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BEL Welcomes PUC Initial Decision on its Tariff Submission

The Public Utilities Commission (PUC) released its Initial Decision on Belize Electricity Limited's (BEL) tariff submission for the 2025/2026 Annual Tariff Period.

In its submission, BEL proposed no changes to the base electricity rate.

BEL also proposed the introduction of an automatic Cost of Power Adjustment (COPA) mechanism to ensure timely recovery of costs associated with power purchases from Comision Federal de Electricidad (CFE) of Mexico, and other Independent Power Producers (IPPs).

The cost of purchased power represents the largest component of the cost of providing electricity service in Belize. Timely recovery of these costs is important to minimize the impact on Customers, maintain the financial stability of the electricity system, and ensure that BEL can meet its obligations to power suppliers, thereby avoiding the risk of service interruptions.
The approved COPA mechanism is designed to improve transparency, fairness, and timeliness in the way changes in the cost of power are reflected on Customer bills. Importantly, COPA is not simply an additional charge. The adjustment can move either upward or downward depending on actual power costs. These types of or cost recovery mechanisms are common in other countries in our region.

When the actual cost of power exceeds the reference cost approved by the PUC, a limited adjustment may apply. Conversely, when the actual cost of power is lower than the approved reference cost, Customers will benefit from a reduction on their bills as the savings are passed through.

Under the newly approved structure, Customers will benefit from:

Unchanged Base Rates
The base electricity rates approved by the PUC remain unchanged, providing stability for households and businesses.

Greater Transparency
The Cost of Power Adjustment will appear as a separate line item on Customer bills, allowing Customers to clearly see how changes in power procurement costs affect their monthly bills.

GST Exempt
The Government has announced that the Cost of Power Adjustment will be exempt from GST, helping to reduce the impact of fluctuations in power costs on Customers.

Customer Credits When Costs Fall
BEL and the Government continue to pursue investments in utility-scale renewable energy projects that are expected to reduce the cost of electricity over time. When BEL's cost of power falls below the approved reference cost, Customers will enjoy reductions as the savings are directly passed on to Customers.

Protection Against Sharp Increases
The mechanism uses a six-month rolling average to smoothen short-term fluctuations in power costs. In addition, the adjustment is capped at approximately ±1.5 cents per kilowatt-hour, protecting Customers from sudden and significant bill impacts.

BEL understands the concerns that many Customers have regarding electricity costs, particularly during periods of higher consumption. The Cost of Power Adjustment provides a more transparent and equitable approach to reflecting changes in power costs while ensuring that savings are passed through to Customers in a timely manner when costs decline.
BEL remains committed to delivering safe, reliable, and sustainable energy solutions while improving transparency, fairness, and confidence in the billing process.

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