



NEWS RELEASE

June 27, 2024

CUC ANNOUNCES SUBMISSION OF CERTIFICATE OF NEED FOR RENEWABLE ENERGY

Caribbean Utilities Company, Ltd. (“CUC” or the “Company”) has submitted a Certificate of Need (“CON”) as outlined in the Company’s Transmission and Distribution Licence (2008). The CON is defined as *‘a certificate that the Licensee prepares and submits to the Authority, which sets out the Licensee’s requirement for the incremental amount of capacity for which the Authority would solicit’*.

The National Energy Policy (“NEP”) 2024-2045, outlines that the Cayman Islands is to transition to 70% renewable energy sources by 2037 and 100% renewable energy resources by 2045. CUC is an advocate of adding more renewable energy to the grid that will allow for cleaner and more cost affordable energy for the people of Grand Cayman.

CUC’s Transmission and Distribution (“T&D”) Licence calls for CUC to issue a CON to the regulator when CUC identifies the need to procure firm capacity resources needed for the reliability of the grid. However, CUC has identified more sustainable renewable energy resources augmented by smaller quantities of firm capacity that could be procured to provide the required level of reliability to the grid for the peak demand season of summer in 2027. This submission, should it be accepted, will allow for the targets of the NEP to be realized as well as to substantially reduce costs to consumers.

In August 2021 CUC submitted a proposal for utility scale solar combined with battery storage to add “firmness” to meet the identified 2024 capacity requirement as an alternative to a CON for firm diesel capacity. The Company received approval of this alternate request from the regulator with the generation to be procured through a competitive bid process. Any renewable energy resources added under the 2021 request will reduce the amount needed to be procured to satisfy this CON.

In July 2023, Grand Cayman reached a historic peak load of 124.1 megawatts (“MW”) of energy demand. This historic peak was exceeded in May 2024 when a new peak load of 127.9 MW was registered. Peak demand in August 2021 was 113.5 MW.

In recognition of the changing and growing need for energy on Grand Cayman, the submitted CON calls for a combination of 36.1 MW of firm capacity and 100 MW of solar plus storage to be connected by June 1st, 2027. Should the Company’s certificate of need be accepted, the procurement of the proposed resources will reduce costs to consumers and meet or exceed, the incremental NEP 2027 targets allowing for 39% of renewable energy penetration to be achieved by 2027 and a reduction in the 2019 CO₂ emissions by 28%.

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The CON submission can be found on CUC's website on the Regulatory Submissions page.

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