



# BELIZE ELECTRICITY LIMITED

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## BEL FTRP Concludes with Reduction in Rates

The 2020 Full Tariff Review Proceeding (FTRP) concluded on October 28, 2020 with the Public Utilities Commission's (PUC) Final Decision reducing the current Mean Electricity Rate (MER) of 41.51 cents per kWh to 40.18 cents per kWh to take effect January 1, 2021 through to June 30, 2024.

### **BEL's January 2020 Application**

BEL's application to increase rates, made at the start of the FTRP in January 2020, was based on the need to recover \$50 million in revenue shortfalls due to higher than expected cost of power experienced over the period 2018 to 2019. BEL's January application provided for this high cost of power persisting over the short-to-medium term, and also provided for the funding of investments to stabilize cost of power in the future.

### **PUC's March 2020 Initial Decision**

The PUC issued its Initial Decision in March 2020 which deferred consideration of critical investments – namely utility-scale solar generation and smart-grid infrastructure – that would secure cost savings for our customers. Consequently, BEL objected to that decision. At that time, the COVID-19 pandemic had already started to disrupt our society and economy so BEL also requested that the PUC stay the proceedings as the country went into lockdown mode.

### **BEL's July 2020 Request to Revise its Application to Reflect Lower Cost of Power**

In July 2020, BEL formally requested that the PUC resume the FTRP and asked to submit an updated rate proposal that would take into account the impacts of the pandemic on the energy sector. The reduction in prices for energy from CFE (Mexico) between April and July had already pointed to the need for downward revisions to the projected cost of power as the pandemic depressed world market prices for fuel.

However, the PUC denied BEL's request to update its projections and proceeded with an Independent Expert (IE) review of our original submission and objections. The results of the IE review were substantially favorable to BEL, with the expert recommending that our critical investments be allowed in the cost recovery over the next four years.

### **Way Forward – Focus on Lowering Prices**

BEL accepts the PUC's Final Decision to reduce rates at this time as it is in line with our own assessment in light of the impacts of COVID-19 pandemic on global energy prices.

However, BEL insists that sustained lower prices can only be achieved through increased investments in local, renewable energy production, smart-grid technology and evolving energy services to further develop the market for clean and sustainable electricity. We will work relentlessly towards these strategic objectives as we believe our customers should not be left to the mercy of market forces.

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