



# THE PRIVATE SECTOR ORGANISATION OF JAMAICA

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## **For Immediate Release**

### **PSOJ Release re the Energy Monitoring Committee and the Status of the 360 Megawatt Project**

#### **Kingston, Jamaica:**

The PSOJ has noted an article in today's Sunday Gleaner that quotes unnamed sources as saying that “the Energy Monitoring Committee (EMC) established by the Government to police the proposed 360 Megawatt generation facility, is expected to be disbanded this week.”

The central mandate of this committee, whose terms of reference has been approved by the Cabinet, is to ensure that the bid process is followed in the manner prescribed by the Office of Utility Regulation (‘OUR’) and that at the culmination of the process, the price of electricity provided by the Licensee to JPS does not exceed US\$0.1288/KWH.

The EMC is made up of 9 members and is co-chaired by Dr Carlton Davis and Mr Peter Melhado from the public and private sectors, respectively. In order to pursue its mandate, it is expected that the committee would monitor 5 key areas during the process:

- the acquisition of fuel for generation;
- the installation of the necessary infrastructure to distribute the fuel;
- a bankable Power Purchasing Agreement between the Licensee and JPS;
- the construction of the generating units against agreed timelines/budgets;
- proper financing arrangements to underpin all of the above.

The PSOJ is therefore extremely concerned by this statement as the disbanding of the EMC would not serve the best interests of the country and would only serve to further cloud this critical project in secrecy and a lack of transparency.

“We really hope this is not true, as a move such as this by the Government would serve no good purpose and would further damage the credibility of this generation project. It would also, in my opinion, set back in a significant way the progress we have made as a country in the social partnership, and call into question the value of such partnership”, said Christopher Zacca, President of the PSOJ.

At this juncture the PSOJ is compelled to ask the following questions of the Government:

1. Has the license which was recommended by the OUR on March 26<sup>th</sup>, 2014 yet been signed by the Minister of Energy?
2. If so, has it been transmitted to EWI, and on what date did it take legal effect?
3. Does the license contain critical safeguards for Jamaica, including the extremely critical 5% Performance Bond which must be provided by EWI within ten days of the date of effect of the License?

The PSOJ views these safeguards as essential and non-negotiable.

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