

## LUCELEC Improving Generation Capacity

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St. Lucia Electricity Services Limited (LUCELEC) has taken major steps to improve its generation capacity.

Last month (November) the Company commissioned two new mobile Caterpillar generators at the Union Power Station with a combined capacity of 2.5 megawatts (MW). The main purpose of these generators are to ensure that the Company is able to provide electricity in the event of major disruptions to the network as experienced in 2010 with Hurricane Tomas, or in instances when other generators are unavailable due to planned maintenance or unplanned events. As such, they will be run only if needed. They also provide the company with required spare generating capacity as mandated under the Electricity Supply Act (as amended).

Additionally, this month (December) LUCELEC finalised a contract for the delivery and installation of a new 10 MW engine for Cul De Sac Power Station. The new engine will be provided by Wärtsilä of Finland and will bring the number of generators installed at Cul De Sac to 10. It is expected to be commissioned in December, 2012.

These two investments totalling over seventy three million dollars (EC\$73.1M) form part of the Company's three stage plan to meet the short, medium and long term generating capacity requirements for St. Lucia. They translate into improved reliability of the electricity supply, and demonstrate the Company's commitment to sustaining current, and facilitating new, economic and social development on the island.

These projects and other on-going capital works into 2012 are being funded through a one hundred million dollar (EC\$100 million) long term loan from the National Insurance Corporation (NIC).

LUCELEC's Managing Director Trevor Louisy says civil works associated with the installation of the new engine at Cul De Sac will begin in January and will continue into December 2012, providing a welcome injection of capital into the local economy.

The long term plan entails the construction and commissioning of a new power plant in the south of the island which will be required by the end of 2016 based on the latest load forecast estimates.

This three-stage generation expansion plan ensures that LUCELEC will continue to meet the country's energy requirements well into the future and minimise financial, reputational and economic risks for the company and country.