

OUR FACILITATES BOGUE PLANT UPGRADE TO NATURAL GAS

(KINGSTON, Jamaica; 2015 October 15): The Office of Utilities Regulation (OUR) has welcomed the recent launch of the Bogue Gas Project which will see the 120 MW combined cycle plant being upgraded to also use Liquefied Natural Gas (LNG). The launch took place in Montego Bay, St. James on 2015 October 13.

The upgrade of the Bogue Plant is expected to result in the country reaping significant benefits in terms of fuel diversity, cleaner energy, and lower cost to consumers.

Director General of the OUR, Albert Gordon lauded this new development saying, *“The introduction of gas is a significant first step in the direction of fuel diversification and it signals the start of the use of LNG in the generation of electricity and industrial uses in the natural gas industry in Jamaica.”*

The OUR’s involvement in this project had its genesis with its ‘no objection’ to Jamaica Public Service Company’s (JPS’) proposal in early 2008 for the modification of the Bogue plant to also burn natural gas. The project’s goals, which are aligned to those in the National Energy Policy were to: reduce fuel cost, and lower the operations and maintenance expenditure of electricity generation.

Being conscious of the benefits to consumers if the project was finalised, and concerned about the delay in its implementation, the OUR mandated in the 2014-2019 JPS Tariff Determination of 2015 January 7, the upgrade of the plant to burn gaseous fuel. The OUR also made provisions for the setting up of the Bogue Plant Reconfiguration Fund (BPRF) financed through the tariff, to facilitate the conversion cost.

Since the OUR’s decision, JPS and General Electric (GE), the original equipment manufacturer, entered into an agreement for the conversion equipment and installation work. JPS also signed a Gas Supply Agreement on 2015 August 5, with New Fortress Energy for the supply of natural gas. This agreement is for a 10 year term and was approved by the OUR after certain improvements to the terms and conditions. The agreement requires gas delivery to commence April 2016.

Under the arrangement, Fortress Energy will construct and operate a gas receiving and unloading terminal and storage facilities in Montego Bay. The gas will be delivered to the Bogue plant by way of a gas pipeline delivery system.

Once the modification is completed, the Bogue combined cycle plant will be able to burn both gas and automotive diesel oil (ADO).