

T&T's transition to renewable energy

T'S "out with the old, in with the new" for Trinidad and Tobago (T&T), as the country moves ahead with efforts to restore its infrastructure. At present, there are plans for two multi-million-dollar aluminium projects in La Brea, an extension of the Churchill Roosevelt Highway to reach Manzanilla and a new terminal building for the ANR Robinson International Airport in Crown Point. While these projects will provide a much-needed boost to the country's infrastructure overall, the planned upgrades are not limited to highways and buildings. A key element of T&T's plans to revitalize is a shift to renewable energy within the utility sector.



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To do this, the government has issued calls for expressions of interest (EOI) for utility-scale renewable projects. While a small step on its own, this action has significant implications for T&T, which is known for its natural gas reserves and cheap energy prices. Currently, the country relies on natural gas for 99.8 per cent of its electricity production, while the remaining 0.2 per cent is generated by diesel fuel, according to the Ministry of Energy and Energy Industries. Still, the move toward renewables may prove advantageous for the country in a variety of ways, from a diversification of the power supply mix, to job-creation for the construction and operation of renewables infrastructure, to long-term tax income and a push in foreign direct investment. The country also must find ways to adhere to the renewable energy goals as a CARICOM member country.

Economic enhancement

The Government's call for EOIs for utility-scale renewable projects is expected to have a

positive impact on the local economy by attracting more investors from overseas. The Caribbean receives some of the highest levels of foreign direct investments in the world, according to a report by the United Nations Economic Commission for Latin America and the Caribbean. Yet, World Bank data suggests that T&T specifically has the capacity to receive more foreign investments. Foreign investments in this country accounted for US\$16.5 million in 2016, whereas other Caribbean nations, such as Curacao and Jamaica, received US\$133.1 million and US\$790.4 million, respectively, in the same year.

Given the current state of renewable energy investment rising globally, the country's call for EOIs will allow it to make up ground in this regard. If T&T would install 200 MW of wind and solar power capacity, it could likely attract US\$400 – US\$500 million of foreign direct investment for the development and construction of such assets. In addition, the country has the potential to benefit from additional estimated US\$200 – US\$300 million of taxes over the lifetime of these projects. That added investment will create new jobs in both renewable energy operation and construction.

Natural cost savings

The unique geography of Trinidad and Tobago makes it ideal for a range of renewable energy systems. With about 217 days of sunshine a year, the Caribbean island is an excellent location for solar power plants.

A photovoltaic (PV) system installed in the tropics generates over one and a half times more electricity than the same PV system installed in countries like the UK or Germany. In addition to that, Trinidad and Tobago lies

in an area with strong winds throughout the year. According to a study by the Inter-American Development Bank, wind parks in these conditions can achieve a capacity factor of at least 35 per cent. The low production costs that result from the abundance of natural resources lead to low energy prices – especially if the government provides a reliable and stable legal framework for this sector. In particular, with regards to access to the national grid and the possibilities to secure long-term off-take agreements with public and private consumers. In that case, renewables will not only be profitable on a standalone basis but will be able to compete with conventional power generation prices.

Diversification of power supply

Currently, the country's energy supply is dependent on a few centralized gas power plants with capacities of 200 – 800 MW with diesel power plants as back-up. Renewable energy offers an alternative to decentralise and diversify the generation mix, in addition to a solution to reduce its carbon footprint and pollution. Distributed generation, including generation for auto consumption, brings the power closer to the consumer to match supply and demand in the grid infrastructure. Diversification of energy sources may be unavoidable due to declining gas reserves. The sooner T&T starts the development of new renewables infrastructure, the better, since it takes time for these projects to actually produce energy. Additionally, it takes a few years to build the local expertise to develop, construct, finance and operate these assets.

The time is now

Despite its long history of dependence on oil and gas, T&T is well positioned to incorporate renewable energy into its new



infrastructure, and the government's recent actions indicate that it is ready to make the shift. Following this path will put the island in the elite club of countries that, despite being rich in oil and gas reserves, are gradually moving towards renewable energy. A step in the right direction.

About the author

Martin Vogt is managing director at MPC Renewable Energies, which is the exclusive Investment Advisor to MPC Caribbean Clean Energy

Fund. MPC Caribbean Clean Energy Fund intends to invest up to 50 million USD of equity in Jamaica during the next five years. Most recent investments include the 51 MWP Solar PV in Paradise Park, Jamaica. MPC Renewable Energies is a 100 per cent subsidiary of MPC Capital, an international investment management firm for real assets, develops and manages real asset investments and investment products for international institutional investors, family offices and professional investors.

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Jokhan General Contractors Limited
(In Receivership)

The Receiver of Jokhan General Contractors Limited (In Receivership) is offering for sale the property located at Lot 9, Known as 18 Third Street, St Joseph Village, San Fernando comprising the following:

Land Tenure	-	Freehold
Property Description	-	Two-Storey Residence
Land Area	-	7,500 sq. ft. (approximately)
Building Size	-	3,530 sq. ft. (approximately)

TO OBTAIN A SITE VISIT PLEASE CONTACT:

Mr. Varune Mungal
Receiver – Jokhan General Contractors Limited (In Receivership)
c/o Business Recovery and Advisory Services Limited
86, Seventh Street, Barataria
Email: varune.mungal@gmail.com
Telephone: 868-393-9395

Conditions of Sale

1. Terms of payment are 10% down on acceptance of offer with balance in ninety (90) days.
2. The Property would be sold on an "As Is Where Is" basis subject to all outstanding Rates, Taxes and other outgoings.
3. The Receiver does not bind himself to accept the highest or any offer.