

## **ENERGY MONITORING COMMITTEE (EMC)**

**February 1, 2014**

**For Immediate Release**

### **Energy Monitoring Committee (EMC) Urges Further Due Diligence in 360 MW Project Prior to OUR Decision on License**

**Kingston, Jamaica:**

The Energy Monitoring Committee (EMC) in recent weeks has had further meetings with the Office of Utilities Regulation (OUR) as it seeks to fulfill its mandate of ensuring that the Preferred Bidder honours its commitments with respect to project implementation and pricing.

Since the last communication, a number of significant events have taken place, namely the ratification of the Power Purchasing Agreement (PPA) and the submission of the Due Diligence Report by the Revenue Protection Division of the Ministry of Finance & Planning to the OUR.

We have not yet received specific information on the PPA, as we are awaiting consent from the counterparties to that agreement; however, we expect to have a summary of the key terms by early next week. This information will allow us to monitor commitments made by the Preferred Bidder on an on-going basis with respect to their role as the power provider in the PPA.

As it relates to the Due Diligence Report, while we understand the confidentiality of such a document, given that reports of this nature typically cite sources who give testimony and thereby need to be protected, we have requested, through the OUR, that this report be released in an abridged version to the EMC and other important stakeholders.

The next step in the bid process is the granting of a license to the Preferred Bidder. Based on the information available to us, we believe that there are a number of important items that require further due diligence before the OUR can make a positive recommendation to the Ministry of Science Technology Energy and Mining. These include:

- A thorough absorption of any substantive information in the Due Diligence Report followed by a forum to solicit the Preferred Bidder's responses to these potential issues;
- Gaining a better understanding of the progress of current projects being pursued by EWI-related entities to ensure there are no adverse ramifications for Jamaica's bid;
- Focusing on the financial capability of the Preferred Bidder, including evidence of commitment with the usual qualifiers from its bankers/equity sources, as would be expected in a project that is greater than US\$700 Million in size.

We are reassured by the fact that the OUR is vigorously pursuing these and other issues and as such, has arranged meetings with the Preferred Bidder's representatives next week. The EMC will be conducting further meetings with the OUR prior to its issuing of a recommendation to the Minister and publicly thanks the OUR for its facilitation of the Committee and for being open to inputs from EMC members.

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