



PUBLIC UTILITIES COMMISSION

FINAL DECISION (2025 ANNUAL REVIEW PROCEEDINGS)

for

Belize Electricity Limited

12 June 2025

PUBLIC UTILITIES COMMISSION

FINAL DECISION BY THE PUBLIC UTILITIES COMMISSION IN THE MATTER OF BELIZE ELECTRICITY LIMITED ANNUAL REVIEW PROCEEDINGS, FOR THE ANNUAL TARIFF PERIOD 2025|2026.

I. INTRODUCTION

1. On April 4, 2025, Belize Electricity Limited (“**BEL**”) submitted to the Public Utilities Commission (the “**Commission**”) its Rate Case Submission (“**the Submission**”) for the Annual Tariff Period 2025-2026 pursuant to the Electricity (Tariffs, Fees and Charges Standards) Byelaws, S.I. 145 of 2005 as amended by S.I. 116 of 2009 and S.I. 21 of 2012 (the “Byelaw”).
2. On May 16, 2025, the Commission issued its Initial Decision, which provides for no adjustments to the tariffs, fees and charges to be levied for electricity services for the period July 1, 2025 to June 30, 2028 notwithstanding BEL’s request to increase tariffs with effect from January 1, 2026 to June 30, 2028.
3. Between May 19, 2025 and May 29, 2025, the Commission held publicly advertised consultation in an effort to generate commentary on its Initial Decision regarding BEL’s submission.
4. At the close of the consultation period, the Commission received one (1) response in the form of a letter dated May 29, 2025 from BEL as licensee.
5. Byelaw 23 stipulates that where the licensee objects in writing to the Commission’s Initial Decision, the Commission shall appoint an Independent Expert to review the Commission’s decision and the licensee’s objection and make recommendations as appropriate. The full text of BEL’s letter is attached as Annex 1 to this Final Decision wherein BEL makes no explicit request for the appointment of an Independent Expert and neither the form nor substance of the letter indicates that

the licensee protests or takes exception to the Initial Decision. The Commission therefore finds no reason to activate Byelaw 23 to appoint an Independent Expert and instead provides a response to the single request for further consideration made by BEL in its letter.

6. In its Initial Decision, the Commission denied BEL's request to increase rates with effect January 1, 2026, citing statutory limitations, specifically, Section 34 (2) which makes clear that any decision to adjust tariffs for an ATP shall become effective on the first day of the ATP, in this case July 1, 2025, and can only be amended thereafter as per Section 33 (2) in an ARP Amendment Proceeding to account for any material variances between the Reference Cost of Power and actual Cost of Power, with such rate changes to take effect January 1, 2026. In response, BEL requested that the Commission consider an alternative interpretation of the Byelaw which would, in their view, provide the PUC with the legal basis to consider and approve "...differentiated rates for different portions of the ATP." This alternative interpretation rests squarely on the segment of Section 34 (2) which states that the amended rates become effective on the first day of the ATP *regardless of the date upon which the Commission's final decision is issued*. BEL suggests this to mean that the PUC retains authority to vary rates within an ATP, including adjustments that apply to part of the ATP, as long as the final decision is deemed effective from the start of the ATP.
7. The Commission finds BEL's interpretation goes beyond the intended scope of the regulation and is not supported by the overall statutory scheme. Section 34 (2) is complemented by, and must be read in conjunction with, Section 34 (3) which states that "...Licensee shall, in accordance with the directions of the Commission, rebate to or recover from consumers any excess or shortfall in revenues arising as a result of the Commission's final decision being issued after the first day of the ATP in subsequent customer bills". This makes it clear that statutory intention of Section 34 (2) is to provide for final decisions which, for whatever reasons, experienced short delays and are issued later than the first day of the ATP. It is not a blanket

authorization for the PUC to review or amend and implement rates at any point within a fixed tariff period.

8. It remains a core objective of utility regulatory processes to provide reasonably stable and predictable rate levels to rate payers to allow consumers to effectively budget and manage their utility expenses. An interpretation of the statute as proposed by BEL would authorize the PUC to adjust rates more frequently than desirable in a market where price stability is a major concern for consumers. The Commission takes this opportunity as well to remind the Management of BEL of its fiduciary obligation to investors to present rate cases that provide for the timely recovery of its costs and that are reflective of its cash requirements to ensure financial sustainability. BEL's request for a rate increase is premised on the "...urgent need for cost recovery, given the escalating pressures on system stability, infrastructure investment, and imported energy costs." The licensee warns that "...without timely adjustments to reflect these rising costs, there is a risk that financial strain on BEL could ultimately impact reliability and affordability of electricity services for customers." Yet BEL has and continues to defer price increases into the future while making significant financial commitments, notably the implementation of a countrywide change out of metering devices without any firm claim for cost recovery of these investments. The licensee must be mindful that while the regulations guarantee a reasonable return on investments deemed used and useful for consumers as well as the recovery of cost of power, the utility bears the risk of loss on those investments not properly authorized in and/or supported by approved rate cases as well as the risk of loss associated with imprudent energy supply decisions.
9. Given the aforementioned considerations, the Commission's interpretation of the Byelaw and the derived decision on the timing of rate adjustments holds. BEL has made no request to increase rates on July 1, 2025 as per the rules governing Annual Review Proceedings and has provided no new information relating to the capital expenditures and operating expenses approved in the FTRP to substantiate an

increase to those approved costs. BEL is invited to request an amendment to the rates in December if such an amendment is warranted on the basis of any material variances in the cost of power or otherwise to resubmit the rate case in its entirety under the anticipated revised Byelaw when enacted and following the procedures to be enumerated therein.

10. The Commission restates its view that, as per Section 31 and 32 of the Byelaw, the Commission is precluded from setting rates retrospectively to recover costs that were not properly authorized in and/or supported by a rate case decision when such costs were due for approval of recovery. If the Commission does not receive an objection it is mandated by Section 31 (3) to adopt its initial decision. In other words, the Byelaw precludes the Commission from revisiting the decisions taken in previous rate filings where the licensee does not object to the Initial Decision within the ten days specified in Section 31 (1) of the Byelaw, or where the licensee does object provided that an Independent Expert was appointed and their report received and considered as required by the regulations.

11. Given the above, the Commission HEREBY APPROVES its Initial Decision made on May 16, 2025.


DEAN MOLINA
Chairman
Public Utilities Commission

DECISION OF THE COMMISSION

BELIZE:

ORDER made by the Public Utilities Commission in exercise of the powers conferred upon it by the Public Utilities Commission Act, Chapter 223 of the Laws of Belize, the Electricity Act, Chapter 221 of the Laws of Belize, Byelaw 20 of the Electricity (Tariff, Fees and Charges) Byelaws, as amended, and all other powers thereunto the Commission enabling.

Short Title.

1. This Order may be cited as the:

**BELIZE ELECTRICITY LIMITED 2025 ANNUAL REVIEW
PROCEEDING FINAL DECISION**

**Decisions and
Orders.**

2. The Belize Electricity Limited ("**BEL** or *the Company*") submitted its filing for its Annual Review Proceedings on April 4, 2025 (the "**Filing**") for the determination of regulated values, mean electricity rates, tariffs, rates, charges and fees for the Annual Tariff Period (ATP) July 1, 2025, to June 30, 2026.
3. The Public Utilities Commission (the "**Commission**") hereby makes the following Decisions and Orders:
 - (a) The Commission hereby maintains the Decisions and Orders made in Belize Electricity Limited (Full Tariff Review Proceedings) Final Decision Order, 2024, dated 30 October 2024 (the "**Final Decision of FTRP 2024**");
 - (b) The Commission hereby maintains the Tariffs as set out in Schedule 1 hereto, and hereby orders the Belize Electricity Limited (BEL) to levy the said Tariffs in respect of the electricity services it is licensed to provide;
 - (c) The Commission approves no adjustments to any other previously approved Regulated Values, Mean Electricity Rates and Tariffs, Charges and Fees contained in the Final Decision of FTRP 2024 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.

- (d) On or before the 30th day of June, 2025, BEL shall make a comprehensive filing, including the proposed rates to be charged by Synergy Power Belize Limited, for approval by the Commission;
- (e) On or before the 31st day of July, 2025, BEL shall make a comprehensive filing, including all relevant data and analysis, to support the Company's proposed new Cost-Reflective Tariff Structure;

Amendment

- 4. This Order may be amended at any time during an Annual Review Proceeding (ARP) within the FTP, subject to the provisions of the Electricity (Tariff, Fees and Charges) Byelaws, as amended.

MADE by the Public Utilities Commission this 12th day of June, 2025.


(DEAN E. MOLINA)
Chairman, Public Utilities Commission

SCHEDULE 1
Belize Electricity Limited (BEL)
Rate Review for ARP 2025/2026
Approved Tariffs for Annual Review Period (ARP) - July 1, 2025, to
June 30, 2026

Belize Electricity Limited (BEL)
Approved Tariffs for Full Tariff Period (FTP)
September 1, 2024, to June 30, 2028

General Rate		
Customer Class	Service Type/ Consumption Block	Rate/Tariff s/MWh; s/KVA; s/KWh
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, 000KWhrs	0.41
	10,001-20, 000KWhrs	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

Belize Electricity Limited (BEL)
Approved Tariffs for Full Tariff Period (FTP)
September 1, 2024, to June 30, 2028

Demand Rate		
All Classes	Demand (KVA)	30.00
	Energy: Peak	0.35
	Energy: Off-Peak	0.30
FEED-IN TARIFFS		
All Classes	Energy	0.13
<p>Note: All customers (Prosumers) operating under: SI No. 39 of 2024 ELECTRICITY LICENSING AND CONSENT REGULATION, will be billed by Belize Electricity Limited using this Schedule (6B).</p> <p>Any regular customer can voluntarily apply switch from Schedule 6A to Schedule 6B</p>		

ANNEX I – COMMENTS FROM BEL AS LICENSEE

BELIZE ELECTRICITY LIMITED

2 ½ Miles Philip Goldson Highway | P.O. Box 327
Belize City, Belize C.A.
Telephone: 501.227.0954 | Fax: 501.223.0891



29 May 2025

Mr. Dean Molina
Chairman
Public Utilities Commission
#4 Princess Margaret Drive
2nd Floor, Marina Towers
Belize City, Belize

Dear Chairman Molina,

Re: Comments on the PUC's Initial Decision for BEL's ARP 2025 Submission

Belize Electricity Limited ("BEL") acknowledges receipt of the Public Utilities Commission's (PUC) Initial Decision on BEL's 2025 Annual Review Proceeding ("ARP"), issued by letter dated May 19, 2025. We thank the PUC for its review, as well as for the constructive engagement during the ARP process, including the meeting of April 9, 2025.

BEL expresses its appreciation for the PUC's recognition of the urgent need to review and reform the Electricity (Tariffs, Fees, and Charges) Byelaws to ensure greater flexibility in rate-setting and alignment with the evolving needs of the sector. This shared recognition is a critical step forward for the sector, and BEL is committed to working collaboratively with the PUC and relevant stakeholders to support the development of an updated regulatory framework that reflects evolving sector dynamics, technological advancements, and the need for cost-reflective pricing. We also confirm BEL's commitment to supporting the review process in line with the Commission's timeline. BEL also urges the Commission to consider the following:

1. BEL's Perspective on the PUC's Initial Decision

While BEL acknowledges the PUC's position as outlined in the Initial Decision, particularly the interpretation that the current Byelaws do not provide for adjustments to tariffs mid-way through a Full Tariff Period ("FTP"). BEL respectfully offers an alternative interpretation of the Byelaws, which it believes may provide the PUC with the legal basis to consider and approve adjustments to rates and tariffs within an ATP, where necessary, to achieve the statutory objectives of the Electricity Act and the Byelaws.

BEL's understanding is that the Byelaws, specifically Byelaws 4(3), 28, and 34, do not explicitly preclude the PUC from considering and approving rate adjustments that may take effect during a tariff period. Rather, the Byelaws empower the PUC to determine the applicable rates, tariffs, and charges for the ATP in a manner that promotes the overarching statutory objectives of the Electricity Act and the Byelaws, including the principles of cost recovery, reasonable return on investment, and maintaining service reliability.

Web: www.bel.com.bz

Email: info@bel.com.bz

Toll Free:

0.800.235.2273

Specifically, BEL submits that:

- The PUC retains the authority to determine rates that may vary within an ATP, including the possibility of an adjustment that applies to part of the ATP, as long as the final decision is deemed effective from the start of the ATP in accordance with Byelaw 34.
- The statutory framework and ratemaking principles under Byelaw 4(1) envision a flexible, responsive approach that allows for adjustments where necessary to ensure cost recovery and fair allocation of costs, particularly in the context of emerging challenges such as rising energy import costs and inflationary pressures.
- BEL interprets Byelaw 34(2) as requiring that the PUC's final decision takes effect from the start of the ATP, but does not necessarily impose a requirement for a uniform rate across the entire period. In this view, the PUC retains discretion to determine differentiated rates for different portions of the ATP, provided this is done within the statutory framework.
- Furthermore, BEL's submission, consistent with the Byelaws, is a proposal for the Commission's consideration. The Commission retains full authority to determine the final rates, tariffs, and charges, including the timing of their application, based on the evidence and analysis presented.

BEL requests that the PUC considers the above and whether, within the current framework, interim measures could be adopted to support the urgent need for cost recovery, given the escalating pressures on system stability, infrastructure investment, and imported energy costs. Without timely adjustments to reflect these rising costs, there is a risk that the financial strain on BEL could ultimately impact the reliability and affordability of electricity services for Customers. By addressing cost recovery needs in the near term, the PUC can help to mitigate potential disruptions, safeguard ongoing investments in critical infrastructure, and ensure the continued delivery of safe, reliable, and sustainable electricity to Customers.

2. Collaborative Pathway for Reform of Byelaws:

BEL respectfully submits that the PUC considers establishing a collaborative pathway towards the urgent amendments or repeal and replacement of the identified Byelaws. BEL also confirms its readiness to support the PUC's efforts to review and amend the Byelaws, including providing technical input and sector-specific insights.

3. Separate Filings for Demand Charge Rates and Synergy Power Belize Limited:

BEL acknowledges the PUC's decision to treat the following matters outside of the ARP submission:

- The establishment of a wholesale generation subsidiary. Synergy Power Belize Limited (SPV), by June 30, 2025, and
- Refinement of the Demand Charge Rate and Time-of-Use (TOU) tariffs by July 31, 2025. BEL takes the opportunity to confirm that an internal team has been established and is actively working on the supporting model that will underpin BEL's forthcoming rate proposal. BEL is fully committed to engaging with the PUC to ensure that this proposal is submitted within the Commission's established timelines.

4. Refiling of Submission After Amendment/ Replacement of Byelaws

BEL notes the PUC's indication that the ARP 2025 submission, including the proposed rate adjustments, capital expenditure approvals, and cost-recovery mechanisms, must be refiled once the Byelaws are amended. BEL seeks clarity and specific guidance from the Commission on the applicable procedure for such refileing.

5. License Renewal Application

BEL takes the opportunity to thank the PUC for its recent correspondence dated May 27, 2025 communicating a Notice of Proposed Modification of License extending BEL's Licence for a period of one year to allow for full completion of the regulatory, administrative and procedural processes under the new Licensing and Consent Regime. We await the full outcome of this following the public consultation portion of the proceedings.

Finally, BEL appreciates the PUC's consideration of its perspectives on the ARP 2025 Initial Decision and respectfully requests that the PUC, in its Final Decision, reflect on the alternative legal interpretation provided herein; and consider whether interim measures may be implemented to support cost recovery objectives while the broader Byelaws reform process is underway.

BEL remains committed to a collaborative, solutions-oriented approach and looks forward to continued dialogue with the Commission to advance the sustainable and reliable delivery of electricity services to all Belizeans.

Sincerely,



Selene Solis
For John Mencias
Belize Electricity Limited