
UTILITY REGULATION AND COMPETITION OFFICE

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FOR IMMEDIATE RELEASE

URCO Confirms Agreement on Certificate of Need: A Practical Outcome for Grand Cayman's Energy Future

The Utility Regulation and Competition Office (URCO) confirms that it has reached an agreement with Caribbean Utilities Company, Ltd. (CUC) and have settled the legal proceedings initiated by CUC relating to the Certificate of Need (CON) determination issued by the URCO in April 2025. This settlement is reflected in a Consent Order which sets out the agreed way forward for initiation of the competitive bid process ('the Generation Solicitation Process') in respect of firm generation needed in the future, as required by CUC's T&D Licence, and has resulted in CUC withdrawing its application for Judicial Review.

As part of this approach, CUC has committed to submitting a revised CON, this time in the prescribed format, by 5 September 2025, covering projected firm generation requirements from 2027 onward. Concurrently, the Office has rescinded its 24 April 2025 CON Determination, which is effectively made redundant by the withdrawal by CUC of its original CON.

This will now enable the Generation Solicitation Process to move forward in an expeditious manner with the objective of securing Grand Cayman's future firm generation needs by way of a fair and transparent competitive bidding process, so as to obtain the best reliability and value for money for Grand Cayman's electricity consumer base..

"We welcome this practical resolution," **said Sonji Myles, Interim CEO of URCO.** "While the Office stands by the principles underpinning its original determination, we have always believed that regulatory clarity and process integrity can and should be achieved without protracted litigation at the cost of the people. We are grateful that CUC has agreed to focus its efforts on resubmitting the CON rather than pursuing court action, which we both agree would not have served the public interest."

UTILITY REGULATION AND COMPETITION OFFICE

The initial CON submission from CUC (June 2024) included multiple generation options, with the 90.1 MW proposal being considered by URCO to be the most suitable. The Office's April 2025 determination acknowledged the importance of advancing firm generation capacity planning, so as to ensure reliability of the grid, but noted that the format of the submission did not fully comply with the established requirements.

More importantly, both parties have reaffirmed their shared understanding that renewable technologies which are proven to be capable of meeting firm capacity standards, such as through effective hybridisation and battery integration, can be considered alongside traditional generation options.

"The Board of URCO remains committed to practical, principled regulation, **said Mr. J. Samuel Jackson, Chairman of the Board.** "This outcome protects the integrity of the regulatory framework vis-à-vis a competitive bidding process for firm power generation, while allowing for renewables to prove their viability as firm generation, which has always been enshrined in the CUC T&D Licence since its inception in 2008. URCO remains committed to enabling the progression of cleaner energy generation in a way that is practical, secure, accountable and fair to consumers, whilst maintaining the necessary reliability of the grid ."

This settlement of the Judicial Review proceedings underscores URCO's role as a forward-looking regulator that is both principled and pragmatic. It also reflects a mutual interest between URCO and CUC in avoiding unnecessary delays and the significant costs of litigation whilst ensuring that the consumer base of the Grand Cayman benefits from reliable, well-planned, and cost-effective energy infrastructure.

This development comes at a critical time, as URCO concurrently leads other key initiatives, including the 22.5 MW Dispatchable Solar RFP issued on 3 July 2025, with bid submissions due by 2 October 2025.

"This resolution clears the path for us all to move forward," **said Mr. McCleary Frederick, Executive Director of Energy.** "The Office remains firmly focused on ensuring energy security, affordability, and a responsible transition to sustainable

UTILITY REGULATION AND COMPETITION OFFICE

energy. We appreciate CUC's engagement on this matter and look forward to reviewing their resubmission."

As is custom, the Office will evaluate the revised CON in accordance with the terms of CUC's Licence, applicable legislation and best practices and then publish a new determination and RFP in due course.

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