



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT  
GOVERNMENT OF THE COOK ISLANDS**

**ADDENDA**

ATTACHMENT A – Significant changes to Bill

ATTACHMENT B – Register of stakeholders' comments

ATTACHMENT C – Government position on IPPs

ATTACHMENT D - Summary of requirements on Regulated Utilities

ATTACHMENT E – Summary of CRA powers under draft Utilities Regulation Bill



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

ATTACHMENT A – Significant changes to draft Bill (between January 2023 and May 2023)

Ref	Issue raised on draft Bill released January 2023	Amendment made (as at 30 April 2023)	Bill Reference (as at 31 May 2023)
A1	Improvements to resolve coordination issues for the CRA and TAU with self-provision of energy (e.g. solar) and for distributed solar arrays. For example, by narrowing the definition of a “network” to avoid the need for the CRA to “identify” small networks and declare them not networks.	Consider an exemption for small networks. A de-minimus arrangement of less than 50,000 kWh or less than 6 connections is proposed.	Schedule 2 (1)
A2	Long term benefit of consumers definition does not cover specific requirements for strong institutions in a labour constrained economy.	Include in the definition of long-term benefit, the development and retention in the Cook Islands of personnel with technical skill.	Section 7
A3	Improvements to Part 3 (initially mirrored from the Telco Act) suggested to avoid complexity and to reflect that anti-competitive conduct may be a lower priority for the Cook Islands utilities versus regulation of safety, quality and supply.	Section 8 and 10 have been shortened, and the authorisation power is consolidated into section 8; now different to the Telecommunications Act 2019.	Part 3, Section 8 to 10
A4	Service quality indicators may conflict with Public Health Act.	Clarify that water regulation under Bill is not for water standards that are covered under Public Health Act 2004.	Section 12 (2)



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

A5	Performance remediation plan approval is required.	The CRA now has power to approve a remediation plan.	Section 13 (2)
A6	Tariff approval for utility tariffs should be improved.	The requirements for tariff approval are clarified and tariff in place at the commencement of the Bill is deemed to be compliant.	Sections 33 and 35
A7	Need streamlined arrangements for license regime for electrical workers.	Certification of workers has been replaced by an active licence regime.  Bill has been updated to include the Electrical Workers Registration Board in the responsibilities of the CRA, and the ability to suspend or cancel a registration has been included.	Part 7, Sections 45 to 53
A8	Appointment of part-time or contracted inspectors.	Powers of CRA now include the ability to appoint non-permanent inspectors.	Section 54 (previously 52)
A9	Water network workers arrangements.	Establishment of a registry and registration of water network technicians	New Part 8 (Section 58 to 61)
A10	Clarify powers of CRA in bringing proceedings for breaches of Bill.	New section on Offences has been included	Section 75



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

A11	Energy Regulations require an update to reflect changed electrical standards and changed charges for inspections.	Suggested updates from the Electrical Workers Registration Board have been received by MFEM. Changes to Energy Regulations will be progressed in parallel with the Utilities Bill. Existing Energy Regulations will be maintained during the transition.	Energy Regulations (forthcoming)
A12	Consider how the Bill separates the obligations on the power sector from those in the water sector.	<p>Currently the Bill has joint obligations in Parts 3,4, 5, 6, 9, 10, 11 and 12. Section 7 applies to the electricity industry and Section 8 applies to the water industry. No separation is required.</p> <p>The CRA may declare any network – including a water network – to be an exempt network or any service to be an exempt service.</p>	<p>New Part 8</p> <p>New 12(2)</p>
A13	Explain position on regulation of Independent Power Producers under the Bill.	<p>January 2023 Policy document for the Utilities Regulatory Bill was explicit that IPPs would not be covered. As stated in the Policy:</p> <p style="text-align: center;"><i>This Utilities Policy does not require any change in the existing ownership arrangements in respect of utilities. Nor does this</i></p>	<p>MFEM have prepared an initial response on the regulation of IPPs (see ATTACHMENT C - Government position on IPPs).</p> <p>A further policy process (in relation to IPPs and</p>



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		<p><i>Utilities Policy set out the Government's policy in respect of regulation of independent power producers or their access to infrastructure or markets, or the Cooks Islands transition to renewable sources of energy. Those must be the subjects of separate policy projects and separate consultations. (page 3)</i></p>	<p>renewable energy) will be undertaken in consultation with the public, business community, and the industry.</p>
A14	Rename Disaster Plan.	Renamed to Disaster Management Plan	Section 73
A15	Maintain utility service providers' ability to charge as they wish until such time as the CRA implements a Services Rates Determination.	Section 36(b) deleted	Section 36



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

Attachment B – Register of Stakeholders’ Comments

Ref.	Stakeholder comment:	MFEM reflection:
B1	<p>Concern that non-Discrimination in section 9 should be on grounds of disability, vulnerability and emergency.</p> <p>Concern that non-Discrimination on commercially reasonable grounds is not a clear test.</p>	<p>MFEM recommend against articulating the non-discrimination rule in these terms, in light of widely accepted meaning of the term.</p> <p>MFEM can undertake further discussion with stakeholders if still uncomfortable with the provision to ascertain and address their specific concerns.</p>
B2	Interaction of section 18 with the Official Information Act	Section 18(6)(b) preserves the effect of the OIA
B3	Consider Independent Power Producers be included for regulation in the Bill	<p>See comment A13, above.</p> <p>MFEM have prepared an initial response on the regulation of IPPs (see ATTACHMENT C - Government position on IPPs).</p>
B4	Current transition periods are optimistic given current levels of resource in both the CRA and the regulated utilities	The initial focus is on tariff reviews and electrical worker registration and standards, with later adoption of rate reviews.
B5	Will the Bill apply to all of the Cook Islands?	<p>Utility regulation is intended to cover TTV, TAU and TMUA. The conditions for electrical workers and water network workers will cover all islands.</p> <p>MFEM is aware that there are a number of electricians who are operating – particularly in the Pa Enea – who could struggle to pass</p>



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		the theory requirements associated with becoming certified. The Energy Regulations are to be reviewed with this in mind.
B6	Will TAU be entitled to make a profit?	Yes, economic regulation allows for a level of efficient economic profit to be made.
B7	What is the social responsibility of corporations and how is this covered?	Social responsibility can be covered under the Community Service Direction, where a Minister can make a direction provided any direction is funded.
B8	Should the complaint and order provisions in section 16 extend to IPP providers?	MFEM think this is probably best addressed by a mediation power rather than complaint & order.  Further work is required to draft a mediation power and backstop for this circumstance.
B9	Query about the powers of the CRA to make orders.	The full range of CRA powers has been reconsidered by MFEM. A summary can be found in ATTACHMENT E - CRA powers under draft Utilities Regulation Bill.
B10	Support for the reform work being undertaken, and supports the narrative in the foreword from the Prime Minister in terms of the policy objectives and long-term benefits to end users (TMU).	No response required.
B11	Query whether the policy and Bill been developed befitting the size and context of our nation, and in our case, size and context of Aitutaki enua?	The draft Bill has been prepared specifically for the Cook Islands, on MFEM instructions, to give effect to policy determinations of the Cook Islands Government ( <b>CIG</b> ). The relevant policies have been the subject of extensive consultation, since the Policy document was



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

	<p>And</p> <p>We suggest a more robust narrative in relation to the Aitutaki context.</p>	<p>first publicly released in 2021 and have been adjusted to reflect submissions that MFEM found persuasive.</p> <p>In accordance with standard practice in the Cook Islands, the draft Bill will be reviewed by Crown Law for compliance with the Constitution and the Solicitor General's drafting directives. In addition, it will be independently reviewed by the New Zealand Parliamentary Counsel's Office.</p>
<b>B12</b>	<p>Concern whether the creation of a new authority could compound the challenges associated with ministerial overlap and confused governance outlined in the Policy.</p>	<p>MFEM will discuss this issue further with stakeholders.</p>
<b>B13</b>	<p>Queries about process for consultation.</p>	<p>MFEM will discuss this with stakeholders directly on an as-needs basis.</p>
<b>B14</b>	<p>Supportive of Part 9 of the Bill, Community Services Provisions, but noting that there are requirements in the CIIC Act on Community Services Provisions.</p>	<p>To discuss further with TMU – nothing in CIIC Act is expressly preserved.</p>
<b>B15</b>	<p>Concern about cost of license for small networks.</p>	<p>The CRA will be required to set fees in accordance with Regulations, ensuring Cabinet oversight of rate-setting parameters.</p>
<b>B16</b>	<p>Concern that the Policy seems to be about competition rather than consumer protection (TMU, TAU, CRA)</p>	<p>MFEM is very much concerned that consumers' interests should be effectively protected. The Policy states:</p> <p style="text-align: center;"><i>Electricity services are an important, regular and essential consumer purchase, for businesses and individual Cook Islanders, as will be water &amp;</i></p>





**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		<p><i>sewerage services in the future. The Government considers that consumers' rights in relation to essential utility services require particular protection. (page 38)</i></p> <p>The draft Bill gives effect to this concern by specific provisions:</p> <ul style="list-style-type: none"><li>• s 7 (long-term benefit of end-users);</li><li>• ss 12-18 (consumer protection and consumer code);</li><li>• s 19 (protection of consumer information)</li><li>• s 20 (industry codes);</li><li>• s 35 (requirement for publication of plain-language tariffs);</li><li>• ss 52 and 60 (requirements for public registers of qualified electrical workers and water technicians); and</li><li>• Part 10 (community service provisions).</li></ul>
B17	Query about the emphasis on the role of competition in utilities that may not ever face competition?	<p>MFEM is very much aware both of the vitally important role played by TAU in the Cook Islands economy and of the current constraints of competition in utility services. In this connection, we note that the objectives of the Policy include: "<i>facilitating the emergence of competition in utilities provision, where economically and technically feasible</i>" (page 4). The Policy also is explicit that:</p> <p><i>In the case of utility monopolies in small economies, competition is unlikely to be feasible. The purpose of efficiency-focused regulation therefore is to mimic the impacts of competition by prompting utilities towards the offering that an</i></p>



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		<p><i>efficient provider would have to offer under competitive conditions.</i></p> <p><i>While the Government does not rule out the emergence of competition within these industries, and will encourage it where possible, the Government considers that it is in the public interest to provide for regulatory oversight of utilities, including by providing for the monitoring of their charges for retail services and possible intervention to set charges, where that is found to be justified. (pages 17-18).</i></p> <p>MFEM does not consider that competition rules are unnecessary where competition is yet to emerge. Rather, competition rules provide a very necessary backstop in our present context of concentrated markets and monopoly providers, guarding against the possibilities that market power might be misused or collusive practices might develop.</p>
B18	Clarify the enforcement burden (CRA)	<p>In developing the Policy and draft Bill, MFEM has been concerned not to impose unnecessary compliance burdens on utility service providers. The Bill is structured such that it will be the role of the Competition and Regulatory Authority (<b>CRA</b>) to interact with utilities to achieve desirable outcomes, with resort to the courts only as a "last resort". (It would be inappropriate for the CRA to have powers to impose penalties or make orders for remedies; that jurisdiction must remain with our courts.)</p>



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

B19	Query about whether lower emission technologies for energy can be introduced through licensing (ICI)	Licensing will be technology neutral; reporting obligations can include adoption of lower emissions technology.
B20	Query about whether CRA will house water and sewerage experts (ICI)	Water regime has been added to revised version of the Bill.
B21	Query about resourcing for equipment imports (EWRB). Some of the equipment and appliances imported are unsafe or unsuitable for the Cook Islands. There needs to be attention given to this under the new regime. For example, new ovens.	Noted
B22	Concern about compliance costs associated with the Bill (ICI)	Compliance costs for regulatees are a relevant factor but not readily quantified. Social benefits of reasonable electricity charges for businesses and community generally regarded as outweighing compliance costs to regulated entities (which ultimately are passed on to users). Actual magnitude of compliance costs and information burden will depend on information requirements CRA prescribes, and CRA will be required to have regard to costs and not impose unnecessarily burdensome requirements.
B23	Query whether MFEM plans to restrict TAU's competition to protect TAU revenues (TAU)	MFEM does not intend the Draft Policy or the Bill to restrict competition.  Future sectoral objectives will be addressed separately, as part of renewable energy policy.
B24	Query what other jurisdictional approaches had been canvassed in developing draft policy (TAU)	MFEM has had regard to the full range of relevant approaches.



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		Further detail on this is added to section 1.8 of the Policy.
B25	Concern regarding possible cross-subsidy between utilities (TMU)	MFEM does not intend that any utility should subsidise the activities of any other utility.  So far as the CRA's costs are concerned, this will be addressed by specific appropriations.
B26	Concern about impact of licence fees on networks and customers (TMU, TTV)	The CRA will be required to set fees in accordance with Regulations, ensuring Cabinet oversight of rate-setting parameters.
B27	Concern that prices should not be changed by CRA more frequently than annually (TMU)	It is not intended that rate-setting proceedings will be held annually. It is currently proposed that the CRA will set rate parameters for at least three years in advance.
B28	Option for Authority to regulate water on Aitutaki? (TTV)	It is not intended that community-provision of water should be regulated.
B29	Clarification sought that all new responsibilities will fall under CRA (TTV)	MFEM intends that existing responsibilities will be transferred to CRA.
B30	Concerns about maintaining capability of CRA staff and Chair (TTV)	MFEM intends to fund the CRA according to the skills and experience required from its staff and appropriate use of external experts.
B31	Query the practicality of more than one [water] operator licence (TTV)	MFEM does not intend the Draft Policy or the Bill to restrict competition.



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		Future sectoral objectives will be addressed separately, as part of water policy.
<b>B32</b>	<p>Query the benefits of a licensing regime, where there is limited ability to properly sanction the utility by revoke or suspend its licence. (TTV and CRA)</p> <p>Comment that CRA powers would need to “mesh with the responsibilities for supervision of operations through the SOE and corporate structures.”</p> <p>Comment that “there is no clearer path to improvement in both sectors, than the expansion of inputs from experienced, expert, personnel.”</p>	<p>The CRA will have wide powers to sanction the utility, and its officers, besides the last resort of licence suspension or revocation. (A list of CRA Powers is provided in ATTACHMENT E - CRA powers under draft Utilities Regulation Bill)</p>
<b>B33</b>	<p>Queried the need for duplication of Ministry of Health responsibility for water quality (TTV)</p>	<p>CRA will <u>not</u> have authority in respect of water quality.</p>
<b>B34</b>	<p>Noted emergency response is a crowded space and overlays could dilute effectiveness (TTV)</p>	<p>CRA will <u>not</u> have authority in respect of emergency response.</p> <p>Clarifications made to new draft Bill in relation to Emergency Plans.</p>
<b>B35</b>	<p>Noted that access is covered by Infrastructure Act (TTV)</p>	<p>CRA will <u>not</u> regulate access.</p>
<b>B36</b>	<p>Concern regarding tariff regime given Govt commitment to free allocation.</p>	<p>Water charges are not currently levied by TTV. Clause 26 of the TTV Act provides for the TTV Board to impose tariffs.</p>



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

		In the TTV Statement of Corporate Intent 2022, TTV notes that whilst the Authority does not currently charge for water services, it intends to move towards developing recommendations for fair free allocation of water, and scoping associated cost recovery requirements.
B37	Noted TTV is a not-for-profit so rate of return is irrelevant.	Rate-setting powers should be available in reserve, even for a not-for-profit, as consumer charges can be unduly high when NFP is over-investing in capex.
B38	Noted TTV Bill and TAU Act provide for Govt compensation for community service directions.	Draft Policy and Bill will not change this.
B39	Electrical worker record-keeping has been poor (EWB)	CRA will be required to maintain records on registers, publicly accessible.  CRA will be required to report, and be audited, on its performance.
B40	Currently, Electrical Inspector has no staff or resources (EWB)	MFEM intends that the CRA will be appropriately resourced.
B41	Power to issue codes directly, rather than by Regulations, is desirable (EWB)	CRA will be empowered to issue Codes, after mandatory consultation process.
B42	Supports no restriction on IPP numbers (EWB)	MFEM does not intend the Draft Policy or the Bill to restrict IPPs.  Framework for licensing IPPs and regulating their network access will be addressed separately, as part of renewable energy policy.



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

B43	Concern “at the tension between the various drivers for tariff setting” (low prices; high dividends;...) (EWB)	The need to appropriately balance these competing drivers is a key reason for MFEM seeking to transfer that task to an independent expert agency, guided by parameters set out in regulations.
B44	Suggest “there should be an explicit ability for prospective IPPs to have recourse to the regulator” for feed-in tariffs and technical barriers.	Disagree. This is best addressed by a mediation power rather than complaint & order  Mediation provisions to be considered [see note B8 above].
B45	As the benefit for end-users will be in the CRA’s prevention of any misuse of utility natural monopoly market power, section 7(3)(d) should emphasise competition but rather regulation that prevents mis-use of monopoly power (CRA)	Further changes to section 7(3)(d) to be considered in final iteration of the Bill
B46	Consider revising the title of Part 3 to: “Misuse of Market Power and Consumer Protection” (CRA)	Further changes to Part 3 to be considered in final iteration of the Bill
B47	Consider changing section 9(1) as follows: A utility service provider must not discriminate between persons, <b>or any class of person</b> , in the terms and conditions on which it offers, <b>or declines to offer</b> , a utility service or customer equipment, except... (CRA)	Further changes to Part 3 to be considered in final iteration of the Bill
B48	Improve new clause 39(3)(v) along the lines of: “(v) <i>the incidence of charges which may or must apply in respect of the supply of utility services.</i> ”	Further changes to s39(3) to be considered in final iteration of the Bill



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

**B49**

Consider a provision in Part 6, which gives the CRA power to require the utility to prepare certain information in a form satisfactory to the CRA and at the utilities cost, or to deploy resources for that purpose, such as appointing consultants, or adopting information management systems. (CRA)

Further changes to Part 6 to be considered in final iteration of the Bill





## MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT GOVERNMENT OF THE COOK ISLANDS

### Attachment C – Cook Islands Government position on the regulation of IPPs

#### **Background**

During consultation on the *Utilities Regulation Policy 2023* and draft Utilities Regulation Bill the Ministry has received comments from regulated entities seeking to understand the Government's position on Independent Power Producers (IPPs) more clearly. This note is provided in response to those requests.

IPPs are people or organisations who are not public utilities but who own assets for generation of electricity. They may produce power for their own consumption or for sale. They could be resorts, schools, co-operatives or companies that are set up specifically to generate energy. There is no minimum generation volume for an IPP: they can be any size. IPPs can provide power to an electricity utility for a range of purposes. They can produce electricity (MWh) and capacity (MW), provide grid security services such as instantaneous reserve, or provide frequency keeping services or voltage support.

#### **Utilities Regulation Policy 2023**

The *Utilities Regulation Policy 2023* addresses the questions of (a) allocation of responsibility for regulating electricity, water, and sewerage services; and (b) introduction of tariffs and tariff review for utility services. It does not address the question of whether the Cook Islands should regulate IPPs, or their ability to connect to networks, or the rates which utilities must pay to buy power from IPPs. Nor does the draft Utilities Regulation Bill (which implements the Policy's recommendations) make provision for those. The Government does not rule out the possibility of regulating the IPP market in future but would do so only after the need for such regulation has been fully investigated and after all affected parties have been consulted.

#### **Freedom to negotiate**

The Government intends that the electricity utilities in the Cook Islands (TAU and TMUA) should have flexibility at the present time in engaging with IPPs, so that relevant terms and conditions can be commercially negotiated between them. The Government considers that this light-handed approach will give IPPs and utilities the opportunity to identify and respond to their needs in light of local circumstances.

If the regulated energy utilities TAU and TMAU are successful in negotiating power purchase terms supply with IPPs, they may be able to lower the input costs they face and therefore customer prices.

If the regulated energy utilities are unsuccessful in negotiating power purchase terms with IPPs, the Government will then examine whether regulation would assist. The Government is aware that regulating the terms on which IPPs supply power to utilities has proven to be complex and controversial in other countries and does not intend that administration costs and compliance costs should be incurred unless the need for regulation is established.



## **MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT GOVERNMENT OF THE COOK ISLANDS**

### **How would the draft Utilities Regulation Bill affect IPPs?**

The Government is alert to the need to preserve IPPs' freedom of action under the proposed new law.

For IPPs, the draft Bill does not give them rights of connection to utilities' networks, nor does it guarantee them a regulated price for electricity they feed in to utilities' networks, nor does it require them to obtain a utility service provider licence, nor to comply with tariff filing obligations. Under the draft Bill, IPPs will not be obliged to comply with the competition and consumer protection safeguards.

In order to distinguish IPPs (unregulated) from utility service providers (regulated), MFEM is closely considering the relevant definitions. In particular, MFEM is considering how best to define the small generators that should be excluded. For example, the Bill (or Regulations) might exempt an electricity network capable of carrying less than 50,000 kWh per year, or that is could be connected only to five or fewer residential end-users. The Ministry would welcome comment on this issue.

### **How would the draft Utilities Regulation Bill affect TAU and TMUA in purchasing from IPPs?**

For TAU and TMUA, the draft Bill does not impose specific limitations on how utility service providers engage with IPPs (aside from those in general commercial law). For example, TAU and TMUA are free to agree any technical and contractual requirements with IPPs, for access to their networks. They are also free to negotiate the rates that IPPs will receive for providing electricity to TAU and TMUA. TAU's freedom to contract can be observed in TAU's request to contract 4 MW of solar power generation, that was launched in 2022.

The existing electricity utilities have also enquired whether the Service Rates Reviews and Service Pricing Principles referred to in Part 6 of the draft Bill will take account of their payments to IPPs when buying-in electricity from IPPs. MFEM expects that the cost of IPP electricity would be a relevant utility service provider cost for Rates Review purposes (i.e. included in the utility service provider's cost base).

MFEM intends that anyone introducing electricity into a network but not supplying end-users would not be a regulated Utility Service Provider. For example, if a standalone company is set up solely to buy and sell electricity from IPPs (e.g. a trading house) and it doesn't physically supply that energy to end-users it wouldn't be a regulated Utility Service Provider. If, however, it uses a network to supply end-users then it would be a regulated Utility Service Provider.

### **The future role of IPPs in the Cook Islands**

In small island countries like the Cook Islands, IPPs can be a useful and low-cost source of new power generation capacity. Particularly when developing countries are not able to finance increases in capacity using either central government or utility funds, it is possible to contract with private firms to expand electricity supply. The use of IPPs can also be a useful way to channel donor funding or loans to set up special vehicles where the loans are repaid by tariffs from the utility.



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT  
GOVERNMENT OF THE COOK ISLANDS**

The introduction of IPPs into small island countries can also expand the access to different ways of generating or managing generation, changing the way projects are delivered and a potentially wider range of technology than is available in house at the utility. There is also the benefit of potential competition at the point of supply, when IPPs are procured in an open and transparent manner.



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

Attachment D - Summary of requirements on Regulated Utilities

Bill section (as at 31 May 23)	Requirement on Party	Time Limit	Expectation on regulated entity
12	A Utility Service Provider (USP) must not make a misleading or deceptive claim	At all times	
13	Authority may direct a USP to establish service quality indicators	None	Submit to the Authority proposed indicators (or changes to indicators) for approval and report annually on its performance against the indicators. If USP does not create indicators, the Authority may determine the indicators
14	A USP must provide a remediation plan if the USP has failed a performance indicator	Within 30 days of providing the performance report	The Authority may approve the remediation plan, or determine the remediation plan
15	Authority may specify minimum customer service guarantees following consultation	None	If a utility contravenes the guarantee it must compensate the customer
16	USP must publish its terms and conditions (and changes) that are fair and in plain language	At all times	Review and publication of T&Cs



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**

17	USP must establish a complaints procedure and report to the Authority the type and number of complaints and the manner resolved	Immediate effect	Report of complaints to be send to Authority within 3 months of the license anniversary
18	The Authority may make a Consumer protection code -by consultation	None	A USP must comply with the Consumer Protection Code
20	The Authority may develop an industry code by consultation	None	A USP would be expected to contribute to the development of the Code
23	The Authority may issue a utility licence	None	
24	The Authority may make rules for a utility licence by consultation	None	USP must comply with rules once in place
34	The Authority must approve a tariff	Within 10 days of the tariff submission	The USP must not supply a utility service unless included in an approved tariff
39	The Minister may on advice of the Authority determine service pricing principles	The Authority must provide it to the Minister within 12 months	The USP must comply with service pricing principles
41	The Authority must review rates if directed by the Minister, or may review rates at its own initiative	The Authority must not undertake a rate review before 2 years	A USP contributes information for the rates review. Not expected before 2 years.
46	The Authority may issue a practicing licence to electrical workers	At any time	A USP may employ electrical workers, who would need a practicing license



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT  
GOVERNMENT OF THE COOK ISLANDS**

Attachment E - CRA powers under draft Utilities Regulation Bill  
(as at 31 May 2023)

Section	Power
9(2)	Notify USP to desist from discrimination
12(1)	Direct USP to establish performance indicators
12(3)	Determine performance indicators
13(1)	Direct USP to revise draft remediation plan
13(3)	Make a remediation plan to address a performance failure.
14(1)	Specify customer service guarantees
16(2)	Order USP to re/consider a customer complaint, and provide a remedy permitted by USP's disputes policy
17(1)	Determine a Customer Protection Code
18(5)	Prohibit or restriction the collection or use of customer information
19(1)	Make an Industry Code (compliance with which can be a licence condition -- s 19(5))
30(2)	Vary a USP's licence terms by written notice.
31(2)	Suspend a USP's licence, for material contravention
48(1)	Cancel, suspend, restrict an electrical worker's practising licence
52(2)	Cancel, suspend, restrict an electrical worker's registration
60(2)	Cancel, suspend, restrict a water network technician's registration
62(1)	Make technical standards, including for networks, equipment, interconnection
73(1)	Direct a USP to prepare a Disaster Management Plan
77	Seek court orders to enforce Act, Regs, techn standards, licence conditions, CRA directions.