

**Speech for the
Commissioning Ceremony for the Chalillo Hydroelectric Facility**

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President & Chief Executive Officer**



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Mountain Pine Ridge, Cayo District, Belize

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Governor General of Belize His Excellency Sir Colville Young and Mrs. Young, Rt. Honorable George Cadle Price, Minister of Home Affairs and Public Utilities Ralph Fonseca, Honorable Ministers Representatives and Senators, Father Jim Foley and invited guests, I thank you all for joining us this morning as we inaugurate the Chalillo Hydroelectric Facility.

It is hard to believe that 2 ½ years have gone by since we formally broke ground here. Many of you were here on May 28, 2003 for that ceremony. It's even harder to believe that this is the same location at which we gathered to mark the beginning of construction. So much has changed.

The official commissioning of the facility marks the formal completion of construction. I take this opportunity to recognize the work of the General Contractor, Sinohydro and the dedicated staff and workers from several nations and make special mention of the over 350 Belizeans who worked alongside the Sinohydro workers on the project.

It is undoubtedly a monumental achievement. What you see before you is a reflection of the progress of Belize in development and in meeting its growing energy needs. It is a "concrete" example of the Fortis commitment to provide Belize with reliable, safe, clean and competitively priced energy for its people. It is the product of the unwavering support of Belizeans for our efforts.

The official commissioning of Chalillo today represents a quantum leap on the road to energy self-reliance. With the Chalillo reservoir already more than 50% full, the country could sustain itself for an extended period if the connection to Mexico was disrupted. The Chalillo dam now makes it possible for Belize to meet its full energy demand, using generation available in-country at least for the current 63 megawatts.

The flood control benefits of Chalillo have also already been put to the test. On October 31st when flood waters came rushing down the Macal River, upstream of the dam, much of this

water was captured in the Chalillo Reservoir, sparing the towns of San Ignacio and Santa Elena the damaging effects of a large flood.

While we welcome the many benefits of this project, we regret not having reached this milestone years sooner. The burden of today's high oil prices weighs heavily on us. It has been the main driver of higher energy cost worldwide and has compelled countries and international agencies to seek alternative energy sources. The International Development Bank recently hosted a meeting for Central American Countries, focused on developing a regional strategy for developing alternative energy, including hydroelectricity. The strategy is aimed at reducing dependence on imported fossil fuels for electricity generation and the exposure of Central American economies to the volatility of oil prices.

In Belize, hydroelectricity now makes up 33% of our energy supply. While it is not an instant fix for skyrocketing oil prices, it has helped electricity prices to the consumers, from going even higher. Peak energy from Mexico which is tied to oil prices currently averages 44 Belize cents per kWh and energy from diesel generators averages about 42 cents. These sources are being displaced by energy from Chalillo and Mollejon at a combined cost of about 17 cents per kWh. Chalillo is saving consumers over 4 million dollars annually at current prices.

Fortis and its Belizean subsidiaries recognize that energy supply is a major economic and strategic concern for the country. Since Fortis' initial investment in Belize in 1999, peak demand has increased by almost 50% from 43 megawatts to 63 megawatts. In addition to growth in the residential sector, industries such as tourism and citrus have contributed to rapidly growing energy demand in Belize. We play a role in facilitating the expansion of these industries and in the overall economic and social development of Belize.

The journey to this day has certainly been an eventful one. But we have demonstrated our resolve to meet the energy needs of Belize in the most economic and environmentally sound fashion. The water stored in this reservoir is electricity storage for the people of Belize. Before the dam, that energy would have flowed to the sea unused.

Again thanks to all of you for your support in making this project possible. For the good people of Belize this project will serve you, your children and your children's children. Long after all of us present today have passed into history, Belize will continue to benefit from the Chalillo Project. My personal ambition is to be back here in 2105 for the 100th anniversary of this ceremony. You are all invited back.