



**FOR IMMEDIATE RELEASE**

**Caribbean Utilities Company, Ltd.**

and

**The Electricity Regulatory Authority of the Cayman Islands**

January 14, 2009

**The Electricity Regulatory Authority of the Cayman Islands approves new Consumer Owned Renewable Energy Tariff**

**Caribbean Utilities Company, Ltd. is listed for trading in United States dollars on the Toronto Stock Exchange under the trading symbol "CUP.U".**

Caribbean Utilities Company, Ltd. ("CUC") and the Cayman Islands Electricity Regulatory Authority ("ERA") announced today that a program has been approved which will allow customers in Grand Cayman to connect renewable energy systems to CUC's distribution system and to reduce their monthly energy bills by generating their own power from renewable energy while remaining connected to CUC's grid. The program will also provide for customers to be credited for self generated, renewable energy, whether consumed by the customer or used by CUC for other customers, through the existing transmission and distribution system. This new opportunity comes as the result of approval being given by the ERA to the terms and rates associated with this renewable energy option to consumers in Grand Cayman.

Consumer Owned Renewable Energy ("CORE") is energy generated from a technology such as small scale solar systems or wind turbines. Such renewable energy options will have a positive impact on the island's environment and also help to reduce its dependence on fuel oil, diversify its power supply, lower sensitivity to fuel price fluctuations and to help limit further increases in air pollutants including greenhouse gases. Customers wishing to obtain further details or wishing to participate in the program may sign up immediately by contacting CUC's Customer Service Department at 949-4300. CUC expects by mid to late March to be able to connect customers generating power from renewables, and customers can begin to reduce their monthly bills through sales to CUC at that time.

Chairman of the ERA, Mr. Kendal Ryan noted that, “the ERA is pleased to approve the CORE programme, in furtherance of the recently passed ERA Law (2008 Revision), and CUC’s new licences issued in April 2008, in which there is a requirement to encourage clean renewable sources of power. We encourage consumers in a position to install renewables to assess their options for doing so.”

President and Chief Executive Officer of CUC, Mr. Richard Hew, stated that, “We are pleased to facilitate this important step in establishing renewable energy in Grand Cayman. Customer-generated renewable energy will have a positive impact on the environment. This plan offers consumers who generate energy through renewable means that may not be continuous, the opportunity to interconnect with and benefit from the reliability of CUC’s electricity distribution system.”

CORE participants will receive a credit (the “CORE Credit”) for energy generated through renewable means. The CORE Credit equates to costs which CUC avoids by purchasing CORE generation, such as fuel and lubricants plus an allowance towards other avoided variable costs. The CORE customer will be billed monthly at the normal retail rate for their total energy consumption and credited at the CORE rate for the output of their generation. This billing arrangement will ensure that infrastructure costs required to operate the transmission and distribution system for CORE participants will not be subsidized by non-CORE consumers.

If the net energy for the month is negative (CORE generation exceeds consumption), then the surplus energy will be banked for that consumer to use against net positive consumption in the future.

A CORE Credit agreement between the consumer and CUC will set out the terms under which services, connectivity, metering and billing credits will be governed. There will be a limit of 10 kW of capacity or the peak load of customer’s premises if less than 10 kW, for each residential CORE installation to avoid over-sizing of the CORE installation, and the CORE program will be in place for a trial period ending December 2010 after which time a review of its operations will be undertaken.

The CORE program provides an excellent opportunity for both CUC and its customers to participate in protecting the environment. By utilizing renewable energy instead of fossil fuels to generate electricity, CUC and its customers will be able to reduce exhaust gas emissions, reduce the use of natural resources and contribute to the overall protection of the environment both in Grand Cayman and globally.

CUC provides electricity to Grand Cayman, Cayman Islands, under a non-exclusive Electricity Generation Licence expiring in 2029 and an exclusive Electricity Transmission and Distribution Licence expiring in 2028. Further information is available at [www.cuc-cayman.com](http://www.cuc-cayman.com), or the Electricity Regulatory Authority site [www.caymanera.com](http://www.caymanera.com).

*Caribbean Utilities Company, Ltd. (“CUC” or “the Company”), on occasion, includes forward-looking statements in its media releases, Canadian securities regulatory authorities filings, shareholder reports and other communications. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as “expects”, “anticipates”, “plan”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “schedule”, or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”. Forward-looking statements are based on underlying assumptions and management’s beliefs, estimates and opinions, and are subject to certain risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Such risks and uncertainties include but are not limited to general economic, market and business conditions, regulatory developments and weather conditions. CUC cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.*

**For further information, please contact:**

Caribbean Utilities Company, Ltd.

Pat Bynoe-Clarke

Phone: (345) 914-1107

Fax: (345) 949-5203

E-Mail: [pclarke@cuc.ky](mailto:pclarke@cuc.ky)

Cayman Islands Government

Philip Thomas

Managing Director

Phone: (345) 949-8372

Fax: (345) 947-9598

E-Mail: [pthomas\\_era@candw.ky](mailto:pthomas_era@candw.ky)