



# BELIZE ELECTRICITY LIMITED

2½ Miles Philip Goldson Highway | P.O. Box 327 | Belize City, Belize  
Corporate: +501.227.0954 | Customer Care: 0.800.235.2273 | Fax: +501.223.0891

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## PUC Accepts BEL's Further Explanation

On Monday, January 7, 2019, representatives from Belize Electricity Limited (BEL) and the Public Utilities Commission (PUC) met to discuss BEL's proposal to increase the Mean Electricity Rate (MER) for the remainder of the Annual Tariff Period (ATP) January 1 to June 30, 2019.

BEL explained that its submission was in accordance with S.I. 145 of 2005, which states that an ARP decision "may be reviewed and amended to adjust the approved tariffs for the period January 1 to June 30 in any ATP, to account for any material variances between the Reference Cost of Power and the actual cost of power".

BEL reiterated that it used its strong financial position to temporarily absorb an \$18.9 million increase in the cost of power that has been occurring since May 2018. Even though the Company projects that these high prices may prevail until the end of 2019, as per PUC regulations, BEL is required to apply for an adjustment to the tariff to recover the increase it has been absorbing to date and not the projected increase.

After taking BEL's explanation into consideration, the PUC has decided to increase the MER to \$0.4138 per kWh.

The PUC will be monitoring:

- Implementation of plans to further optimize the dispatching of power by BEL.
- New negotiations that are underway between BEL and its suppliers to secure less volatile prices from Mexico's CFE, secure fuel for local production at lower prices and resist recent attempts by local Independent Power Producers (IPP) to increase cost.
- Implementation of the new Request for Proposals to add cheap renewable energy plants such as solar and wind by 2022.
- Progress of plans by an IPP to add an additional hydro plant by 2023.

These initiatives will enable the Company to lower electricity rates to below \$0.37 per kWh once again by 2020. This is consistent with the Company's mission to provide safe, reliable and affordable electricity to customers.

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