



December 19, 2011

The Electricity Regulatory Authority of the Cayman Islands (the Authority) today announces the beginning of the process of competitive procurement for new power generation capacity on Grand Cayman. This process, as mandated by the Transmission and Distribution Licence issued to Caribbean Utilities Company Ltd. (CUC) in April 2008, begins with CUC identifying a need for such capacity by filing a Certificate of Need (CON), followed by the Authority's agreement that this capacity is required. CUC has now filed such a CON, and the Authority has considered the same and, due to projected peak demand growth and obsolescence of existing generating capacity, come to the conclusion that the need for additional electricity generation exists.

Mrs. Sherri Boddan-Cowan, the Chair of the Board of the Authority, indicates that "competition for new generation on Grand Cayman is one of the core principles on which new licences were granted to CUC back in 2008, and the Authority encourages all qualified bidders to respond to submit Statements of Qualification (SOQs) for consideration. The Authority will use these SOQs to determine the companies that will receive the request for proposals (RFP) to provide this generation."

The projected date for additional generation is 2014, with a second increment of capacity being needed in either 2015 or 2016, depending on the growth of the economy and development in Grand Cayman and the related demand for electricity. To maintain a reliable electric power system for the citizens of Grand Cayman, the Transmission and Distribution License requires that CUC maintain adequate reserves by identifying its needs three years in advance, taking the need for power, the retirement of existing generation plants, and other factors into account. This solicitation will request that bidders submit their proposals for providing approximately 18 MW in 2014, and another 18 MW within the following two years.

Louis Boucher, Acting Managing Director of the Authority, indicates that "In 2012, the Authority will undertake a rigorous process of reaching out to potential bidders; establishing a qualified bidders list; issuing the RFP to those bidders; evaluating their proposals; and selecting a winning bidder. The evaluation will be based on objective criteria that will be laid out clearly in the RFP".

The Authority has posted details on its web site ([www.caymanera.ky](http://www.caymanera.ky)) regarding this RFP, and would urge members of the public and potential bidders alike to review the same. Any questions regarding this process should be directed to Mr. Boucher at (345) 949-8372.