



## BPL PRESS STATEMENT

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**TO:** MEDIA

**FROM:** BAHAMAS POWER AND LIGHT COMPANY LIMITED (BPL)

**DATE:** November 6, 2019

**SUBJECT:** **BPL Applauds Introduction of Rate Reduction Bond Bill**

### FOR IMMEDIATE RELEASE

**NASSAU, NP** – Today Dr. Donovan Moxey, Chairman of Bahamas Power and Light Company Ltd. (BPL) Board of Directors, applauds the introduction of a new Rate Reduction Bond Bill in Parliament. The bill will allow BPL to restructure more than \$321 million of inherited debt. Additionally, it will raise around \$350 million in new funding for BPL to invest in modern power generation that is cleaner, more efficient, reliable and ultimately will lead to cheaper electricity costs. BPL needs a smart injection of capital to allow the company to fix legacy issues and make strategic investments in the company's assets, people, processes and technologies. The Board acknowledges that it is essential to stabilize the cost of electricity and take the steps today to ensure the delivery of reliable, consistent power for all BPL customers.

"When this board came to BPL, we inherited a massive challenge. To right the ship and get our fiscal house in order so we can start delivering consistent, reliable power at a lower cost to our consumers, we need to take actions like passing the updated Rate Reduction Bond Bill," Moxey said. "BPL's massive debt is an anchor around our necks as we try to fix problems and invest in the future. The Rate Reduction Bond Bill will allow us to restructure the debt and access much needed capital after years of misplaced priorities and inadequate investment in the entity."

The Rate Reduction Bond will help BPL to achieve long-term stability at a rate that will be fixed over the life of the bond. It further provides greater access to capital without the need for a government guarantee. Costs associated with servicing the bond will be lower on an annual basis because payments will be stretched over a longer period of time.

"Ultimately, this legislation will help lead to lower costs for our customers while allowing us to deliver consistent, reliable power to all Bahamians," Moxey continued. "We wish to applaud those who have taken time to craft the bill as this legislation will have real and meaningful impact on the BPL customer base and the country as a whole."

"We know full well that BPL customers are frustrated with the load-shedding being experienced by our customers," Moxey said. "It is the intent of the new Board of Directors at BPL to ensure that no Bahamian family ever has to deal with that type of crisis again."

Moxey concluded by saying, "The reality of what we found upon taking over the management of the company is that urgent action cannot wait. We must stabilize BPL's finances if we are going to position ourselves for the future. This bill will lead to better outcomes for all our customers. Once implemented, we anticipate an adjustment period as the billing structure changes to adapt to the new bond. In the end it will essentially function as a short-term deposit to help us achieve the necessary long-term savings as fuel delivery costs decrease when Station A comes online by the end of the year."

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