

BEL, General Electric sign contract for gas turbine generator

BELIZE CITY, Thurs. Aug. 29, 2002

The Belize Electricity Limited (BEL) and General Electric Package Power Inc. (GE) signed a contract today for the utility's purchase of a gas turbine generator set from GE. The signing took place this evening, August 29, 2002 at BEL's corporate headquarters.

According to BEL's Vice President Energy Supply Derek Davis, the 22.8 megawatt ISO-rated gas turbine generator set will provide much needed energy supply to help the utility meet peak power demand and also serve as back-up in case of loss of supply from main energy sources.

"Presently, BEL has very limited backup capacity," said BEL's Vice President Energy Supply, Derek Davis. "As a result, when we lose the Mexican supply, large portions of the country are left without power for

extended periods. With the gas turbine on-line, we will be in a position to significantly minimize power outages in the event of a failure on the national grid. In addition, we will be able to use power generated by the gas turbine, during peak hours, instead of the more expensive Mexican power."

There are a few other reasons why the electric utility needs this gas turbine, as well.

"In situations where we have a total outage, we need a large unit like the gas turbine to be able to re-energize the grid in a reasonable period of 10 to 15 minutes. The gas turbine will allow us to do this," Davis said. "Without this gas turbine, it takes anywhere from 1 1/2 to 2 hours for us to restore power supply."

Davis said BEL decided on the gas turbine based on the results of an economic analysis. The analysis showed the gas

turbine as the most economic of the various options analyzed to meet peak energy demand. Furthermore, the LM2500 Model gas turbine that BEL is procuring from GE is a very popular model and more than 500 of these units are running on liquid fuel worldwide. Gas turbines are also being used in other Caribbean countries such as Barbados, Trinidad, and Jamaica.

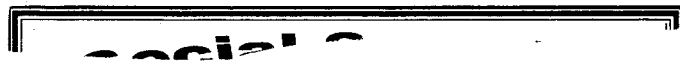
The contract this evening is valued at approximately US\$8.8 million, including the purchase of the gas turbine unit; shipping costs from the United States to Belize; engineering and design services; and installation supervision. The schedule is for an 8-month delivery, and it is anticipated that the installation will be complete by the middle of June 2003.

BEL has selected Mile 8 on the Western Highway as the preferred location for the

gas turbine unit. This location was selected because of its proximity to the Belize/Ladyville load center, which accounts for 50 percent of the energy demand. This is also the central point of BEL's national grid and therefore if there were a major loss of supply, BEL would be able to restore power to the bulk of its customers promptly.

An Environmental Impact Assessment (EIA) started at the end of June will determine the impact the gas turbine will have on the environment at the preferred location at Mile 8 on the Western Highway. The EIA is scheduled for completion by the end of September 2002. Initial indications from the EIA consultants, however, are that noise pollution and smoke emissions will be insignificant and nearby residents will not be adversely affected.

- BEL press release -



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