



NEWS RELEASE

CUC Addresses Generation Capacity and Increased Risk of Load-Shedding Amidst Rising Energy Demand in Grand Cayman

Grand Cayman, 27 May 2024 – Caribbean Utilities Company, Ltd. (“CUC” or “the Company”) wishes to provide an update to the Grand Cayman community regarding the current generation capacity for the island.

CUC’s generation reserve margin, the difference between total installed electricity generation capacity and peak customer electricity demand, is presently at lower than normal levels which increases the risk of having to shed customer load in the event of any unplanned loss of generation. The shrinking reserve margin is due to rapidly increasing electricity demand driven by economic growth and record high temperatures and delays in adding new generating capacity to the grid.

In recent years, Grand Cayman has experienced significant growth, resulting in an increased demand for electricity. The latest data from the Cayman Islands Economics and Statistics Office 2022 Compendium of Statistics indicates a 24% growth in population for the Cayman Islands between 2018 and 2022 alone. Peak electricity demand on Grand Cayman grew by 9% from 113.5 megawatts (“MW”) in 2022 to 124.1 MW in 2023 and is expected to grow further in 2024.

CUC last installed significant additional generation capacity in 2016 with a smaller addition in 2022. All generation capacity installations by CUC requires Utility Regulation and Competition Office (“OfReg”) approval. In 2019 and 2021 the Company forecasted increased consumer demand and in 2019 proposed a 13 megawatt (“MW”) Solar plus storage project to OfReg to meet projected demand with a clean energy option. The proposal was not approved pending the initiation of a competitive bid process by OfReg for such a project.

In 2021, CUC formally requested that OfReg initiate the procurement of 23MW of Solar and Storage capacity to meet increasing consumer demand. This procurement process by OfReg is currently in the final planning stages.

As a temporary measure the Company leased 10MW of mobile generation in 2023 and an additional 10MW to be installed later in 2024, for which regulatory approval is pending. The customer owned solar programmes have added 16.8 MW to the grid since 2021, however the peak loads are occurring in the evening and cannot be served by solar power without the use of battery storage. The Company’s 20 MW Battery Energy Storage System (“BESS”)

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which is expected to be commissioned in June will assist with meeting the evening peak demand.

While the Company and its dedicated operations and maintenance teams are working very hard to keep all generating units available, if on any occasion, customer demand is higher than available generating capacity available, the Company will need to conduct rotating customer outages, known as load shedding.

If load shedding becomes necessary, the Company will publish schedules as far in advance as possible and provide key updates through the CUC social media pages, press releases, and radio announcements.

In the event that load shedding is necessary, customers may expect the following:

- Where possible, power outages will be for periods limited to approximately thirty minutes to one hour within a twenty-four hour period.
- Outages will be more common during peak hours, which on Grand Cayman is typically between 4:30 pm-8:00 pm, but in the summer can occur as early as 3pm due to the high temperature.
- Customers can keep up to date on power restoration by referring to CUC's Outage Viewer on CUC's website and CUC's social media channels.

CUC expects that reserve margins will be restored to normal levels between June and July when the Battery Energy Storage System comes online and additional leased generation is put in service.

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