



## NEWS RELEASE

### Caribbean Utilities Company, Ltd. Offsets Rate Adjustment with Fuel Efficiency Improvements

**Grand Cayman, July 5, 2024** - Caribbean Utilities Company, Ltd. (“CUC” or the “Company”) announces that in accordance with the Rate Cap and Adjustment Mechanism contained in the Company’s Transmission & Distribution (“T&D”) Licence issued by the Cayman Islands Government, a rate adjustment of 3.2% was verified and approved by the Utility Regulation and Competition Office (“OfReg”) for electricity consumption beginning June 1, 2024.

CUC’s rates are reviewed on an annual basis as outlined in condition 25 of the Company’s T&D Licence. If a change is required, per the prescribed formula which uses inflation indexes as a reference, the change in the rate is enacted for electricity consumption effective June 1 of each year. Customers can expect to see a marginal increase in the facilities and energy charge component of their billing statements received in early July when compared to prior periods. The average monthly residential household consumption during 2023 was 1,153 kilowatt hour (“kWh”), based on this consumption level, the average residential customer’s monthly facilities and energy charge will increase by a total of CI\$4.88. Additional information on this rate change will be provided on customer bills.

This energy charge increase will be offset in part by fuel efficiency savings as a result of recent upgrades to two of CUC’s large generating units. There are plans to upgrade three additional generating units by 2025, which will bring further fuel efficiency savings to customers.

Additionally, future fuel savings will occur with the implementation of the 20 megawatts (“MW”) Battery Energy Storage System (“BESS”). It is estimated that this project will allow for annual savings on fuel factor charges for customers and therefore will offset the majority of the energy charge adjustments. Fuel factor rates are pass-through costs of fuel purchases, any fluctuations in fuel prices will consequently impact these fuel factor rates.

Customers are expected to start experiencing cost savings from this project in August 2024.



CUC encourages customers to stay mindful of their electricity usage. During the summer months, the heat index and increased demand for air conditioning will lead to higher electricity consumption. Customers can find energy-saving tips on the Company's website to help manage their usage efficiently.

For more information about the terms of the CUC T&D Licence or the rate cap adjustment mechanism and to view the current rate schedule please visit the CUC website at [www.cuc-cayman.com](http://www.cuc-cayman.com) or the OfReg website at [www.ofreg.ky](http://www.ofreg.ky).

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