



Public Notice

FOR IMMEDIATE RELEASE

DECEMBER 29, 2023

INITIAL DECISION

**BEL's ARP 2023
Amendment Submission**

PUBLIC UTILITIES COMMISSION

IN THE MATTER OF the Initial Decision of the Annual Review Proceedings Amendment 2023 (ARP 2023 Amendment) for Belize Electricity Limited (BEL)

29th December 2023

1. BACKGROUND

In its ARP 2023 Final Decision, the Public Utility Commission (the “Commission” or “PUC”) approved a mean electricity rate (MER) of BZ\$0.3999/kWh for the period July 1, 2023, to June 30, 2024.

On Sunday, December 10, 2023, BEL filed for an amendment to Belize Electricity Limited 2023 Annual Review Proceedings Final Decision (the “Amendment Submission”). This is pursuant to Section 33(2) of the Electricity (Tariffs, Fees and Charges Standards) Byelaws, S.I. 145 of 2005 as amended by S.I. 116 of 2009 (the “Byelaws”).

The Amendment Submission seeks to amend the ARP 2023 Final Decision to reflect actual business results for the recent March to October 2023 period and to update projections for November 2023 to June 2024 of the Annual Tariff Period 2023|24.

In its submission, BEL reports that there is an under collected balance of **\$19,585,889** due to the higher Cost of Power (“COP”) for the period July 2022 to June 2023 and an under collected balance of **\$18,177,993** for the period July to December 2023 over and above what was provided for in electricity tariffs during the period July 1, 2022 to December 31, 2023 as follows:

Period	Actuals		PUC Approvals		Difference
	COP	Sales kWh	RCOP/kWh	RCOP	Actuals-RCOP
Jul - Dec 2022	\$ 80,039,840	315,389,542	\$ 0.2446	\$ 77,144,282	\$ 2,895,558
Jan - Jun 2023	\$ 92,625,576	310,446,631	\$ 0.2446	\$ 75,935,246	\$ 16,690,331
<i>Jul - Dec 2023</i>	<i>\$ 103,549,670</i>	<i>352,484,213</i>	<i>\$ 0.2422</i>	<i>\$ 85,371,676</i>	<i>\$ 18,177,993</i>
COP overspent by BEL in ATP 22 23					\$ 19,585,889
<i>Forecasted COP overspent by BEL Jul 22 thru Dec 2023</i>					<i>\$ 37,763,882</i>

Cumulatively, the Amendment Submission from BEL estimates that the excess Cost of Power over the ATP 2022|23 and the first six (6) months of ATP 2023|24, is estimated to be **\$37,763,882**.

BEL indicates that it is not seeking to recover the excess in COP in this review, but rather it intends to register the sum of \$19,585,889 with the PUC as recoverable under future tariff adjustments. The PUC continues to note the restriction imposed by Section 15(2) of the Byelaws and awaits the approval of the Ministry of Public Utilities, Energy, Logistics and E-Governance for an amendment to this section be promulgated into law.

Table 1 below shows BEL's submission.

Table 1

Cost of Power Variance								
BEL Actuals Cost of Power vs PUC Reference Cost of Power								
Month	BEL Cost of Power Sold \$'000	Control Center \$'000	BEL COP Sold (excl CC) \$'000	MWH Sold Actuals	PUC Unit Reference Cost of Power	PUC Reference Cost of Wholesale Power \$'000	Variance (BEL CoP - PUC RCoP) \$'000	Total Variance \$'000
Jul-22	\$16,201	\$89	\$16,111	54,179	0.2446	\$13,252	\$2,859	\$2,896
Aug-22	\$15,951	\$57	\$15,894	54,568		\$13,347	\$2,546	
Sep-22	\$14,996	\$132	\$14,864	54,866		\$13,420	\$1,444	
Oct-22	\$11,039	\$76	\$10,963	52,359		\$12,807	-\$1,844	
Nov-22	\$10,603	\$84	\$10,519	50,156		\$12,268	-\$1,749	
Dec-22	\$11,787	\$98	\$11,689	49,262		\$12,050	-\$361	
Jan-23	\$10,145	\$57	\$10,088	45,680	0.2446	\$11,173	-\$1,086	\$16,690
Feb-23	\$10,736	\$78	\$10,659	46,418		\$11,354	-\$695	
Mar-23	\$15,851	\$96	\$15,755	48,035		\$11,749	\$4,006	
Apr-23	\$13,426	\$88	\$13,339	52,766		\$12,906	\$432	
May-23	\$17,609	\$81	\$17,527	57,504		\$14,066	\$3,462	
Jun-23	\$25,370	\$112	\$25,258	60,044		\$14,687	\$10,571	
Jul-23	\$20,628	\$64	\$20,564	62,606	0.2422	\$15,163	\$5,401	\$18,178
Aug-23	\$17,734	\$72	\$17,662	61,578		\$14,914	\$2,748	
Sep-23	\$17,986	\$100	\$17,887	58,616		\$14,197	\$3,690	
Oct-23	\$19,714	\$94	\$19,620	58,045		\$14,058	\$5,562	
Nov-23	\$16,449	\$77	\$16,372	58,626		\$14,199	\$2,173	
Dec-23	\$11,497	\$52	\$11,445	53,014		\$12,840	-\$1,395	

The Commission repeats once more that BEL's failure to provide a forecast up to June 2024 goes contrary to Section 33(2)(c)(a) of the Byelaw, which is states:

33. (1)

(2) (a) Subject to the rate setting methodology developed by the Commission, the final decision may be reviewed and amended to adjust the approved tariffs for the period January 1 to June 30 in any ATP, to account for any material variances between the Reference Cost of Power and the actual cost of power.

(b) ...

(c) Provided that the following procedure shall apply to the issuance of the amendments to the final decision:

(a) no later than 21 days prior to the commencement of the period referred to in (2)(a) above, the licensee shall (PUC emphasis) submit a new forecast for the cost of power for the said period;

(b) ...

(c) ...

(d) ...

(3) Any amendments made under paragraph (2) above shall be read and construed as one with the final decision.

2. ISSUES BEFORE THE COMMISSION

The Commission conducted a review of the submission made by BEL with the objective of arriving at its Decision. In reviewing the submission, the Commission contemplated the following questions:

- Question 1** Whether BEL sufficiently demonstrated that it incurred a higher Cost of Power (“COP”) over and above what was provided for in electricity tariffs during the period July 1, 2022, to December 31, 2023?
- Question 2** Whether BEL sufficiently demonstrated that it would continue to incur excess costs on electricity purchases between November 2023 to end of the ARP 2023|24?
- Question 3** Whether in all instances, BEL’s dispatching promotes fairness, minimizes costs and provides for better rate stability for its consumers?

In answering Question 1, the Commission found that BEL’s submission did not meet with the Commission’s requirements and BEL fail to use the Reference Cost of Power (“RCOP”) approved in Schedule 3 to the 2023 ARP Decision.

By adjusting BEL’s submission to reflect the above, BEL’s excess Cost of Power for the period amounted to \$9,851,824, rather than \$19,585,889 for the period July 2022 to June 2023 and \$22,103,578 rather than the \$37,763,882 for the period July to December 2023 as claimed (see comparative in Table 2 below):

Table 2

Cost of Power Variance BEL Actuals Cost of Power vs PUC Reference Cost of Power									PUC Analysis on the Variance to the RCOP				
BEL Submission													
Month	BEL Cost of Power Sold \$'000	Control Center \$'000	BEL COP Sold (excl CC) \$'000	MWH Sold Actuals	PUC Unit Reference Cost of Power	PUC Reference Cost of Wholesale	Variance (BEL COP - PUC RCOP) \$'000	Total Variance \$'000	Invoice Totals	PUC RCOP ARP 2023	PUC COP Approved	Variance from Invoice	Total Variance
Jul-22	\$16,201	\$89	\$16,111	54,179	0.2446	\$13,252	\$2,859	\$2,896	\$ 16,120	0.2609	14135.3	\$ 1,985	\$ (2,188)
Aug-22	\$15,951	\$57	\$15,894	54,568		\$13,347	\$2,546		\$ 15,936		14236.79	\$ 1,699	
Sep-22	\$14,996	\$132	\$14,864	54,866		\$13,420	\$1,444		\$ 14,805		14314.54	\$ 490	
Oct-22	\$11,039	\$76	\$10,963	52,359		\$12,807	-\$1,844		\$ 11,018		13660.46	\$ (2,643)	
Nov-22	\$10,603	\$84	\$10,519	50,156		\$12,268	-\$1,749		\$ 10,549		13085.7	\$ (2,537)	
Dec-22	\$11,787	\$98	\$11,689	49,262		\$12,050	-\$361		\$ 11,670		12852.46	\$ (1,183)	
Jan-23	\$10,145	\$57	\$10,088	45,680	0.2446	\$11,173	-\$1,086	\$16,690	\$ 10,126	0.2609	11917.91	\$ (1,792)	\$ 12,039
Feb-23	\$10,736	\$78	\$10,659	46,418		\$11,354	-\$695		\$ 10,724		12110.46	\$ (1,387)	
Mar-23	\$15,851	\$96	\$15,755	48,035		\$11,749	\$4,006		\$ 15,782		12532.33	\$ 3,249	
Apr-23	\$13,426	\$88	\$13,339	52,766		\$12,906	\$432		\$ 13,389		13766.65	\$ (378)	
May-23	\$17,609	\$81	\$17,527	57,504		\$14,066	\$3,462		\$ 17,619		15002.79	\$ 2,616	
Jun-23	\$25,370	\$112	\$25,258	60,044		\$14,687	\$10,571		\$ 25,396		15665.48	\$ 9,731	
Jul-23	\$20,628	\$64	\$20,564	62,606	0.2422	\$15,163	\$5,401	\$18,178	\$ 20,973	0.2422	16333.91	\$ 4,639	\$ 12,252
Aug-23	\$17,734	\$72	\$17,662	61,578		\$14,914	\$2,748		\$ 17,652		16065.7	\$ 1,586	
Sep-23	\$17,986	\$100	\$17,887	58,616		\$14,197	\$3,690		\$ 17,882		15292.91	\$ 2,589	
Oct-23	\$19,714	\$94	\$19,620	58,045		\$14,058	\$5,562		\$ 19,891		15143.94	\$ 4,747	
Nov-23	\$16,449	\$77	\$16,372	58,626		\$14,199	\$2,173		\$ 16,372		15295.52	\$ 1,076	
Dec-23	\$11,497	\$52	\$11,445	53,014		\$12,840	-\$1,395		\$ 11,445		13831.35	\$ (2,386)	

COP Variance July 2022 through to December 2023						
Period	Actuals		PUC Approvals		Difference	PUC Totals
	COP	Sales kWh	RCOP/kWh	RCOP	Actuals-RCOP	
Jul - Dec 2022	\$ 80,039,840	315,389,542	\$ 0.2446	\$ 77,144,282	\$ 2,895,558	(2,187,567)
Jan - Jun 2023	\$ 92,625,576	310,446,631	\$ 0.2446	\$ 75,935,246	\$ 16,690,331	12,039,391
Jul - Dec 2023	\$ 103,549,670	352,484,213	\$ 0.2422	\$ 85,371,676	\$ 18,177,993	12,251,754
COP overspent by BEL in ATP 22 23					\$ 19,585,889	9,851,824
<i>Forecasted COP overspent by BEL Jul 22 thru Dec 2023</i>					<i>\$ 37,763,882</i>	<i>22,103,578</i>

The Commission notes that the process of carry out an Amendment to the Annual Review Proceeding Final Decision is to make adjustment, over the upcoming six (6) months, for COP deficits that have occurred in the previous six (6) months and anticipated in the upcoming six (6) months. BEL's submission includes a request to recover COP for the period July 2022 to June 2023, which is outside of the year in review, and should in fact be treated as corrections under the upcoming ATP 2024|25.

In answering Question 2, the Commission observed that the forecast for the months of November and December 2023 did not include a forecast of dispatch to justify the figures and BEL failed to include its forecast for January to June 2024. As such, BEL has not provided sufficient justification or analysis to demonstrate with surety the excess costs on electricity purchases between November 2023 and June 2024.

Given the Commission's answers to Questions 1 and 2 above, the Commission determined that it will not undertake to answer Question 3 at this time.

3. COMMISSION DETERMINATION

1. Regarding the submission made by BEL; the Commission determined the following:
 - a) BEL's ARP 2023 Amendment Submission is rejected;
 - b) Schedule 6 of ARP 2023 Final Decision, Schedule of Tariffs, Fees and Charges remains unchanged for the January 1, 2024 to June 30, 2024.

4. OTHER MATTERS AND DETERMINATIONS

1. The Commission repeats that the burden rests with BEL to satisfy the Commission that its actions are prudent and its requests are justifiable.
2. The Commission notes that BEL has failed to comply with Section 33(2)(c)(a), wherein the Licensee is required to file a forecast for the remainder of the ATP. The Commission is of the view that this information is critical for the proper forecasting of COP.
3. The Commission observed that the extraordinarily high COP during the period under review was driven by a number of factors, as follows:
 - a) There was an extended heatwave between May and October 2023 which resulted in an increase in demand for electricity of around 33.2 GWh.

- b) Coupled with the heatwave, the country experienced a drought between June to November 2023, depleting the water resources necessary for the optimal operations of the Chalillo dam.
 - c) During the heatwave, BEL deployed CFE to its maximum capacity, BAPCOL and the biomass resources as available, complimented with the Gas Turbine.
 - d) BAPCOL then experienced operational challenges in May 2023, and was intermittently being used throughout the drought period. This was further compounded when the seasonal operations for the biomass plants ended in June and July 2023.
4. Given BAPCOL's performance, during the period in question, the Commission raises concern over capacity charges on invoices paid by BEL to BAPCOL. Going forward, the Commission intends to carefully examine the performance of all generating plants versus their availability and capacity charges.

DECISION OF THE COMMISSION

BELIZE:

ORDER made by the Public Utilities Commission (hereinafter referred to as “the Commission”) in exercise of the powers conferred upon it by the Public Utilities Commission Act, Chapter 223 of the Laws of Belize, Revised Edition 2020, the Electricity Act, Chapter 221 of the Laws of Belize, the Electricity (Tariff, Fees and Charges) Byelaws, and all other powers thereunto the Commission enabling.

Short title. 1. This Order may be cited as the:

BELIZE ELECTRICITY LIMITED 2023 ANNUAL REVIEW PROCEEDING FINAL DECISION AMENDMENT

**Decisions
and
Orders.**

2. In respect of the Final Decision for the 2023 Annual Review Proceeding (ARP) for the Belize Electricity Limited (BEL) for the determination of Regulated Values, Mean Electricity Rates, Tariffs, Fees and Charges for the Annual Tariff Period (ATP) of July 1, 2023, to June 30, 2024, the Commission hereby makes the following Decisions and Orders:

(a) The Commission hereby reaffirms the Tariffs contained in the Schedule 6 of the ARP 2023 Final Decision for the period January 1, 2024 to June 30, 2024 as attached hereto and orders BEL to levy the said Tariffs in respect of the relevant services it is licensed to provide;

(b) The Commission approves no adjustments to any other previously approved Regulated Values, Mean Electricity Rates and Tariffs, Charges and Fees contained in the **BELIZE ELECTRICITY LIMITED 2020-2024 FULL TARIFF REVIEW PROCEEDING FINAL DECISION** and any other relevant

**BELIZE ELECTRICITY LIMITED ANNUAL REVIEW
PROCEEDING FINAL DECISION**, and hereby orders BEL to
continue to levy the said previously approved Tariffs, Charges and
Fees in respect of the relevant electricity services it is licensed to
provide.

MADE by the Public Utilities Commission this day of , 2024.

(DEAN MOLINA)

Chairman, Public Utilities Commission

Schedule 6

Belize Electricity Limited (BEL)

Rate Review for ARP 2023 | 2024

Approved Tariffs for Full Tariff Period (FTP) - July 1, 2023, to June 30, 2024

FULL SERVICE TARIFFS

Customer Class	Service Type/ Consumption Block	Rate/Tariff \$/Mth; \$/KVA; \$/KWhr
Social	0 - 60 KWhrs	0.22
	Minimum Charge	5.00
Residential	0 - 50 KWhrs	0.33
	51 - 200 KWhrs	0.38
	> 200 KWhrs	0.43
	Minimum Charge	10.00
Commercial 1	0 - 50 KWhrs	0.33
	51 - 200 KWhrs	0.38
	> 200 KWhrs	0.43
	Minimum Charge	10.00
Commercial 2	Service Charge	150.00
	0-10,000 KWhrs	0.41
	10,001-20,000 KWhrs	0.39
	> 20,000 KWhrs	0.38
Industrial 1	Service Charge	250.00
	Demand (KVA)	35.82
	Energy	0.30
Industrial 2	Service Charge	250.00
	Demand (KVA)	23.00
	Energy	0.26
Street Lights	Energy	0.45