

May 5, 2014

**The Jamaica Chamber of Commerce (JCC), the Jamaica Manufacturers Association (JMA), and the Private Sector Organisation of Jamaica (PSOJ)
Remain Committed to Position on 381 MW Project**

Kingston, Jamaica:

The JCC, JMA, and the PSOJ note the comments attributed to the Energy Minister over the week-end and the published statement from the Minister on the 381 Megawatt Project and EWI.

The three organizations remain concerned as these comments do not provide adequate responses to the four main points that have lead us to suspend our involvement in the EMC and call for a rescinding of the license to EWI.

We do however note that the Contractor General has made it clear that he and his office will not be swayed or influenced to change their position on the process of procurement not being in compliance with the prescribed Government procurement process.

We also note with concern that the Minister has indicated that he will be providing EWI with a further extended timeframe in which to complete the posting of the required unconditional performance bond, which from the second license issued on April 14th, is now some 11 days overdue. We have to ask why the rules are being changed or relaxed for EWI when the first bidder Azurest Cambridge was removed immediately from the process when they did not post their bid bond on time. **How many sets of rules are we working with?**

In summary we have not seen any evidence that the Minister of Energy has addressed the main concerns that we previously raised:

- That the amended license was substantially weakened by the Minister with no reference to the EMC, and it now appears with no advice from the OUR. This amended license in our view lacks adequate safeguards to protect the people of Jamaica and ensure the promised lowering of electricity costs within the required timeframe.
- That EWI has failed to post their US\$37 Million performance bond within the required timeframe as required from day one by the OUR in their instructions for final proposal dated May 27th 2013.

- That the original US\$7 Million bid bond posted by EWI has expired and therefore Jamaica no longer has any protection or call on this potential supplier.
- That the IDB has clearly indicated that they will not finance the project as currently configured. This makes the financing of the project unlikely.

As such the JCC, JMA, and the PSOJ remain committed to our previous position and we call on the Hon. Prime Minister to ensure that:

1. The current process be aborted and the License rescinded by the Cabinet.
2. The EMC be disbanded and replaced by a joint public / private Energy Enterprise Team.
3. The Energy Enterprise team should be appointed by the Hon. Prime Minister and report administratively to the Office of the Cabinet through the Cabinet Secretary.
4. The Enterprise Team to be tasked with recommending the next steps in the process to the Cabinet as soon as is possible.

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