

## MEDIA RELEASE

### THE RA CAUTIONS BELCO ABOUT PURPOSELY MISLEADING THE PUBLIC

**August 8, 2022, Hamilton, Bermuda:** In response to public outcries regarding ongoing soot emissions in the local community, the Regulatory Authority of Bermuda ('the RA') cautions BELCO about purposely misleading the public.

The RA is aware that senior representatives of BELCO have made concerted public relations efforts to misinform the public about its North Power Station ('NPS' or 'the plant') and that a senior BELCO representative has been selective with the information that was shared with the public. The representative openly stated that their plant was supposed to burn natural gas, not what it is burning today. They further assert that this is the genesis of the problems they are facing with respect to the plant and soot emissions.

As the RA is an independent body which regulates BELCO, we feel it is imperative to provide a summary of facts.

1. In December 2017, BELCO made representations to the RA that they had a dire need to build the North Power Station. Their proposal included a design for a dual-fuel power plant, which can operate on either oil or liquified natural gas (LNG). **BELCO suggested that oil would be deployed in the first instance and IF at some point in the future the country decided to go toward liquified natural gas (LNG), the plant could then be readily updated to switch to the liquified natural gas.**
2. The RA requested further information from BELCO, and based on all the information received from BELCO, the RA approved BELCO's proposal in its entirety for \$118 million dollars to build the NPS and their battery system. No modifications were made to their proposal, and therefore, the RA expected that BELCO would deliver what it promised.
3. Yet, after receiving permission from the RA, BELCO built the North Power Station to optimize Liquified Natural Gas *first*. It made the decision based on its assumption that the public and the RA would readily accept liquified natural gas for energy generation at that time.
4. **However, when the RA conducted several public consultations on the Integrated Resource Plan (IRP) Proposal, which BELCO created and several alternative generation proposals from the public, there was little support for liquified natural gas.**
5. The RA took no position regarding the safety aspects of natural gas in the local residential area. Any representations that the RA provided erroneous information to the public regarding the safety aspects of natural gas are incorrect.

**The RA advises that if the issue is that the BELCO plant was configured for natural gas and now has been retrofitted for liquid fuels, which is still problematic, BELCO should address**

technical issues and mechanical issues with the vendor and hold them accountable to make the necessary repairs as a matter of urgency.

Finally, the RA cautions BELCO about making any further misleading statements to the public regarding the North Power Station. If it continues to do so, the RA will consider all options available to it.