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For Immediate Release

OfReg approves 20MW Utility-scale Battery for CUC

The Utility Regulation and Competition Office (“OfReg”) has approved a request from Caribbean Utilities Company, Ltd. (CUC) for a 20- megawatt (MW) Utility-scale Battery for its Instantaneous Reserves project.

CUC will store a relatively small amount of energy with the primary function of providing back-up power for its North Sound Road power generation plant which in turn will reduce the generation plant’s fuel usage.

The primary function of the battery is to provide “instantaneous or spinning reserve” in the event of power generation plant failure. That is, if an operating generator fails, the battery will instantly provide the shortfall in energy until other generators can be brought online. By replacing spinning reserve normally provided by CUC’s online generators, fewer generators will need to be online, significantly reducing the amount of fuel consumed for electricity production. The battery will also have the ability to react much faster than the existing plant, reducing the risk of customer outages caused by loss of generation.



The battery will reduce greenhouse gas emissions directly through improving the efficiency of CUC's diesel generators, thereby reducing fuel consumed. It will also enable more renewable generation to be connected to the island's power system, thereby further reducing fuel consumption and greenhouse gases.

This forms part of the Company's commitment to continue to incorporate renewable energy into the electricity mix and at the same time give customers the opportunity to reduce their energy costs and lessen our carbon footprint on Grand Cayman.

President and CEO, Mr. Richard Hew, says, "We are pleased that we can now move forward on our Battery storage project which brings us one step further to our commitment to rapid but stable increase in grid integrated renewable energy sources which will deliver economic and environmental benefits. It is important to note that the cost of providing spinning reserve to supply electrical power will be reduced as CUC will be using stored battery energy rather than diesel to provide reserve power. As a direct result of this project we expect that the fuel savings to the customers will be around \$5m per annum."

Concurrently with the new Battery storage project, CUC has agreed to increase the available capacity for the Distributed Energy Resources ("DER") programme by an additional 12MW.

Distributed Energy Resources ("DER") includes any customer's on-site generation from renewable energy resources used to supply some, all or more than the customer's load. This includes any load that can be served by the customer's generation but then switched to be served by CUC in the event of an outage of the customer's generation. This does not apply to emergency generators or other configurations that are permanently isolated from CUC's grid. This also excludes generation included in the Consumer Owned Renewable Energy ("CORE") programme since all of the energy from CORE is subject to a feed-in tariff and is not used to directly offset the customer's load.



Reliability of service to customers is a key objective for the Company and it is critical to the continuing growth of Grand Cayman. The Company remains committed to meeting the challenges which come with providing a highly reliable service on a small island system. The CUC system Average Availability Index was 99.95% for the first two quarters of 2019.

For further information, please contact:

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