



BELIZE ELECTRICITY LIMITED

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June 21, 2025

The PUC's Final Decision on BEL's ARP 2025 Application Opens the Door for New Pricing Mechanisms to Ensure Revenue Sufficiency for Continued Investments and Improved Service to Customers

Belize Electricity Limited (BEL) welcomes the Final Decision of the Public Utilities Commission (PUC) on BEL's Rate Application for the Annual Tariff Period (ATP) 2025–2026 that was submitted on April 4, 2025.

BEL's rate application sought to achieve three key outcomes:

- 1) To ensure BEL has sufficient revenues to make substantial investments needed to enhance system reliability, reinforce and modernize the electricity grid, and expand infrastructure to meet growing energy demands.
- 2) To recover extra-ordinary costs arising in the first half of 2024 through to 2025 as a result of increasing costs of energy imports and unprecedented energy demand driven by economic growth and recurring heatwaves *by increasing the average pre-tax electricity rate from 40 cents to a minimum of 43 cents per kilowatt-hour (kWh), with effect from January 2026.*
- 3) To ensure timely recovery of costs into the future and manage demand for energy *by introducing a cost-reflective dynamic tariff structure no later than July 1, 2026.* This new tariff structure will empower Customers to take control of their electricity bills by giving them the means to choose when to use energy based on lower or higher rates at different times of the day, helping them save money while supporting a more efficient and reliable energy system.

The PUC's position on the requested January 2026 rate increase was that this could not be facilitated under an annual rate review proceeding unless further revision is made to the applicable byelaw. The PUC has, instead, referred BEL to the provision under the regulations that allows BEL to file a mid-period application for tariff adjustment to take effect in January 2026 to recover the variance between the actual cost of power incurred and the cost of power approved by the PUC over past periods. The Company plans to proceed with the mid-period application in December 2025 for rate realignment in January 2026.

Regarding BEL's new dynamic pricing structure, also known as Time-of-Use pricing, the PUC has requested that BEL make a separate application to be submitted for the PUC's review by July 31, 2025. **BEL welcomes this request by the PUC as a positive development and has already started conducting the necessary market research and analyses to inform the dynamic pricing model that it will propose to the PUC.**

BEL remains committed to working collaboratively with the PUC, the Government of Belize, and all relevant stakeholders to develop tariff mechanisms and energy policies that deliver value to our Customers and support the long-term reliability and sustainability of Belize's energy future.

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