

# A Complete Guide to Government Incentives and Tax Benefits for Solar Manufacturers in The Bahamas

Maximizing ROI through Duty Exemptions, VAT Concessions, and the National Energy Policy.

**Content Partner: J. v. G. technology GmbH**

*Turnkey solar module production lines – since 1997*

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# Technical Overview: Solar Manufacturing Incentives and Tax Benefits in The Bahamas



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

# Key Project Data

30%

National Renewable  
Target

Share of energy from  
renewable sources by 2033

\$30M

BDB Financing Fund

Bahamas Development Bank  
fund for renewable energy  
projects

2024

Electricity Act

Landmark legislation in force  
since June 1, 2024

~2%

Current Renewable  
Share

Solar PV as % of total  
installed generation capacity  
today

**i** **Scale:** Solar manufacturing investment ecosystem · **Incentives:** Tax credits, customs duty exemptions, financing access · **Investment focus:** Solar module manufacturing · **Region:** The Bahamas · **Source:** PVKnowHow / J.v.G. Technology GmbH


# National Renewable Energy Strategy

## Strategic Goal

- Generate at least **30% of energy from renewables by 2033**
- Reduce dependency on imported fossil fuels
- Improve energy security and grid reliability
- Foster sustainable local industrial development

## Current Energy Baseline

- ~99% of electricity generated from fossil fuels as of 2024
- ~735 MW installed generation capacity (2023)
- Annual consumption: ~2 billion kWh
- Average tariff: ~US\$0.34/kWh — driven by fuel cost surcharges

 The 30% by 2033 target was established under the National Energy Policy 2013–2033 and is reaffirmed in the NEP 2025–2030 framework.

# Why The Bahamas — Strategic Advantages



## Solar Resource

~350 sunny days per year — one of the highest in the Caribbean region



## Protected Domestic Market

Government-mandated renewable targets create guaranteed long-term demand for locally manufactured modules



## Legal Stability

English common law system; stable democracy; transparent investor framework



## Strategic Location

Archipelago of 700+ islands; proximity to North American and Caribbean markets

# Regulatory Framework: Electricity Act 2024

## Landmark Legislation


- Came into force: **June 1, 2024**
- Replaces the legacy Electricity Act of 2015
- Establishes a comprehensive framework for generation, transmission, distribution, and supply

## Role of URCA

- Utilities Regulation and Competition Authority – independent regulator
- Issues licenses; sets technical and safety standards
- Approves tariffs; ensures fair competition
- URCA regulations carry the force of law

## Key Regulatory Provisions

- New licensing frameworks: Transmission, Distribution & System Operator licences
- Independent Power Producer (IPP) status formally defined
- National energy policy revised every five years
- Utilities Appeal Tribunal for dispute resolution

 The Electricity Act 2024 and Natural Gas Act 2024 are the two core legislative instruments governing The Bahamas energy sector. Both came into force on June 1, 2024.

# Financial Incentives for Solar Manufacturers

## Tax Credits & Rebates

- Tax credits or rebates for businesses investing in renewable energy systems
- Proposed under the draft National Energy Policy 2025–2030
- Incentives to be regularly reviewed to keep pace with technology changes

## Customs Duty Exemptions

- Exemptions on imported production machinery, equipment, and raw materials
- Covers laminators, cell stringers, testers, and spare parts
- Available under the **Industries Encouragement Act**
- Already in force — not contingent on draft NEP approval

## R&D & Green Investment

- Government commitment to create a **Green Investment Fund**
- Incentives for research and development activities
- Private sector engagement actively encouraged to accelerate deployment

# Customs Duty Exemptions: What Is Covered

## Eligible Equipment & Materials

- Production machinery (laminators, cell stringers, testers)
- Essential raw materials for solar panel manufacturing
- Spare parts and factory operational equipment
- Building materials for factory construction (where applicable)

## Application Process

- Formal application through relevant government ministries
- Documentation required: nature and purpose of all imported goods
- Framework: **Industries Encouragement Act**
- Supported by the Bahamas Investment Authority (BIA)

📄 Customs duty exemptions on imported factory equipment and materials are an **existing, active benefit** — not a proposed incentive. They are available to approved solar manufacturing investors now.

# Government-Backed Financing Access

## Bahamas Development Bank (BDB) Facility

- **\$30 million fund** created specifically to finance renewable energy systems
- Key source of capital for entrepreneurs in the solar sector, including manufacturing
- Accessible by qualifying local and foreign investors

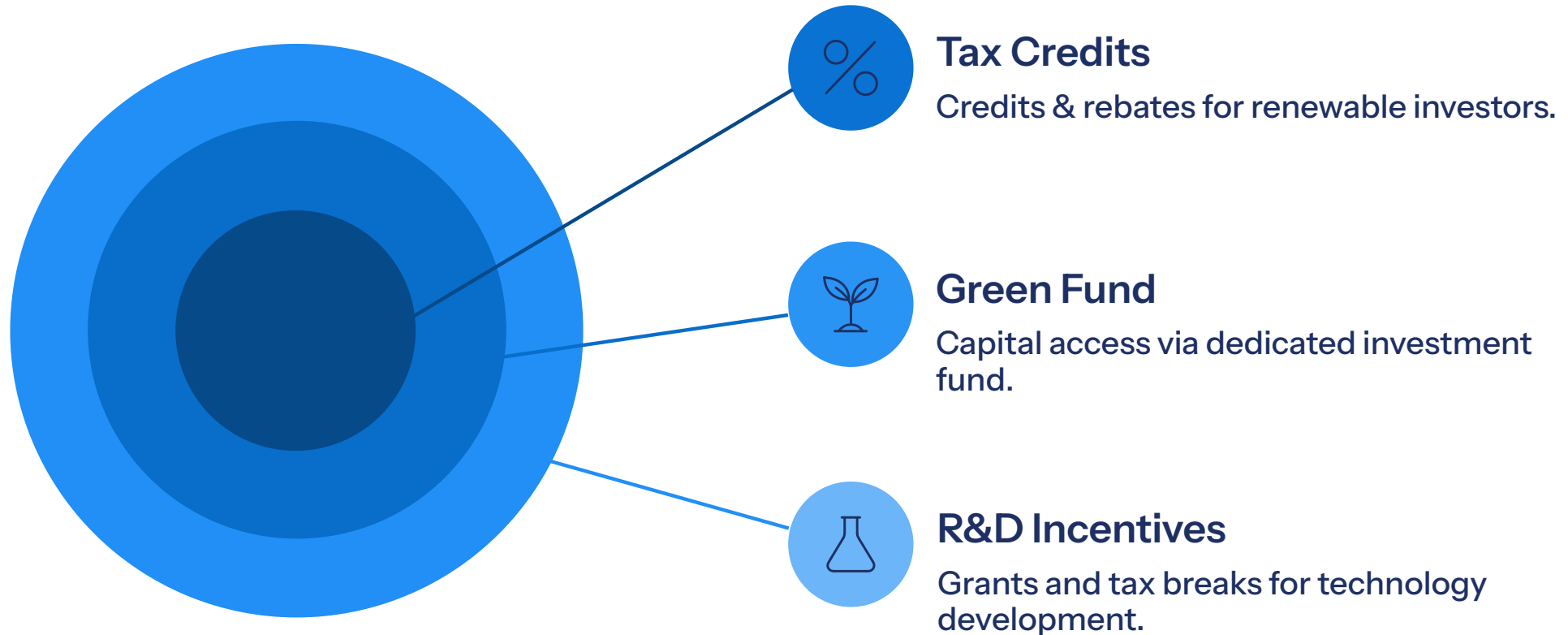
## Inter-American Development Bank (IDB) Support

- IDB approved financing of up to **\$170 million (USD)** to The Bahamas for solar energy projects (2019)
- Supports the government's 30% renewable target
- Provides multilateral backing for investor confidence

## Investor Risk Reduction

- Government policy explicitly commits to **reducing investor financial risk**
- Green Investment Fund under development (NEP 2025–2030)
- Private sector partnerships encouraged at all scales

# Tax Credits & Rebate Framework



The draft National Energy Policy 2025–2030 proposes a structured set of financial strategies: tax credits and rebates for investors in renewable energy systems, a dedicated green investment fund, and R&D incentives – with a commitment to regularly review and update these measures in line with market and technology changes.

# Investment Process: Step-by-Step

- 1 — Step 1 — Business Registration**
  - Register with The Bahamas' business registration portal
  - Engage the Bahamas Investment Authority (BIA) to facilitate foreign investment approval
- 2 — Step 2 — Environmental Impact Assessment (EIA)**
  - Obtain EIA approval from the Ministry of the Environment
  - Required prerequisite before manufacturing permit application
- 3 — Step 3 — URCA Manufacturing Permit**
  - Apply to URCA for a manufacturing licence
  - Compliance with technical, safety, and operational standards required
- 4 — Step 4 — Apply for Incentives**
  - Apply for customs duty exemptions through relevant ministries
  - Apply for BDB financing and available tax concessions under the Industries Encouragement Act
- 5 — Step 5 — Commence Operations**
  - Production equipment installed by an experienced turnkey provider
  - URCA grid compliance standards apply to all modules produced

# Long-Term Market Opportunity

1

## Growing Domestic Demand

30% renewable target by 2033  
guarantees sustained domestic  
demand for solar modules across  
~700 islands

2

## Protected Local Market

Duty exemptions on inputs and local  
production advantage give domestic  
manufacturers a structural cost edge

3

## Caribbean Export Potential

Strategic location enables access to  
regional Caribbean and North  
American solar markets beyond  
domestic demand

- ❏ An experienced European turnkey provider can integrate full-line solar module manufacturing know-how — reducing the learning curve for new manufacturers entering production without prior industry experience.

# Incentive Framework: Summary Overview

Incentive Category	Mechanism	Status
Customs Duty Exemptions	No import duties on machinery, materials, spare parts	Active — available now
Tax Credits / Rebates	Credits for renewable energy system investment	Proposed — NEP 2025–2030
Green Investment Fund	Government-supported capital access vehicle	Proposed — NEP 2025–2030
BDB Financing	\$30M fund for renewable energy projects	Active — available now
IDB Multilateral Support	\$170M approved for Bahamas solar development	Active
R&D Incentives	Support for technology development activities	Proposed — NEP 2025–2030
Industries Encouragement Act	Tax concessions for approved manufacturing sectors	Active — applicable to solar

# Strategic Advantages: The Investment Case

## Policy Certainty

- 30% renewable target enshrined in national policy since 2013
- Reaffirmed in NEP 2025–2030
- Electricity Act 2024 provides legal predictability

## Financial Stack

- Duty-free equipment imports reduce capex
- BDB + IDB financing reduces cost of capital
- Tax concessions improve long-term profitability

## Turnkey Readiness

- Proven turnkey manufacturing concepts available
- On-site team training included — no prior experience required
- Full-line integration from factory planning to production

- ✓ The combination of the **30% by 2033 target**, duty exemptions, available financing, and the **Electricity Act 2024** creates a coherent and verifiable value proposition for solar module manufacturing investment in The Bahamas.

# Sources & Further Reference

## Key References

- The Bahamas National Energy Policy 2013–2033
- The Bahamas National Energy Policy 2025–2030 (draft)
- Electricity Act, 2024 (in force June 1, 2024)
- Bahamas Investment Authority (BIA)
- Utilities Regulation and Competition Authority (URCA)
- Bahamas Development Bank (BDB) — \$30M RE Facility
- Inter-American Development Bank (IDB) — 2019 Bahamas Solar Financing
- Industries Encouragement Act (The Bahamas)

## Content & Knowledge Network

Prepared with reference to:

PVKnowHow Knowledge Network

J.v.G. Technology GmbH — European specialists in proven turnkey solar module production lines

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*These case studies are based on real figures but are composite scenarios. All incentive details should be verified directly with relevant Bahamian government authorities prior to investment decisions.*

# About the Content Partner

## **J. v. G. technology GmbH** – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

### Key areas:

Turnkey PV manufacturing lines | DESERT Technology® |  
TÜV-certified module designs | Factory planning to production

[www.jvg-thoma.com](http://www.jvg-thoma.com)

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