Sustainable Energy Cooperative Society Ltd was held on Sat 23 August at the Baobab Towers Conference room. Members were updated on a variety of projects and plans by President Lt Col Browne and other officials on hand. A number of business matters were also addressed, including adjustments to the size of the Board of Directors and to the quorum for meetings.



The meeting was also attended by Registrar of Cooperatives Mr Brent Gittens and Senior Cooperatives Officer Mr Ian Moore.

Special thanks were expressed for the services of Mr Kelvin Whittaker, who did not seek re-election to the Supervisory Committee due to personal scheduling constraints. Brother kelvin was involved in the development of CoopEnergy from its very conceptual stages.

Retiring members of the Board of Directors, Lt Col Trevor Browne and Mr Oriel Doyle were re-elected unopposed as were the remaining members of the Supervisory Committee Mr Al Johnson, Ms Destine Gay, Mrs Dara Haynes-Fergusson and Mr Grantley Haynes.

Mr Rivelino Simmons was elected as the fifth member of the Supervisory Committee for the year 2023-2024.

Resolutions to increase the Board of Directors and to reduce the quorum for general meetings were supported by the meeting.

Much of the discussion entered around the proposed acquisition of the BAMC operations by CoopEnergy in Government's divestment program.

President Browne expressed optimism about the coming months for CoopEnergy's growth and development.

1ST GENERAL MEMBERSHIP WORKSHOP HELD



first general online Workshop was held on - Tuesday 16 May, 2023 - from 8.00 p.m. to 9.00 p.m.

Some 19 members attended the session, which was chaired by CoopEnergy treasurer Mr Oriel Doyle. The session introduced the concept of informal online workshops. These provide members with a forum;

- to have their questions answered;
- to have problems addressed;
- to make proposals;
- and to interact with leadership of the Co-op.

The response to the session was very encouraging, and those in attendance agreed that the concept was a good one that should be continued regularly - focusing on specific topics each time.



The session was recorded and can be viewed on the website under the 'Links' tab.

This is an exciting opportunity to interact with both members and potential members in using our various online facilities, and sharing information on the fast-moving projects and other initiatives being undertaken by CoopEnergy.

Information on Workshop No 2 will be posted shortly on our website as well as by email circular to members and applicants for membership.

Co-ops Keen to invest in State Owned Enterprises

Press Release 5 May 2023



In response to questions from sections of the Press:

We can confirm that the Barbados cooperative movement- through the **Barbados Sustainable Energy Cooperative Society Ltd**, (CoopEnergy) has been in advanced discussions with various government and industry officials in efforts to establish financial, administrative and management arrangements for the possible transfer of some significant state owned businesses over to cooperative and workers' ownership.

This exciting initiative represents a watershed opportunity for the enfranchisement and empowerment of ordinary citizens of Barbados with respect to the ownership and control of key national resources.

The local cooperative movement, representing over 200000 citizens, has been one of the most successful enterprises in Barbados in the last three decades. This achievement is not only based on the over \$3 billion in assets accumulated, or even on the \$billions in loans made to those members, but perhaps even more significantly on the large numbers of highly effective leaders, business managers and administrators, who have been leading and managing these societies over the years with such impressive success.

The vision of the Barbados government in conceptualizing and leading this initiative has also been in keeping with the local and international stance adopted by **Prime Minister Mia Amor Mottley**, with respect to the enfranchisement of ordinary citizens, people empowerment, and with the building of community resilience.

This obviously represents a major national policy initiative, one that will require careful and detailed planning and execution, and that process is ongoing.

At the same time, co-operatives have always been characterized by openness and transparency, and so the process of consultation and discussions with our various leaders, membership and other stakeholders have already started in earnest.

Over the coming days and weeks, we fully expect to be in a better position to be much more expansive on the details of the initiative.

You will appreciate also that government will no doubt also wish to do their own consultations and to refine national policy and strategies as needed to support the initiative. There are also other key stakeholders such as the SOEs themselves, other private sector interests, and the workers involved, who will need to be included in the planning and discussions, and who will also need to review and to refine their own positions.

The collective Co-op movement however is very enthusiastic about this revolutionary and forward-looking initiative, and we certainly look forward for the opportunity to serving all Barbadians by bringing the co-operative principles to these productive enterprises.

Trevor Browne Lt Col (retired)
CoopEnergy Barbados



The local cooperative movement, representing over 200000 citizens, has been one of the most successful enterprises in Barbados in the last three decades.

ATTRACTIVE DEPOSIT INTEREST RATES NOW AVAILABLE FOR ALL COOPERATIVES

For many years, local Credit Unions, as financial institutions, have faced restrictions in the manner in which members' funds may be invested and deposited. These restrictions became even more onerous when interest rates on deposits fell to practically zero, and avenues for meaningful investments have become very limited.

Cooperative Societies Act Chapter 378A

At Section 34A, the Cooperatives Societies Act specifies how funds accumulated in the Cooperative Sector are to be treated as follows...

The funds of a society, including the reserve, may

(a) be deposited in

(i) a bank licensed under the Financial Institutions Act;

*(ii) **a society registered under this Act; or***

(b) be invested in

(i) securities issued by the Government of Barbados;

(ii) securities, the payment of interest on which is guaranteed by the Government of Barbados;

(iii) subject to subsection (2), securities issued in Barbados by a company incorporated in Barbados and listed by the Barbados Stock Exchange, if the company has paid a dividend on its shares for the preceding 5 consecutive years;

*The Laws of Barbados therefore explicitly permits the deposit of the funds of Cooperative Societies into licensed banks AND/OR in **registered cooperative societies**.*

Prior to 2020, Cooperatives were limited to holding these deposits in the banking system, and have been doing so at marginal rates of interest.

*In 2019, responding to Barbados Government's initiatives in sustainable energy, the Movement - under the leadership of the BCCUL, and the Cooperative Business Association, set about creating the **Barbados Sustainable Energy Cooperative Society Ltd**, specifically to fill this vacuum and to facilitate a structured mechanism to maximize returns on deposits.*

As a result, **CoopEnergy** is now able to commence accepting deposits from co-operative societies, and to offer attractive interest rates on those deposits. We will also offer patronage refunds, and pay administrative fees for services purchased from qualifying societies.

The Board of CoopEnergy has authorized an initial limited offering of \$50 million at very attractive rates of return via our **Barbados Energy Empowerment Project** (BEEP)

CoopEnergy Strategy

Our mandate is to serve the needs of the collective Co-op Movement. To this end, we aim to;

1. Pay above-market interest rates on deposits by maintaining conservative operational expenses.
2. Wherever possible, utilize the services of existing Cooperative Administrative resources on a contractual basis, rather than invest in our own parallel infrastructure.
3. Involve our key depositors fully in developing our investment strategies and portfolios.
4. Provide long-term (mortgage and energy) loans to member Credit Unions and Co-ops

*CoopEnergy,
Making a
difference*



Ownership Matters!

Ask us how you can become a member of Barbados' first-ever renewable energy cooperative.

CoopEnergy



*“the Movement - under the leadership of the BCCUL, and the Cooperative Business Association, set about creating the **Barbados Sustainable Energy Cooperative Society Ltd**, specifically to fill this vacuum and to facilitate a structured mechanism to maximize returns on deposits.”*

Energy Transformation in Barbados - Excellent Vision, Flawed Implementation



The Barbados Energy situation has been in a state of limbo for some years now, particularly since Government proclaimed its innovative and creative

Barbados National Energy Policy 2019 - 2030 (BNEP).

The BNEP envisions a carbon-free energy future for the Island, and is predicated on replacing the use of expensive and environmentally unfriendly fossil fuels as sources of our national energy needs with carbon-neutral, renewable-energy sources, such as solar, wind, bio-fuels and waste-to-energy technologies.

This vision is now completely achievable and technically feasible, given the many recent advances in technologies that allow the extraction and harnessing of renewable energy directly from the environment and in a sustainable and environmentally friendly manner.

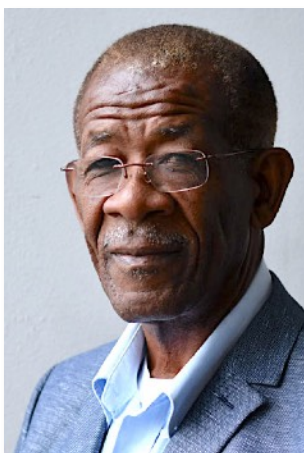
Unfortunately, the vision proclaimed by the Barbados government also translates into what is perhaps the single most complex, intricate, and potentially chaotic engineering undertaking to have been contemplated in Barbados, or indeed anywhere, in the last fifty years. Of particular concern has been the dangerously simplistic idea being promoted at high levels of leadership in Barbados, that the challenge is simply one of increasing the percentage of renewable energy sources on the national grid.

There is a very simple reason why very few other countries, including those that can easily afford the cost of the exercise, have even contemplated a national vision such as the Barbados' BNEP. This is an extremely complex, intricate and pioneering engineering undertaking, with major risks, some of which are yet to be quantified.

Any hope of successful implementation of this outstanding national vision will rest on the country's ability to carefully and meticulously plan, innovate, design, conceptualize, and to overcome the many challenges and barriers to success that exist. Even the sociological impacts of such an energy transformation are foreboding, over and above the technical obstacles and of course the financial hurdles to be faced in building out the many critical assets needed by the new energy framework.

A quick review of other jurisdictions where similar energy transformations have been tried will quickly identify the enormity of the challenge.

Spain, based on their relatively good solar profile by European standards, back around 2008, attempted to explore the Photo Voltaic (PV) path with devastating results. Their exercise ended in massive bankruptcies and a highly unpopular 'National Sun Tax' being imposed on each solar panel, in an attempt to compensate for the financial chaos that resulted.



Lt Col Trevor Browne - BAPE President

Australia too, is currently experiencing serious energy chaos in many areas, as a result of imbalances caused by intermittent energy penetration into their national grid, now around 15%.

Both of these country's situations result from an inadequately planned, investment-driven approach to energy transformation, rather than from a proactive engineered Plan, designed for national success. The approved Plan (model) should then drive the legislation, capitalization, regulation, and operation of the completely new energy framework.

It must be clear then, that Barbados is currently on a completely wrong track with our energy transformation.

It is therefore not helpful for our national policy makers to be running around encouraging investors to pump dollars into a complex concept that has not yet been designed, tested, or even defined clearly.

What is urgently required now, is a detailed **National Energy Transformation Plan**, designed and peer-reviewed by experienced professionals, and which can then be tested and costed to guarantee its viability.

To repeat, a formal, approved, **National Energy Transformation Plan** is long overdue. Instead, we have been seeing a hurried rush by many investors to grab maximum profits in the early stages of change, without any clear reference to the implications down the road, and mostly based on projections that are derived from a fossil fuel-based framework.

The innovative BNEP can be achieved, and once successful, would put Barbados in a position to become a global prototype and a reference point for future similar conversions - not only in other small island states, but generally. However, such success will only be achieved under enlightened leadership, that can grasp the enormity of the challenge - and the grave dangers that will accompany failure. **Barbados' energy transformation needs to be led by a professional design team consisting of engineers, architects, quantity surveyors, project managers and financial experts who actually understand the issues involved.**

Once a coherent, tested, peer-reviewed plan has been conceptualized and approved, then a legal team will be needed to facilitate the legislative framework required for the success of **that** new plan.

This is actually quite achievable, and for a number of reasons, Barbados is perhaps better placed to pioneer such a futuristic energy revolution than most other places on Earth. We have started with excellent vision in the BNEP, but after vision must come proper planning and preparation if we wish to avoid poor performance.

Trevor Browne is President of the Barbados Association of Professional Engineers and Chairman of the Council of Caribbean Engineering Organizations (CCEO)



BLPC RATE HEARING DRAGS ON...After eighteen months. Meanwhile matters raised by the Coalition appear to have been discarded by the Commission.

In October 2021, the Barbados Light and Power Company (BL&P) submitted an application to the Fair Trading Commission for a review of the rates charged to customers. A number of our members contacted CoopEnergy to enquire whether the Coop would be seeking to represent the interests of members during the rate review process.

After discussions with the Barbados Co-operative and Credit Union League and the Barbados Cooperative Business Association a **Cooperative Coalition** was formed to seek to become involved in the Rate Hearing process, and to ensure that the best interests of members of the Cooperative sector are properly represented.

The Coalition submitted an application to be recognized as a formal Intervenor in the Rate Hearings, and this was accepted by the Fair Trading Commission (FTC).

President, Lt Col Trevor Browne and First V.P. Bro. Hally Haynes represented the Coalition in all the Hearings.

ADDITIONAL BLPC REQUESTS

The BLPC also submitted applications for the issue of new operating Licenses, as well as for permission to enter the loans market, by offering loans to home-owners to install PV systems on their roofs.

The Coalition submitted objections to both of these applications to the Ministry of Energy and to the FTC, on the grounds that the License applications needed to be discussed publicly prior to any issue, and that the entry of BL&P into the local loans market would present unfair competition to Credit Unions, and to CoopEnergy.

We have not yet received any response from the Ministry of Energy (which is also the Ministry with responsibility for Cooperatives), and the BLPC Rate Hearing Process is ongoing.

ORAL HEARINGS

Oral Hearings were held during October 2022 where the various parties argued their positions and concerns.

In February, the FTC issued a Decision which stipulated a number of adjustments to BLPC's submission. However BLPC has subsequently submitted a Motion to review this Decision from the FTC.

COALITION POSITION

The initial expectation of the Coalition team for the process, was that it would provide a learning opportunity that would guide the interest of cooperatives into the energy business.

However, our reviews of much of the details of the rate application have raised many questions about;

- the justification for a rate increase
- the role of the sole investor in BLPC
- the financial operations of the Utility
- the role and function of the Regulator
- the outdated Rate Review process

COALITION MOTIONS IGNORED

So concerned were Coalition Intervenors, that we submitted two Motions to the FTC detailing specifics matters that needed to be addressed urgently in our opinion.

These concerns relate to transactions related to the BLPC Self Insurance Fund (SIF), and to the methodology used to declare and to calculate dividends by BLPC.

The Motions submitted by the Coalition of Cooperatives can be viewed on our website under the tab, [Electricity Rates Matters](#).

Although submitted since October 2022, as of 12 May 2023, we are yet to have our Motions addressed. On the other hand, BLPC's Motion to stay and review the Commission's February ruling received a prompt response and schedule to be addressed.

SUMMARY

After nearly two years, no progress has been made on the substantive Rate Application. Neither has there been progress on the issue of new licenses for the BLPC franchise, nor has there been any clear path outlined for the realization of the BNEP.

If ever there was a need for a radical re-engineering of Barbados' Energy Regulatory model and structure, then that time is today.



CoopEnergy issued the below **BEEP Offering Statement**, inviting Term Deposits from interested Cooperatives, individuals and other parties effective May 1 2023.

This offer represents a watershed period for the local Co-operative Sector as it represents a key step in the independence of the Co-operative Sector in the area of investments in the productive sectors of our

..it represents a key step in the independence of the Co-operative Sector in the area of investments in the productive sectors of our economy.

**Offering Statement of
Barbados Sustainable Energy Co-operative Society Ltd.
("CoopEnergy")
May 1, 2023**

**MAXIMUM TOTAL TO BE RAISED UNDER THIS OFFERING STATEMENT:
\$200,000,000**

CoopEnergy is inviting term deposits for the **Barbados Energy Empowerment Project (BEEP)**.

Prospective Cooperative, and individual BEEP depositors must first become members of CoopEnergy. Corporations and non co-operative organizations may invest Term Deposits without being members of CoopEnergy. CoopEnergy is the largest renewable energy co-operative in Barbados. The Society was conceived and registered in 2020.

Proceeds from BEEP Deposits will be used to make new acquisitions of national development and energy projects as such opportunities arise on attractive terms. Our five-year Term Deposit will earn a minimum of 3.0% annual interest as outlined in Table 2 on page 12 of our Offer Memorandum..

There is no established market through which these Deposits and Investments may be sold. Due to the long term characteristics of energy related investments and the restrictions on their transfer, no such market is likely to develop. The directors of **CoopEnergy** have set the terms of this investment invitation.

This Offering Statement expires on December 31, 2023. No further deposits may be accepted after this date, or after the target is met, unless a new Offering Statement is filed.

CoopEnergy Barbados

CoopEnergy was created by the wider Cooperative Movement of Barbados in 2020 to lead the thrust of the sector into the complex, but attractive energy investment arena. After careful review of the various options available for investment in energy in Barbados, **CoopEnergy** has negotiated working partnerships with a number of key players in the energy and national development spheres. **CoopEnergy** will focus on facilitating the involvement and enfranchisement of large numbers of citizens through the cooperative movement by leveraging the principles of the movement, while bringing cutting edge technology and knowhow to the table.

Our key objective is to offer opportunities for all citizens, at whatever levels they can afford to invest, to participate and benefit from the rewarding energy investment developments on the horizon, and to contribute meaningfully to the development of



In September 2022, leading to the public Hearings of the BLPC Rate Application, The Cooperative Coalition issued a Press Release which outlined the coalition's key objectives in the exercise. Six months after the oral sessions ended, we are yet to receive answers to our basic concerns.

PRESS RELEASE

12 September 2022

Co-operative Concerns Unanswered



In October 2021, The Barbados Light & Power (BLPC) submitted an application to the Fair Trading Commission for an increase in customer rates for electricity services. The last previous increase was granted in 2010.

Our analysis of the financial information provided by the BLPC, in support of their application, would suggest that while the Company is indeed undergoing some cash challenges, there are no clear indications that this has resulted from inadequate revenues being collected from customers.

Indeed we expect the upcoming Rate Hearings to explain a number other existing issues such as BLPC's policies on dividends and insurance, which may well explain their current dilemma, and which could lead to completely different remedies than their proposed rate increases.

The local energy situation is complicated by the fact that the Barbados government has adopted the Barbados National Energy Policy (BNEP) in 2019, aimed at converting the network to 100% sustainability by 2030.

A fundamental issue that the **Cooperative Coalition** is very interested in having established, are the Principles that will be used to determine any new rates, and in particular, whether such new rates will be determined based on the historical performance of old fossil operations, or on the new sustainable framework being pursued.

The Co-operative sector fully supports the BNEP and has been pursuing opportunities for investment in the new energy sector. In our efforts to properly secure the investments of our members, we have made deliberate efforts to understand the local energy sector and the rules that drive investments there. The results have been enlightening.

In our considered opinion, this current Rate Review process highlights the need for improved regulation of the local utility services; the importance of ordinary citizens becoming involved and understanding the process; and most critically, the need for a professional, long-term, National Strategic Plan for all major undertakings such as our energy transformation initiative.

The Coalition will be hosting a public educational session on Thursday September 15 via Zoom to update our members, and to outline some of the issues which we plan to raise at the Hearings.

The Cooperative Sector welcomes the challenge of participating in the upcoming process and we expect to bring a very strong 'people-focus' to the process.

Trevor Browne Lt Col (Ret'd)

Chairman

Coalition of Cooperatives and Concerned Citizens