**Solving the crippling cost of Caribbean electric power**

**There is a likelihood that hydro-power could, in time, be as competitive as T&T gas-generated power is today.**

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Entrepreneur Donald Baldeosingh, former chairman of the State-owned hydrocarbon producer and refiner Petrotrin and the government of Trinidad and Tobago have sharply differing ideas about how to lower the crippling cost of electric power in the Caribbean region and both should meet to see if these differences can be reconciled.

Baldeosingh, an electrical engineer by training, wants to reduce electricity costs throughout the archipelago in a fashion that would seek to strengthen the Caricom integration movement.

The government of Trinidad and Tobago, on the other hand, is seeking to treat with the challenge on an individual territory basis.

Let me explain, though my 16 or 17 readers should already have a grasp of the two approaches by virtue of previous ‘Energy Insiders’ on the subject.

THE BALDEOSINGH PLAN:

In the first instance would be to take some of Trinidad and Tobago’s gas-generated surplus electricity capacity, currently standing at 833MW beyond peak demand of 1,322 MW, down to Guyana and Suriname as a quick, short-term fix for electricity costs in both countries (he reckons such costs could fall by about 50 per cent below the US$0.34 per kWh at which they now stand in the case of Guyana, which would be no small feat).

Baldeosingh has set-up a funding vehicle he has named The Southern Caribbean Cable Co (TSCCC) ro raise the money to build the submarine cable necessary for taking TT’s power down to the two mainland Caricom states.

He has no doubt whatsoever that the utilities in both countries would be prepared to buy this power were it delivered to their door.

But that’s just the start. As soon as hydroelectricity is developed in Guyana and Suriname in sufficient quantity (Suriname already obtains about half its electricity from hydro but these are very small facilities), the flow of electricity will be reversed, with hydro power coming to Trinidad and then being carried up the island chain, probably as far as Antigua by an extension to the Southern Caribbean cable. There is a likelihood that hydro-power could, in time, be as competitive as Trinidad and Tobago’s gas-generated power is today. In any event, hydro-generated electricity will be joined by the existing gas-generated electricity in Trinidad and Tobago and geothermal, wind and photovoltaic power from places like St Lucia, Dominica and St Kitts-Nevis, to create the “integrated Caricom electricity system” that the former Petrotrin chairman has in mind.

He had originally envisaged most of the hydro-power coming from Guyana but the three proposed hydro projects in that country have all fallen behind, including one of 800MW being promoted by Baldeosingh himself upstream of Bartica on the Mazaruni river.

The hydro-power for the Southern Caribbean cable is now more likely to come from Suriname. Two hydro plants are under consideration there, one of 300MW, the other 500MW and Suriname’s ability to get things done is held in higher esteem than in the case of Guyana.

Baldeosingh has also become friendly with Dr Bernard Fritz-Krockow, chief economic adviser to both the ministry of finance and the Central Bank in Suriname, who seems enthusiastic about his vision.

As for the money to get the project going, the following sums are needed and private, public and multi-national investing agencies are eagerly invited to chance their arms: US$500,000 for technical assistance for the completion of a pre-feasibility study, US$10 million for a feasibility study leading to “bankability”, US$700 million for the submarine cable from Trinidad to Guyana (which will include a telecommunications capability) and US$300 million to extend the cable to Suriname.

Baldeosingh has spoken of tapping into a website that provides access to “crowd funding”, the latest method now catching-on in industrialised countries for entrepreneurs who can’t attract venture capital to access it from thousands of individual investors. He thinks he may be able to raise at least the initial US$500,000 this way.

THE T&T GOVERNMENT’S PLAN:

Forget the “integrationist” ambition, the government’s approach to lessening Caricom’s power burden is by means of what Prime Minister Kamla Persad-Bissessar has christened the Caribbean Energy Thematic Fund which she announced at the first Caribbean Energy Security Summit in Washington, USA, in January. She offered this as Trinidad and Tobago’s contribution to the goal of greater energy security for the region, a subject about which the US government seems so concerned.

As an indication of this, the conference was presided over by no less an individual than vice president, Joe Biden.

The Prime Minister has set US$1 billion as the Energy Thematic Fund’s target and the Inter-American Development Bank has already shown its willingness to contribute. She believes that the World Bank and the Barbados-based Caribbean Development Bank (CDB) will, in time, follow suit. Trinidad and Tobago, of course, will also be contributing to the Fund.

The difference between this approach and Baldeosingh’s is that each Caricom member will contract with the Fund separately for converting their current fuel oil and diesel-generated power to natural gas, supplied by Trinidad and Tobago in the form of LNG. No romantic notions here about “energy integration” via a hydro-power supplied electricity backbone – it is an unabashed Trinidad and Tobago effort to tie-up the Caricom LNG market by helping regional states to do so via generous loans. While the insertion of renewable could also be supported by the Energy Thematic Fund, base load electricity capacity can only be met by natural gas, if the desire is to phase out oil.

What’s more, there will be no shortage of gas specifically designed for the region once Roland Fisher and Martin Houston’s Caribbean LNG plant gets going at La Brea: the 500,000 tonne LNG train will have 100,000 tonnes of the stuff to spare for regional markets after it satisfies its two initial customers, Martinique and Guadeloupe.

If Caricom utilities have access to LNG they may no longer be interested in Baldeosingh’s hydro-fuelled electricity or, perhaps, it may be the other way around.

To avoid a costly duplication exercise, therefore Baldeosingh and Mrs Persad-Bissessar must talk to each other – and soon.

David Renwick was awarded the Hummingbird Medal (Gold) in 2008 for the development of energy journalism in Trinidad and Tobago.