



**Government of the Republic of Trinidad and Tobago
MINISTRY OF ENERGY AND ENERGY INDUSTRIES**

SPEECH

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MINISTER OF ENERGY AND ENERGY INDUSTRIES

TTEITI/British High Commission Symposium

'Strengthening CARICOM Energy Collaboration'

COURTYARD MARRIOTT, PORT OF SPAIN

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It is my pleasure to be here at this symposium with members of the CARICOM family, guests from Central and South America, and Europe. During your stay, I encourage our visitors to find time to enjoy the sights and sounds of Trinidad and Tobago (T&T).

The theme of this symposium is 'Strengthening CARICOM Energy Collaboration'. It comes at a time when we are celebrating the fifth anniversary of the CARICOM energy policy. The British High Commission and the TTEITI must be commended for hosting this symposium.

The vision of the policy explicitly speaks of the need to fundamentally transform the energy sectors of CARICOM member states by securing a sustainable supply of energy, minimizing waste, providing affordable energy and promoting the growth of internationally competitive regional industries. The resources belong to the people and not the Government; I have nothing against the Non-Governmental Organizations and Civil Society. However, as an elected Government, no entity represents the peoples' interest better than the government.

A major element of the CARICOM energy policy is the diversification of the energy mix by incorporating renewables, increasing technology transfer and knowledge sharing among countries, establishing regional and national emission reduction targets and more importantly ensuring sustainable environmental stewardship.

This policy was approved on March 1, 2013. In the five years since its adoption, there have been major changes in the global energy landscape. The advent of shale

gas in the US has led to an energy revolution, which has changed the balance of power in the global energy industry. The US once an importer of primary fuels is now an exporter of oil and gas in the form of LNG. The Caribbean Region once considered lacking in hydrocarbon potential is now being viewed as an emerging hydrocarbon province based on significant finds in Guyana and possible hydrocarbon Grenada. In Suriname, Jamaica, and Barbados exploration activities are being conducted by major oil and gas companies. Jamaica, the Dominican Republic and Barbados now have re-gasification plants, are importers of LNG and are converting to gas based power.

T&T, with over 100 years in the energy business is prepared and is willing to work with the emerging Caribbean oil and gas economies as they develop their hydrocarbon resources. The opportunity is there for us as a region to create our own special and unique energy cluster. We have been successful in other spheres of activity as a region, and, collaboration in energy should be no less achievable. In this regard, T&T will be leading a new Caribbean Energy Diplomacy in the coming months. This will involve in the first instance Trinidad and Tobago, Guyana, Suriname, Barbados, Grenada, Jamaica, the Dominican Republic, Cuba and the Bahamas. T&T can, and will be willing, to share its vast experience in Production Sharing Contracts, Exploration and Production Licences, Petroleum Taxation, Local Content, the development of Human Resource Capacity and the creation of a sustainable Local Services Sector. Within the next month, T&T will be signing an MOU on Energy co-operation with Guyana.

I am pleased to announce that the NGC has solidified its commercial and technical relationship with the Global Petroleum Group (GPG), the Russian Oil and Gas Company currently carrying out exploration and appraisal activities offshore of the south and eastern coasts of Grenada in close proximity to the Marisal Sucre Field in Venezuela and the NCMA Field in Trinidad. The relationship was borne out of the Energy Sector Development Framework Agreement signed between the Government of Grenada and the Government of the Republic of Trinidad and Tobago (GORTT) and facilitated by my Ministry, the Ministry of Energy and Energy and Energy Industries (MEEI).

As you may be aware, the GPG commenced an exploration programme in the Nutmeg Field in 2017, and preliminary estimates indicate the presence of hydrocarbons. An appraisal drilling campaign is planned for later in 2018. However, the Nutmeg Well results could have positive impact on additional basin prospectivity.

With the sustained gas curtailment expected to continue in the medium term, the NGC remains steadfast in its duty to continuously find new sources of gas including across-border gas from Venezuela and now Grenada, in order to sustain its robust business model as a domestic gas aggregator in T&T.

The government, through the NGC will continue to work closely with GPG and the Government of Grenada as the project progresses to provide a ready market for the sale of all natural gas, and natural gas liquids, to alleviate the gas shortfall in T&T, utilizing existing infrastructure and our technical expertise. This includes the

construction of the pipeline infrastructure required to import natural gas from the prospective fields in Grenada to T&T. We see this as a positive step in the right direction between our government and our CARICOM neighbours. The NGC and GPG will continue to carry out joint studies to find the appropriate avenue to provide natural gas-based fuel to meet Grenada's domestic gas requirements plus, any other areas of mutual interest relative to the oil, gas and energy industry in the CARICOM region. And of course, there is still the Venezuela's Petro Caribe initiative which continues to supply refined products to Cuba, the Dominican Republic and St. Vincent and the Grenadines (i.e. about 600,000bbls per month)

For 2018, T&T has been elevated to the Presidency of the Gas Exporting Countries Forum (GECF) consequent on the appointment of the Minister of Energy and Energy Industries of T&T as the President of the Organization at the Ministerial Meeting of the Gas Exporting Countries Forum held in Moscow, Russia on October 4, 2017.

The GECF is a gathering of the world's leading gas producers, whose objective is to increase the level and co-ordination among members to maximize the gas value accruing from the monetization of the natural gas resources of members. The organization represents more than two-thirds of the world's proven gas reserves, approximately one-half of global gas production and two-thirds of gas exports.

The membership of the GECF comprise twelve countries, Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Trinidad and Tobago, the

United Arab Emirates and Venezuela. Observer status is held by seven countries, Azerbaijan, Iraq, Kazakhstan, the Netherlands, Norway, Oman and Peru.

The annual Ministerial Meeting of the GECF will be held in Port of Spain, Trinidad and Tobago on November 14, 2018. On this occasion, we plan to host a one-day gas symposium, where we will have as participants two of the most influential figures in the gas industry. His Excellency Mr. Alexander Novak, Minister of Energy of the Russian Federation, and His Excellency Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Energy Industry of the State of Qatar, among other energy dignitaries. It is my intention to invite CARICOM Energy Ministers as special guests to this symposium.

In 2015, at the United Nations Climate Change Conference, held in Paris, France, there was agreement by participating countries, which included T&T, on the reduction in global warming. The main outcome was an agreement to set a goal of limiting global warming to less than 2 degrees Celsius (°C) compared to pre-industrial levels, with countries pursuing efforts to limit the temperature increase to 1.5 °C. Pursuant to our commitment to the global environment, on February 22, 2018, T&T deposited its instrument of ratification of the Paris Agreement confirming its pledge to assist in the reduction of greenhouse gas emissions.

This is an important agreement for CARICOM as small island states (SIDS) due to the adverse impact of climate change, rising sea levels and excessive weather patterns. During the destructive hurricanes of the 2017 Atlantic Hurricane Season

we saw what can be experienced if urgent mitigation of the negative effect of climate change is not addressed.

Ladies and Gentlemen, The Prime Minister of Dominica in a most incisive and compelling address to the 2017 United Nations General Assembly stated, and I **quote** “The economy of my country within the last six years has had to withstand shocks that are the by-products of multilateral treaties in which States similarly situated like my country has had only a miniscule input. We are seeing more and more, the ultimate victims of climate change, may very well be those who have least contributed to it” **end of quote.**

The Caribbean as a whole is responsible for less than 1% of total worldwide carbon emissions. Nevertheless, there is good reason to pursue renewable energy. Fossil fuels notwithstanding the fall in oil prices create a heavy financial burden on non-oil and gas economies. The region has an abundance of resources such as year round sunny conditions, a wealth of wind energy, geothermal and hydro. T&T has been a late comer where renewable energy is concerned and we can learn from members of CARICOM, many of whom are aggressively transitioning to renewable energy.

It is my understanding that among the Caribbean Countries, Aruba has a goal of transitioning off fossil fuels 100 percent by 2020, St. Vincent and the Grenadines 60 percent of its electricity from renewable energy by 2020 and Grenada 20 percent of its electricity and transport energy from renewable energy by 2020. In T&T, we have set a target of 10% renewable power generation or 149 megawatts

by 2021. We are currently evaluating the Waste to Energy proposal and soon to be evaluating the 'expression of interest' for the Utility Scale project (solar and wind) for grid integrated power generation.

The focus on the reduction of the adverse effects of climate change has given a new impetus to renewable energy. This has been occasioned by technology improvements, competitive procurement and experienced project development. As a result, the cost of renewable energy has steadily declined. A global survey has revealed that bio-energy for power, hydropower, geothermal and onshore-wind energy have fallen within the range of generation costs for fossil-based electricity.

This is welcomed news for Caribbean Countries particularly non-oil and gas economies in the re-distribution of their energy mix. It means that financing made available by Non-Government International Organizations, International Private Financial Organizations and Regional Development Financial Institutions will go a long way in meeting targeted energy objectives.

As a region, we are at different stages of energy sufficiency and therefore as Community, we must strive to ensure our efforts are designed to bring us eventually at the same place. The region with the exception of T&T and soon Guyana, imports 90% of its energy needs. With exploration activity, taking place in the region it is not unlikely that the region will move from a net importer to a net exporter of oil and gas. We therefore need to engage in discussion to optimize the utilization of assets and infrastructure and mobilization of human resources to exploit these resources in an effective and efficient manner.

Hydrocarbons, unlike solar, wind and hydro are finite resources. Their successful monetization can provide substantial economic benefits to a country. In that context, it is important that an account of the revenue earned from these resources is provided to the citizens. In T&T, one such mechanism is the Extractive Industries Transparency Institute (EITI), an independent body that collates revenue payments made by oil and gas companies to the Government and disseminates that information to the general public.

However, a more comprehensive approach is required to provide the citizens on the stewardship of the country's hydrocarbon resources. To this end, the Ministry of Energy and Energy Industries recently hosted – A Spotlight of the Energy Sector of T&T in which details of the state of affairs of the sector were provided, as well as its contribution to the economy and the plans for the future. This may be an approach, which emerging Caribbean oil and gas economies, may wish to pursue with a view, to keeping the population abreast of energy sector developments.

The issue of energy security for the Caribbean Region has been elusive for most countries. However, the tide is slowly changing in part due to technological developments, which have substantially reduced the cost of development for renewable energy. Renewable projects are now bankable propositions, and funding which previously was either unattainable or exorbitant can now be sourced from a wide range of financial institutions. This is facilitating the exploitation of the regions' significant renewable resources and the attainment of energy targets. Over the course of the next decade, the Caribbean will be abuzz with exploration and production activity, possibly ushering in a golden age of energy in the region.

The transformative power of energy will improve access to energy for the region's citizens, increase Government revenue and help fulfil many of the objectives of the CARICOM energy policy. Notwithstanding our new found hydrocarbon resources, we must ensure our pristine environments for which we are renowned are protected and renewable and energy efficiency technology is embraced.

Let us learn from one another and strengthen our resolve to cooperate and take advantage of these opportunities collectively. As CARICOM partners we need to be always tuned in to the frequencies of our neighbours and to rise above the static that may serve to jeopardize our relationships.

The theme for this symposium 'Strengthening CARICOM Energy Collaboration' calls for greater partnership, crystallized by action and open lines of communication. It is my hope that today's symposium will ignite this spark and create that unison of purpose as we strive towards the ultimate objective of energy security for the region. EITI legislation is a very involved and complex issue. It is difficult to legislate mandatory compliance to what is a loose association of interest. Legislation is enshrined in law and will call for further discussion.

In closing, I wish to thank the British High Commission, which through its Foreign and Commonwealth Office and TTEITI have made this symposium possible, and to wish all participants a successful symposium. The British High Commission continues to show the 'Power of the Empire'.

I thank you.