PRIME MINISTER'S ENERGY WEEK 2014 MESSAGE

The Honourable Prime Minister
Mr Samuel Hinds; Minister in Charge of Energy

Georgetown, November 14, 2014: My Fellow Guyanese, Guyana, along with other member states of the Caribbean Community (CARICOM), will be participating in the regional effort to improve awareness among its population on energy and energy related issues through the fourth staging of CARICOM Energy Week. Commencing on Sunday, November 16 and concluding on Saturday, November 22 Energy Week 2014 will be celebrated under the theme, '***Achieving Climate, Environmental and Economic Resilience through Sustainable Energy'.***

Energy is integral to every country's economic growth and development. It is important for diverse economic activities such as transportation, agriculture, fishing, mining and manufacturing, all of which undoubtedly are key sectors for our economy. Additionally, energy is also a major contributor to our health and well-being in providing services such as lighting, transportation, cooling, entertainment and much more.

But carbon based energy sources, requiring the handling and combustion of Carbon fuels add Carbon Dioxide and other green house gases to the atmosphere. Under the United Nations "Sustainable Energy for All" initiative, countries are encouraged to reduce the per capita consumption of energy by adopting more energy efficient

technologies and fostering lifestyles changes; to use increasing amounts of renewable energy resources and technologies; to diversify their energy mix using cleaner forms of fossil fuels; all to minimise the increasing need for energy, particularly by the citizens of developing countries.

The efforts to realise sustainable energy in the region has also been expressed in the adoption of the CARICOM Energy Policy, approved in 2013. It provides a framework for Caricom member states to collectively contribute and benefit from development in this area. The CARICOM Energy Policy advocates the provision of secure and sustainable supplies of energy, energy efficiency in all sectors and energy access. By advancing collective goals, interconnection of energy systems and opportunities for country collaboration, the policy ultimately aims to achieve sustainable development in the Region.

Nationally, our Low Carbon Development Strategy (LCDS), unveiled by former President Jagdeo in 2010, outlines Guyana's approach to promoting economic development by protecting Guyana's tropical forests, to aid in addressing global climate change.

With the status of an oil importing country, Guyana is vulnerable to fluctuations in regional and international energy markets. Indeed, Guyana recently felt the effects of the supply disruptions when the two main suppliers of petroleum products within our region experienced difficulties in supplying products. We have also noted that these supply disruptions are also becoming more frequent. They certainly do remind us of how necessary energy is to our economic well-being and daily lives. In addition to using energy more sparingly and efficiently, we need to start increasing our storage capacities and reserves to cushion supply disruptions.

Of course, investments in storage tanks and strategic reserves require significant outlays, which are ultimately included in the prices to be paid. It is like an insurance policy. So, there is a need to balance the level of investments and the energy security to be targeted.

In the Electricity sector, we have been steadily increasing the generation capacity of the Guyana Power and Light, our national electric utility, and recently made significant investments in upgrading the transmission network. Our next phase of work is to be focused on improving the distribution networks, strengthening the human resource

capacity of the company and reducing technical and commercial losses….an area that we can certainly benefit from your support.

Guyana's energy policy, informed by the Low Carbon Development Strategy, is focused on providing reliable and renewable energy to all persons living in Guyana. The 165 MW Amaila Falls Hydro-Electric Project, a major transformational project of the Low Carbon Development Strategy, is intended to provide our people with lower cost, more reliable and sustainable electrical energy. It is indeed unfortunate that such an important development project was met with resistance and is still to be concluded.

Guyana's hydropower potential is estimated to be over 7,000 MW. In addition to the Amaila Fall Project, development of other hydropower sites is being pursued. A Memorandum of Understanding between the Government of Guyana and Government of Brazil explores new, low impact options for the development of the Mazaruni River and the export of energy to neighbouring Brazil, which offers a new source of foreign exchange for the country.

The development of small sites in Guyana, such as Kato, presents an opportunity to deliver electricity in remote riverine villages; thus, replacing the need for their diesel generators and enabling socio-economic benefits such as development of cottage industries and small businesses, use of ICT equipment, enhanced functionality of health facilities and a reliable electricity supply to schools.

Government is committed to ensuring that all citizens have access to electricity as part of its socio-economic development and poverty alleviation initiative.

Our Unserved Areas Electrification and Hinterland Electrification Programmes have been extending electricity services with much success. Mini-grids were installed and operating at Lethem, Mahdia, Port Kaituma and Moraikobai along with more than 14,000 solar photovoltaic (PV) installations for homes, primarily in hinterland communities. In the next few months, another 6,000 solar home systems and 100 solar-powered ICT hubs will be installed in 100 villages.

In the last few years, through pilots and demonstration projects, we have been furthering our knowledge of solar grid-tie applications, solar cooking stoves, solar

powered street lights, energy efficient wood stoves, low cost bio-digesters, bio-diesel and bio-ethanol production, wind energy and wind profiles.

Regarding energy efficiency initiatives, GEA has carried out energy assessments, replacement of defective photocells on street lights, replacement of high pressure sodium (HPS) lamps with more energy efficient lamps – all with the objective of reducing energy consumption by attaining higher levels of energy efficiency.

The Government has also provided fiscal incentives through import duties and VAT exemptions on identified renewable energy machinery and equipment and energy efficient lighting. These achievements were not without their challenges, and there is still much work to be done.

The Government of Guyana will continue to aggressively pursue the opportunities for increased biofuels production (biodiesel and ethanol) for export and for local consumption and will continue to pursue power generation options from rice husk and woodwaste. We will also continue to pursue options for bagasse-based cogeneration at other sugar estates.

Support will also be given to solar photovoltaic and wind resource development, using grid-tie and off-grid applications. Options for interconnecting renewable energy generators to the grid will be reviewed and explored towards the implementation of grid-ties. However, until the grid is strengthened and total losses reduced from current levels of about 30% towards a target of about 8%, we will maintain a policy of separate metering and separate pricing.

The other pillar of sustainable energy, energy efficiency, is equally important and is considered a "low hanging fruit" given that minor behavioural changes can lead to improved efficiency, less wastage and a significant reduction in energy consumption.Nationally, a small shift in demand based on increased energy efficiency can lead to savings of millions of dollars in the country's oil import bill.

At the household and individual level, simple actions like plugging out appliances and turning off lights when not in use or using energy efficient lighting can also lead to substantial savings. Public education and awareness programmes by the Guyana Energy Agency and the Guyana Power and Light offer guidelines and ideas on how to save energy and money in the home.

The effectiveness of sustainable energy in achieving climatic, environmental and economic resilience will depend on how we, as a nation, effectively utilise and manage our available energy resources. Addressing climate change requires transformation of the Energy sector to foster sustainable solutions that enhance energy access and economic development through the deployment of renewable energy, energy efficiency and energy conservation. It is an enormous but attainable task that will require all Guyanese to work together with one purpose.

As a low-lying state, Guyana is vulnerable to the impacts of rising temperatures stemming from increased greenhouse gases emissions. The threat of climate change is very real and we are compelled to take action by switching to alternative sustainable sources of energy. Despite the challenge of financing the initial higher costs of renewable energy technologies, following the framework set out in our policies and strategies will reap environmental and economic benefits for future generations.

As Minister responsible for Energy and Electricity, it is my hope that our people will be inspired to make improved decisions about their energy use; take action to conserve energy and support sustainable energy development in Guyana. I encourage my fellow citizens to support this week of activities.

I thank you.