



## **PRESS RELEASE**

Caribbean Utilities Company, Ltd.

and

The Electricity Regulatory Authority of the Cayman Islands

**October 30<sup>th</sup>, 2015**

### **The Electricity Regulatory Authority of the Cayman Islands Approves 5MW solar project**

Following a comprehensive review, the Electricity Regulatory Authority (ERA) has approved a Power Purchase Agreement (PPA) proposed by Caribbean Utilities Company, Ltd. (CUC) for a 5 megawatt (MW) plant to be built by Entropy Cayman Solar Limited in the district of Bodden Town.

The 5 MW Solar project will provide energy to power approximately 800 homes with clean renewable solar energy and will significantly reduce emissions into the atmosphere through the avoidance of diesel fuel consumption. The PPA will also provide renewable energy at a competitive initial price of CI 14.28 cents per kilowatt hour (kWh).

In August 2011, CUC issued an invitation to interested parties to submit an Expression of Interest and Preliminary Proposal for the financing, construction, ownership and operation of renewable energy generation facilities. CUC evaluated the proposals on both technical and financial merits in order to achieve the overall renewable generating capacity objective without compromising the reliability and stability of its electricity system. International Electric Power LLC (IEP) was selected after conducting the evaluation process but subsequently transferred all rights for this project to an affiliate of Entropy Cayman Solar Limited.

President and CEO of CUC, Richard Hew, said, “We are very pleased that we have reached this stage of the project. This has been a prolonged but necessary process to ensure that we secured the right partner who could meet our goal to bring large-scale renewable energy to Grand Cayman’s electricity consumers. This project will provide clean energy at a competitive and stable price to consumers and represents a large step in the ongoing development of a diversified and environmentally sustainable energy sector. As solar energy is intermittent, firm generation sources such as diesel powered generation are required to provide stable power to the grid. We look forward to the completion of the construction phase of this solar project and to connecting a new large scale energy source to our electricity grid.”

ERA Managing Director, Charles Farrington, said, “The ERA is extremely happy to approve the first of what we hope will be many utility scale renewable energy projects to replace fossil fuel generated electricity. Our consultants have evaluated the levelized cost of this energy to be approximately CI 16 cents per kWh over the 25 year life of the PPA. Over that period we expect that this cost will lower consumers’ costs compared to diesel whilst eliminating the price volatility and greenhouse gas emissions of the fossil fuel displaced. The ERA is also pleased to welcome Entropy Cayman Solar as a new Generation Licensee and we look forward to a long and mutually beneficial relationship on behalf of Grand Cayman electricity consumers. The ERA is now turning its attention to developing a new RFP for additional utility scale solar resources for Grand Cayman’s electricity grid. “

David March, Managing Partner of Entropy Investment Management (Entropy), the company managing the project, said, “Entropy considers this solar facility the first step in a new energy future for the Cayman Islands and we are excited to be a contributing partner in the country’s quest for sustainable and renewable energy independence. Throughout the process, the ERA and CUC displayed great foresight, leadership and an unwavering commitment to ensure that this project was in the best interests of the Cayman people. Strong foundations make enduring partnerships and Entropy looks forward to working with the ERA and CUC to develop additional energy cost saving projects.”

The project is now on schedule to be completed by October 2016.

The Generating Facility will be built on a 20 acre site in Bodden Town and comprises 21,690 polycrystalline photovoltaic (solar) modules each with a DC-rated capacity of 305 watts and will be connected to CUC’s Bodden Town substation.

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