



BELIZE ELECTRICITY LIMITED

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December 11, 2018

BEL Proposes Adjustment to Approved Rates

On Monday, December 10, 2018, Belize Electricity Limited (BEL) notified the Public Utilities Commission (PUC) that due to significant increases in cost of power since May 2018, the Company is proposing to increase the Mean Electricity Rate (MER) to \$0.4150 per kWh for the remainder of the Annual Tariff Period January 1 to June 30, 2019.

Since May, higher prices from Mexico and below average production by local hydro plants resulted in an increase in the cost of power purchased from suppliers. Nonetheless, BEL was able to use its strong financial position to temporarily absorb this \$18.9 million increase in cost of power. As per PUC regulations, BEL is required to apply to recover this increase through an adjustment to the tariff.

In its submission, the Company has also notified the PUC that new negotiations are underway to secure less volatile prices from Mexico's CFE that are typically lower than prices from local suppliers, as was the case during 2013 to 2017.

Additionally, BEL will recommend to the PUC, the launch of a Request for Proposals (RFP) in Electricity Generation from competitively priced sources of renewable energy.

BEL is confident that it will be able to achieve its objective to lower electricity rates once again by the end of 2019.

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