

# Sector Reform and Utility Commercialization | SRUC

## Empowered Entrepreneur Training Program in Jamaica

From October 2018 to April 2019, SRUC implemented the Empowered Entrepreneur Training Program (EETP) in Kingston, Jamaica, which trained and certified community residents to deliver a program of business skills, agency – based empowerment, and leadership training.

### M&E Indicators

- EG.7.3-2 # of people trained in technical energy fields 75 people (60 Female, 15 Male)

The program increased economic and personal empowerment, awareness for the ways energy can be used for entrepreneurship, and provided the utility the opportunity to grow their customer base and reduce non-technical losses.

- ✓ In-person Training-of-Trainers program received by 26 trainers/community facilitators (target: 15)

- ✓ EETP rollout received by 51 Majesty Gardens entrepreneurs (37 women and 14 men) with less than 10% attrition rate over 5-week training

### Cooperating Partners

- Coordinated closely with **USAID Jamaica**, which represented the Task Order (TO) at the Open Day
- Worked closely with **Office of Gender Equality and Women’s Empowerment**



### THE CHALLENGE

The Jamaica Empowered Entrepreneur Training Program tackled JPS’s ultimate strategy to put in place programming, which could be scaled up over time, to address utility losses and expand access to legal, affordable service by low-income communities:

- Increased Jamaica Public Service Co Ltd’s **goodwill in the communities** and **positive brand identity** through a greater presence in the community / closer relationships with community members
- Provided opportunities for additional **profit generation and growth by 1) generating additional income in the community**, which could be used to pay utility bills, and **2) developing more formal micro and small business** that would require legal, safe and reliable electricity connections, further reducing theft



### APPROACH

EEPT was executed in four phases, the last of which was implemented under the Advancing Gender in the Environment (AGENT) grant:

- Preparation Phase - Engaged stakeholders in outlining objectives, identifying trainers, and modifying existing curriculum as needed
- Certification Phase – Facilitated trainer certification program consisting of practicum plan, 5-day, in-person training sessions, and post certification exam
- Training Roll Out Phase - Top 11 trainers selected from the certification program led program rollout to community members
- Post-Training Monitoring/Technical Support Phase – Analyzed data and provided technical support



### RESULTS & FOLLOW-ON

In addition to the continued community engagement support from USAID to Majesty Gardens, the EETP resulted in:

- Open Resource Day brought 17 local agencies to offer needed services to over 150 local entrepreneurs in April 2019. Services spanned financial institutions/credit unions, food handler certification services, and business registration services.
- *Phase IV: Post-Training Monitoring and Technical Support*, funded by USAID Office of Gender Equality and Women’s Empowerment, built on work by Global Alliance for Clean Cookstoves
- A next phase will be implemented by JSIF, which has registered 54 local entrepreneurs



### OUR WORK

## Legal Connections for an Urban Community in Jamaica

Beginning in 2015, SRUC partnered with the electric utility in Jamaica, JPS, to help it reduce its non-technical losses by promoting community engagement priorities and a pilot to convert illegal consumers to legal customers by installing readyboards in 400 households in a low-income area of Kingston. .

### M&E Indicators

- ✓ \$89,643 USD leveraged investment from JPS
- ✓ 248.53 tCO2e reduced GHG emissions from regularizing new households (USAID CLEER tool)
- ✓ 1,114 people (from 400 readyboards installed) in the Majesty Gardens community with improved energy services
- ✓ 41 people trained in technical energy fields
- ✓ 3 original publications released to public

### Cooperating Partners

- USAID Jamaica provided a \$189,000 buy-in for the work
- Partnered with USAID Jamaica's Caribbean Clean Energy Program to coordinate with JPS



### THE CHALLENGE

Persistently high levels of non-technical losses were impacting the utility's revenues, the power quality and reliability, and the utility's ability to maintain and invest in its aging infrastructure:

- **AT&C losses were ~27%**, made up of technical losses in the order of 9% and non-technical losses in the order of **18% primarily due to power theft.**
- **Longstanding differences** with regulator on how the losses were calculated and how they should be included in the tariff
- Lack of understanding of how to work with poor customers; several instances of forced blackouts in poor neighborhoods, resulting in fines and reprimands from the regulator



### APPROACH

Worked with the **JPS Community Renewal** team on community engagement leading practice and a **pilot to regularize a low-income neighborhood** through the following:

- With JPS and the electrical inspectorate, customized a way to legally and safely connect houses via a **readyboard**
- Procured electrical and hardware materials for 420 readyboards & **partnered with a local technical college to assemble & install**
- Organized **community engagement trainings** including: a handbook and an exchange with Rio LIGHT's community lead
- Regulator created a more **affordable "community renewal" tariff rate**



### RESULTS & FOLLOW-ON

Tangible benefits for JPS's bottom line illustrated the value of engaging poor customers, and lifted up the community by:

- **Increased billed sales** in the community for the first time in the company's history, from \$0 to \$146,400 (Jamaica \$) in 2018
- With 400 new legal customers, **decreased technical losses** in the community by 50%
- Estimated full return on the investment in 15 years for JPS from new revenues
- Customers **better able to access financial, social, and other services** with official paperwork identifying them as a resident
- Improved quality of life, enhanced residents' sense of security, amended JPS's reputation.



### OUR WORK

# Sector Reform and Utility Commercialization | SRUC

## Non-Technical Loss Reduction Workshop in Jamaica

In July 2015, the USAID SRUC Task Order (TO) engaged Jamaica Public Service Co Ltd (JPS) and the Office of Utilities Regulation (OUR), to organize a workshop on international examples of how power utilities and regulators in similar environments handled issues related to high levels of aggregate technical and commercial losses.

**M&E Indicators**

- EG.7.3-2 # of people trained in technical energy fields - **105 people** (attendees from JPS, OUR, and Jamaican Ministries)

At the request of JPS and OUR, SRUC designed a workshop to bring together key players in the energy sector to resolve issues and find ways to reduce non technical losses in sector.

- ✓ Initial understanding between JPS and OUR on how to work together on losses
- ✓ Practical technological, financial, operational, and customer focused approaches shared from other utilities and regulators

**Cooperating Partners**

- Co-sponsored with the **World Bank Energy Sector Management Assistance Program** as part of its \$42M Integrated Community Development Project



### THE CHALLENGE

As the only provider of electricity on the island, JPS, and its regulator, OUR, faced several fundamental challenges:

- JPS's **high level of system losses of 27%**, which was made up of 8% technical losses and 19% non-technical losses, primarily due to power theft.
- Between JPS and OUR, **differences of opinion related to how non-technical losses** should be built into the tariff rate schedule, what can be reasonably passed onto ratepayers, how anti-theft pilot programs should be funded, and the source and exact size of the system losses.
- **Punitive measures** undertaken by the regulator due to JPS curtailment of electricity in high theft communities.



### APPROACH

To tackle the large challenges faced by JPS and OUR, the SRUC team designed and implemented the 3-day Loss Reduction Workshop with the following approach:

- Identified counterparts at JPS and OUR to work closely with to translate recent challenges on loss reduction, electricity theft, and punitive regulatory action into workshop goals and objectives
- Recruited speakers international utilities and regulators from seven developing countries
- Oversaw and managed all logistical planning
- Developed and published a Summary of Proceedings that captured the Workshop lessons learned and recommendations



### RESULTS & FOLLOW-ON

The Loss Reduction Workshop resulted in the following:

- A **mutual understanding from JPS and OUR on common loss reduction challenges** across countries, income levels, and contexts and on the value of working together to design programs to reduce those losses
- Tangible and practical **loss reduction activities and recommendations** for Jamaica to consider under its Community Renewal Program and in its red zones
- **Participation and buy-in** from the JPS Chief Executive Officer and Director General of the OUR, facilitating a high-level endorsement of next steps



**OUR WORK**