



Government of the Republic of Trinidad and Tobago
MINISTRY OF ENERGY AND ENERGY AFFAIRS

FEATURE ADDRESS

BY

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LAUNCH OF THE NATIONAL CNG INITIATIVE VENUE

PTSC COMPOUND, SOUTH QUAY, PORT OF SPAIN

ON

WEDNESDAY 15TH APRIL 2015

Good morning. It is very good to be on the right side of history. We have been moving towards this day for a while now. CNG, ladies and gentlemen, is the fuel of the future and is part of what we term “the low carbon economy”. Indeed our energy policy in the last five years has created a “platform for the future” of Trinidad and Tobago. We govern, not for yesterday, but for tomorrow.

CNG was introduced as was mentioned, 31 years ago, in 1984 and some of you will recall the 1st CNG station in Claxton Bay. And in those 31 years, CNG as a transportation fuel did not meet the expectations of the motoring public despite its acknowledged benefits.

As a consequence, there was a decline in the interest by the public. There has been a reduction in CNG Service Stations during that period from a peak of 15 stations to 11 stations and a reduction in CNG Vehicle population from 4,000 in the year 2002 to current estimates of approximately 1,500 CNG vehicles. That’s a decrease of over 60 %.

The Trinidad and Tobago CNG experience was therefore at odds with the global trend which has seen a global growth in natural gas vehicles by 23.7% since 2001. So we were moving in the opposite direction of the rest of the world while we were a country endowed with natural gas resources.

Currently there are over 22 million natural gas vehicles in the world. The International Association of Natural Gas Vehicles has predicted that the population of vehicles utilizing natural gas will increase to 35 million by the year 2020 and the highest areas of growth will be Asia-Pacific and Latin America.

Some of you may have travelled to the major metro poles of the world and those countries have CNG buses. Cities like Singapore, Sydney, Houston, New York, Boston, Los Angeles, Karachi in Pakistan, New Delhi, Venice and Madrid all have CNG buses as part of their public transportation network. And now we can add to that list, the City of Port of Spain. Six countries with the largest CNG vehicle populations are Iran, followed by China, Pakistan, Argentina, Brazil and India.

These 22 million CNG equipped vehicles are serviced by a network of 27 thousand CNG stations which averages about 800 CNG vehicles per CNG station. So if we use that ratio of 800 vehicles per station, it means that our existing network is undersubscribed in that way.

The countries that have experienced the greatest success in the promotion of natural gas vehicles have in common the following policies:

1. Access to adequate supplies of natural gas
2. Favourable fuel taxes & excises
3. Technology support
4. An extensive CNG Station Network
5. Grants or rebates to purchasers of natural gas vehicles or conversion systems, and

6. Direct participation by the State through public transportation – that's why we are here today.

Trinidad and Tobago ladies and gentlemen, has all of the prerequisites for a successful and sustained development of compressed natural gas as a major transportation fuel in the country. We have natural gas reserves and an assured supply of natural gas for the long term.

Ladies and gentlemen, what was missing was the political will. I want to pause and I want to recognize the contribution of my Cabinet colleague, Minister Stephen Cadiz, in getting us to where we are today.

As a consequence in 2010, the Government took the first step to setting the CNG programme in the right direction by providing a list of financial incentives required to encourage the travelling public to embrace CNG as a major transportation fuel. And those are all contained in the Finance Act of 2010.

The work has been initiated by the Ministry of Energy to ensure that these current incentives in the Finance Act of 2010 are extended as the private sector now seems to have come on board with the CNG initiative. Let me say something with some strength of conviction: I would say that the further economic development of our country cannot occur without the participation of the private sector and without the private sector playing a central role. Today we call on the private sector to join in this mission to make CNG the dominant transportation fuel of Trinidad and Tobago.

Notwithstanding the requirement for the private sector participation, the Government of Trinidad and Tobago sought to re-energize the CNG initiative using our State companies. And those three (3) State companies are represented here today;

- NGC CNG which is a relatively new State enterprise and it's a subsidiary of the NGC Group,
- The National Petroleum Marketing Company Ltd and
- Public Transport Service Corporation (PTSC)

Accordingly in 2013, Cabinet agreed to an investment of TT\$500 million by the National Gas Company of Trinidad and Tobago Limited (NGC) in respect of the implementation of what we saw as Phase I of the CNG initiative. And a consequence of that Cabinet decision was the formation of the NGC CNG Company.

The overall CNG Programme will be implemented in two (2) phases. And what we are in right now is the first Phase. And those 2 phases are estimated to cost approximately TT\$2 billion. That includes the conversion of vehicles, the development of a total of 72 CNG stations (in Phase I and Phase II), investments in public education and marketing, provision of mobile CNG stations, expert and technical support and as a safety and enforcement measure, implementation of a Radio Frequency Identification (RFID) system to recognize CNG vehicles prior to fuelling.

The TT\$500 million investment by the NGC in Phase I of the Programme entails the construction of at least (Curtis Mohammed has just identified some more opportunities) 22 new

CNG stations and Curtis Mohammed has mentioned there will be as much as 30 stations, the conversion of approximately 17,500 vehicles, the undertaking of the Public Education and the implementation of the RFID system. And as Curtis also mentioned, there are a lot more to come beyond April 15, 2015 because we have big plans for other applications this year.

Based on the market value of crude oil, the overall CNG programme is expected to yield the following benefits to Trinidad and Tobago over a five (5) year period:

- Firstly, a TT\$1.7 billion reduction in the liquid fuel subsidy,
- A TT\$2.7 billion in foreign income from the sale of displaced liquid fuels, that means that the diesel and the gasoline that you no longer have to burn, will be exported by Petrotrin and earn foreign exchange for Trinidad and Tobago and
- A 358,000 metric ton reduction in carbon dioxide (CO₂) emissions.

Today's official launch of the National CNG initiative is therefore part of that wider strategy to revolutionize CNG as a major transportation fuel in Trinidad and Tobago.

Other state companies include the NGC, which has acquired 190 OEM (Original Equipment Manufacturer) CNG vehicles. Those are CNG vehicles that are manufactured in the factory and are not retrofitted with anything. Those vehicles have been with the NGC for almost 2 years and they have been performing very well. The NGC has also completed construction and has commissioned a CNG refueling station for its vehicles at Point Lisas to service the fleet that it now owns.

Petrotrin and WASA have also taken steps to begin conversion of some of their fleet to CNG. WASA has engaged the NGC CNG Company for the development of a refueling station at its St. Joseph headquarters to refuel its intended fleet of CNG vehicles. I will place on record the participation by WASA and by PETROTRIN in this initiative.

As regards to PTSC (and we are here today in the very historic PTSC Port of Spain, what used to be Trinidad Government Railway Headquarters (TGR)), Government approved the purchase of one hundred (100) new, dedicated CNG buses to add to PTSC's fleet. In tandem with this initiative Government approved the conduct of a pilot project by the PTSC to convert its buses to CNG.

Today's event also includes the launch of the initial intake of 35 buses and the installation to my left, of the interim CNG fueling station which was constructed by NGC CNG and is having a positive demonstration effect on the wider community.

So in the affairs of the public, when these buses came into Trinidad, there was a letter to the Editor asking where these buses would be refueled. Because the initial refueling of these buses took place in the CNG station in Beetham, the public may have thought that it was our intention to use the facility of the NP station in Beetham to refuel the CNG buses. That was not the intention. Because City Gate is not accessible to the public, the public was not able to see the station that was built here where the buses will be refueled. This station is fully operational and I am advised that that station can handle approximately 60 buses. Of course, currently PTSC has

35 buses, so at this point in time, the station is sufficient. Eventually, PTSC would outgrow the capacity for that station and a permanent station will have to be built in this compound.

There has also been, ladies and gentlemen, a groundswell of interest by private sector in the CNG initiative. One of the major suppliers of new cars in Trinidad and Tobago, the ANSA McAL Group, has recently rolled out a new Honda City which is being priced right now at a very reasonable price, and that's a vehicle which is available to the public. Another new car dealer in Trinidad and Tobago is Sterling Motors, the dealers for Mercedes Benz, is currently doing tests on a Mercedes E-Class Benz on our roads before they get a full approval from Mercedes Benz, the parent company to retail those vehicles here in Trinidad and Tobago.

NGC CNG is also collaborating with both NPMC and UNIPET with regard to the provision of CNG fuel station equipment, installations, operations and dispensation. This collaboration has resulted in the finalization of target sites for the location of upgraded CNG service stations, installation of CNG refueling capacity in existing liquid fuel stations and the establishment of new and mobile CNG stations. NGC CNG is close to awarding contracts for the supply of mobile CNG refueling equipment and for CNG fuel station equipment as well as a National CNG Vehicle Management System.

In terms of new stations with CNG, in the last four (4) years the Brentwood and Peake station in Tacarigua has been added and NP has been aggressively pursuing new stations. Next week we open the NP RAMCO station in Trincity, that's in the compound of Massy stores, and that station will have CNG. The CNG will not be operational from the day it is opened, it will take a few weeks but that station will also be dispensing CNG. As we speak, work is going on at a station in El Socorro, the station on Tumpuna Road in Arima, the St. Christopher Station on Wrightson Road, Port of Spain and the Starlite Station in Diego Martin will all have CNG. So there is action taking place with regard to CNG stations.

I wish to state that the conversion to cleaner fuel in the transportation sector is consistent with the National Climate Change Policy which provides for the pursuance of a low carbon development path and a low carbon economy by reducing or avoiding greenhouse gas emissions.

As you may or may not know, Trinidad and Tobago is the second highest emitter of carbon dioxide in the world on a per capita basis. And that has to do a lot with our LNG industry in our Point Lisas Industrial Estate.

In closing let me re-iterate that in today's launch at PTSC, we are witnessing the commencement of the transformation of CNG as a major transportation fuel and I wish to congratulate everyone here today, all the stakeholders have to be given credit. It was not easy getting 3 State enterprises to work together but they all had a shared vision, to only go where no man has gone before (to quote from Star Trek), and to introduce for the first time in the history of this country, CNG buses. And I really want to applaud those 3 State enterprises here today.

In closing, I want to say this is only the beginning of the CNG initiative. There are a lot more that will be rolled out in the coming months. I want the audience here today to focus on what we

have achieved here today with regard to these buses and with regard to the station. And I would say from a personal experience, a few days ago I was in traffic, behind one of the buses and there was absolutely no visible sign and no smell of an emission coming from the CNG bus. Of course it is not the same when you are in traffic behind a diesel vehicle or a diesel bus. So Trinidad and Tobago has made a great step forward in its evolution of the energy sector and in terms of its evolution of the transportation system.

I thank you very much.