Energy
CARICOM Energy Programme Quarterly Newsletter
October - December 2010 Issue 5

FORTUNES OF WORLD OIL PRICES IN 2011 AND THE CARIBBEAN COMMUNITY

Would an Oil-price crystal ball help CARICOM?

Where will world oil price settle in 2011? If the oil importing CARICOM countries could only know for certain the answer to this question, they could take actions that could save them millions of dollars through price hedging or fuel switching. Or could they? The fact is that very few if any CARICOM country now practice any form of energy price hedging and the current energy systems don't allow flexibility to take advantage of fuel switching. Further, we have not progressed very far in our attempts to diversify our energy supply systems towards alternatives and greater efficiency. Therefore even if we knew for certain that oil price would return to US$147 in 2011 we are stuck with virtually no option to mitigate the impacts.

In fact, In terms of the structure of their energy supply systems, net oil importing CARICOM countries are no better off than they were in the height of the crisis of 2008 and are virtually in the same state as they were a decade ago, despite the many calls for urgent actions.

Jury Still Out on 2011 Oil Price but what of Actions Required!

World oil prices opened 2010 at $81.51 and fluctuated within a range of $70 to $80 for most of the year, hitting a low of $68.01 on June 20. Oil prices seemed to have been trending north, breaking key resistance level of $90 by the end of 2010 amid signs of economic recovery after two years of recession. This recent trend has led to the Paris-based International Energy Agency (IEA), the world's leading energy watchdog, in mid December 2010, warning that oil prices of between $85 and $90 a barrel are "already a threat to the world's economic recovery" and are putting a lot of pressure on the trade balance between countries. (It's worth noting that in 2008 the average price of oil was US$90/barrel). Subsequently, IEA's chief economist Fatih Birol further warned that prices have entered the "danger zone" and that "the days of cheap oil are over" for good.

However some analysts believe that given, the slow pace of recovery of the global economy and the demand destruction in USA and Europe, coupled with the abundance of Natural Gas on the world market as well as the Organization of the Petroleum Exporting Countries' (OPEC's) excess production petroleum capacity, that 2011 will not see oil prices moving up noticeably. Conversely, the Petroleum Economist magazine (November 2010) points to the fact that the global oil market has now become bi-polar with the result that the fall out of demand in sluggish economies of the developed world led by North America and Europe on the one hand, will

Dr. Fatih Birol – Chief Economist International Energy Agency (IEA)

Source: NYMEX

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Explore this issue:

End of Decade Stock-Taking

by: Joseph Williams, Manager. CARICOM Energy Programme

Joseph Williams, Manager
CARICOM Energy Programme

It is usual at the end of a year and start of the new one, to pause for reflection, make resolutions and to set new goals. As we enter the New Year 2011 and indeed a new decade, it is therefore appropriate to look back at the last years, even as we seek to make plans to take on the challenges of the future. From the perspective of the CARICOM energy sector, the last decade has seen significant changes and some progress, yet much remains the same, there have been some developments but also some missed opportunities:

Petroleum and Gas Sector:
At the beginning of the decade, Trinidad and Tobago, Suriname and Barbados were the sole petroleum producers in CARICOM. In 2005 Belize joined the ranks of CARICOM oil producers with output steadily growing to 4000 barrels per day (b/d). Trinidad and Tobago, the petroleum and gas giant of the Region celebrated 100 years of oil production in 2008, significantly expanded its Natural Gas production and diversified its strategy for downstream gas sector. In 2010 Trinidad signed a historic Unitization Agreement with Venezuela for exploitation of gas within their maritime boundaries after many years of discussion. Guyana and Jamaica continued the exploration quest without striking the 'black gold'.

Over the decade the Petro-Caribe Arrangement (a series of bi-lateral agreements between Venezuela and most CARICOM countries for the supply of petroleum) has evolved to be the largest energy facility in the history of the Region. This continues to provide significant breathing space for countries to finance their energy bills.

Distributive Trade: At the beginning of the decade the petroleum refining and distributive trade in the Region was dominated by the international oil majors (Shell, Texaco, Esso), today these majors have all departed the Region.

The price of oil at the beginning of the decade was just under US$20 per barrel: today it is about $85-90 after spiking to almost $150 in 2008.

Electricity Sector:
The last decade has not seen much change in the ownership structure of electric utilities. Jamaica Public Service Company Limited is the only CARICOM electric utility to have moved from Government- owned to majority private ownership. Guyana Light and Power actually went from 50% private to fully Government- owned in 2003. There has also not been any change in electricity generation matrix except for the addition of incremental renewable energy capacities in Jamaica, Belize, Nevis and commissioning of the co-generation plant in Guyana. When compared with growth in electricity demand over the decade these changes are miniscule.

Renewable Energy and Energy Efficiency:
There have been some advances in the renewable energy development however the impact remains marginal in the larger context. The regional initiative Caribbean Renewable Energy Development Programme (CREDP) launched in 2004 and designed to overcome barriers to advancement of RE in areas of policy, capacity, finance and awareness has not achieved most of its objectives at the end of the Project life in 2009 for the main CREDP/UNDP component, but did record some success especially in the area of awareness building and capacity building. The CREDP/GTZ component continues to 2012. This Project has also laid the foundation for many subsequent initiatives that are now beginning to germinate.

One of the significant achievements from the CREDP has been the implementation of the Caribbean Information Portal on Renewable Energy (CIPORE) which provides a “one stop point” for all RE information in the region.

Ten years ago there was virtually no regional sustainable energy initiative, today there are at least twenty. There were no wind park installations in the CARICOM, today there are four (Wigton 1 & 2 and Munroe in Jamaica and Maddens in Nevis) with total capacity of 43 MW. There was no biomass cogeneration; today there is a 13.5 MW Bagasse Plant in Belize, as well as a 10 MW co-generation plant utilizing bagasse in Guyana. Geothermal exploration was mainly a dream; today the Island of Nevis is at the verge of production and developments are advancing in Dominica. Bio-fuels were not used in transportation; today Jamaica has a B-10 programme where 10% of the gasoline is substituted for bio-ethanol. Barbados was only country in CARICOM with facility and incentives or financing facility for solar water heating; today at least one other county has an established facility, also solar water heating distribution centers and agents have been established in several countries and others have included same in their action plans.

As recent as three years ago, there were no serious discourse on energy efficiency and renewable energy in Trinidad and Tobago given the country's abundant hydrocarbon resources and the critical role of oil and gas to the economy. Since then the Government has been pursuing the establishment of a renewable energy and energy efficiency policy. Except for some efforts in the tourism sector and the broad-based CHENACT Initiative implemented in 2008, energy efficiency in the Government, commercial and industrial sectors has not seen much progress during the decade.

Over the near to medium term, hydro power development in Guyana and Geothermal development in the Eastern Caribbean are poised to become the big game changers for renewable energy

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End of Decade Stock-Taking

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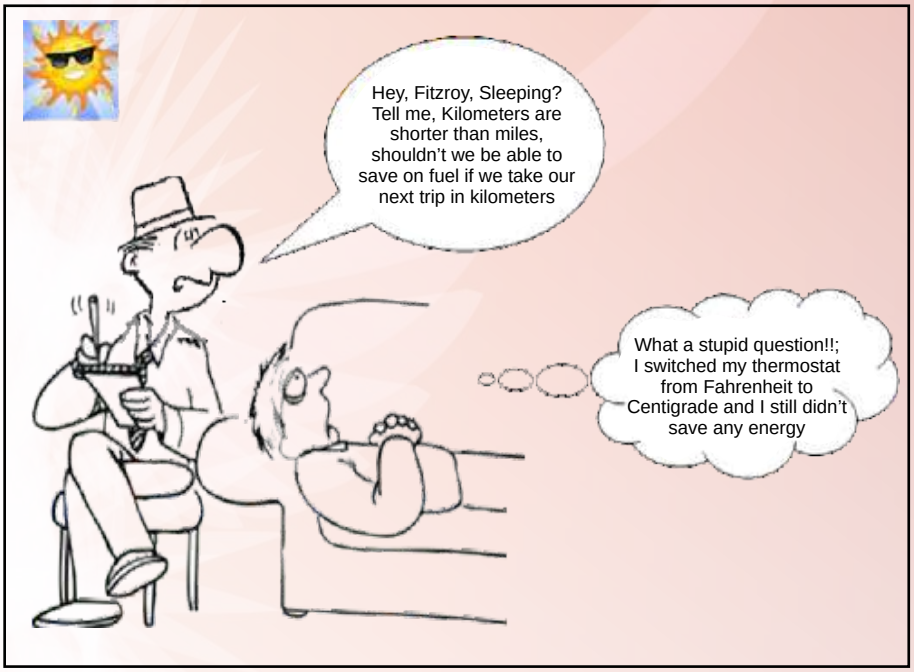
development in the Region.

Policy and Institutional Arrangements to support energy:
Ten years ago, only one CARICOM country had a comprehensive national energy policy elaborated, today twelve of the fifteen CARICOM countries have started elaborating national energy policy with three having approved by Cabinet. Ten years ago only a minority set of countries had any energy desk (viz Jamaica, Barbados, Trinidad, Guyana and Grenada) today majority of the countries have or are in the process of implementing an energy desk / energy unit and have an officer responsible for energy sector matters. The CARICOM Secretariat in 2008 re-instituted the Energy Unit to coordinate energy policy and energy sector development issues at the regional level.

Regional Energy Policy:
The Task Force on Energy was established in 2003 by Heads of Government, and produced a draft energy policy in 2007. The decade has ended without much visible advance in this matter. Though the delays can be explained these are hard to justify. Even though events may have overtaken some of the discussions and the challenges may have shifted, as a Community and given the critical role of energy to development, it is vital that a Community Energy policy be established. Further, notwithstanding the challenges associated with diversity of resources and national energy sector objectives (given the varying hydrocarbon resource positions) elaboration of regional policy is a necessity for Community engagement on the international development community and can provide an overarching framework for regional strategy and opportunities for low carbon development. Given that many of the issues for the finalization of the CARICOM Policy are being addressed it is intended that this matter will be placed on regional energy agenda during the first quarter of 2011.

Development of a Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS):
From the reflections above, it is clear that small progress is being made in moving the Regional energy sector towards sustainable energy path. However, given the time elapsed since the first oil shock of 1973, the dire situation in terms of cost of energy on national budgets and the Climate Change imperatives, it is easily argued that far more should have been achieved by now. What is also clear however is that the piece-meal, ad-hoc approach generally taken to sustainable energy development over the years will continue to yield paltry progress. It can be easily argued that the time has come for a far more strategic and targeted approach to be taken which brings together national efforts as well as collective regional efforts. The development of the Caribbean Sustainable Energy Roadmap and Strategy seeks to provide the framework for leap-frogging the Regional sustainable energy development efforts.



Fortunes of World oil prices in 2011...

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be more than compensated by the fast growing Asian countries led by China on the other hand. Therefore, "*until the fundamentals pushing up oil demand in China begin to weaken, Asia's ascendency in global oil markets will continue, with upward pressure on oil prices along the way*".

For oil importing CARICOM countries, the prices above $70/barrel are already very high, therefore, whatever the fortunes of world oil prices over 2011 and beyond, the push for reduced oil import dependence (through exploration and increased efficiency), and diversification of supplies (through introduction of alternatives) remain an urgent imperative. Furthermore, it is now well accepted that diversification of the energy supplies towards greater use of renewable as well as increased energy efficiency is good for all CARICOM countries, even though the strength of the motivation for pursuing same may vary reflecting importance of energy security, climate security or both depend on whether they are net-importers, net-exporters, or net-importing producers.

As expected, Oil producing CARICOM countries like Trinidad and Tobago and Suriname benefit from higher world oil prices, however, given the well placed fear that the recovery of the global economy is threatened if oil prices drift too high (which would further result in oil demand destruction), it appears that low to moderate oil prices over 2011 and beyond seems to be in the best interest of all CARICOM countries.

First Anniversary: Energy Newsletter

ISSUE #1

ISSUE #2

ISSUE #3

ISSUE #4

The Energy Newsletter seeks to increase awareness about the programme of work of the CARICOM Energy Programme as well as energy issues related to sustainable energy development in the Caribbean Community. We aim to present the issues in a simple manner to allow non-technical persons and those not directly involved in the energy sector to be able to follow same and to make the relevant linkages with their particular spheres of life.

Although Petroleum based energy will be with us for a long time to come, it is the sustainable energy Agenda which holds the potential for changing the fortunes of most of the countries of CARICOM. It is also under this banner that the Region stands to receive most of the support from our developmental partners towards mounting a positive response to the Climate Change problem. **It is for this reason that Energy is focused almost entirely on Sustainable Energy Issues.**

Given the importance of energy for national development and the fact that energy affects all facets of life, the manner in which we interact with energy (or energy systems) can have a profound impact on national development. We hope that through the pages of Energy we can influence a positive interaction with energy (based on informed choices and conscientious behaviours) towards enhanced development of the region.

Special Thanks to the Energy Unit's Team for their input over the last 12 months and to readers for general feedback. –

Joseph Williams

WORLD ENERGY OUTLOOK REPORT
Better Days Ahead?

In November the International Energy Agency (IEA) produced its World Energy Outlook (WEO) for the next 25 years to 2035 showing projection of global oil price, energy demand, production, trade and investments, fuel by fuel and region under three scenarios, viz:

- Business as usual or ***Current Policies Scenario***, which considers only policies and measures that had been formally adopted by mid 2010;
- ***The New Policies Scenario,*** taking account of broad policy commitments already announced; and
- **The *450 Scenario*** assumes a pathway to 2035 that aims to limit the long term concentration of greenhouse gases in the atmosphere to 450 parts per million of CO_2 equivalent.

In general the WEO shows that in the context of the current uncertainties, there are challenging days ahead in seeking to transition the global energy system to a sustainable pathway.

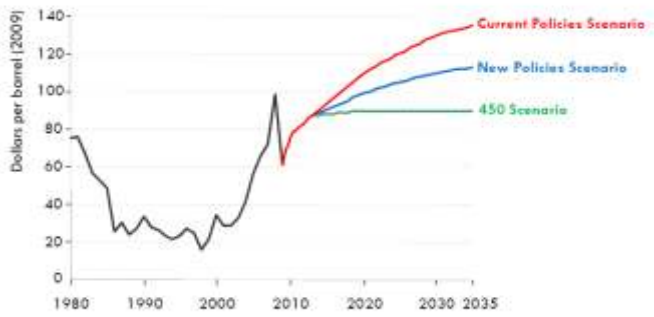
We will briefly look at a few of the projections, if the *new policy scenario* is assumed, which anticipates that Governments will follow through on the announced policy actions and commitments of the Copenhagen Accord and other policy actions to tackle climate change and growing energy intensity. The WEO projects that in 25 years' time, by 2035:

- Oil prices will rise to $113 per barrel (i.e. average annual price, measured in current dollars. It should be noted that in 2008 even though world oil price spiked to $147/barrel the annual average price for 2008 was $90). This will be driven by the relentless increases in demand from China and other developing nations.
- The growth in the demand for natural gas will far surpass that of other fossil fuels due to the more favourable environmental and practical attributes, however coal will remain the leading source of electricity generation with a share of 32%. China's coal-fired generating capacity will exceed the combined capacity of the U.S., European Uniozn and Japan.
- Nuclear power will increase from 6% (in 2008) to 8%.
- Modern Renewable Energy including hydro, wind, solar, geothermal and modern bio-mass and marine energy will triple. The share in the *global primary energy demand* is projected to be 14%. However, renewable energy based power generation will move from 19% (in 2008) to 30% to catch up with coal.
- The number of cars on the road is projected to double to 1.6 billion.
- The WEO makes the point that while renewable energy sources will have to play a central role in moving the world onto a more secure, reliable and sustainable energy path, the future of renewable energy hinges critically on strong government support. Further, emphasizing the point the WEO also highlights the fact that the potential for renewable energy is unquestionably large but how quickly its contribution matches the World's energy needs, hinges critically on the strength of Government support to make them cost-competitive with other energy sources and technologies.

WEO and CARICOM - Think on These Things

While fossil fuels will remain dominant sources of global primary energy over the next 25 years and renewable energy will still make modest contribution to the energy mix, for the CARICOM region the contribution of renewable energy can be far greater than that at the global level based on its resources relative to the size of its markets.

WEO International Oil Price Assumptions



The age of cheap oil is over, though policy action could bring lower international prices than would otherwise be the case

Source IEA

It is also noted that, based on the projections at the global level, the advancement of RE at the regional level will still require strong incentives from Government. Given the fiscal environment which will likely to linger for many years, there is a high risk that Governments will not have a large appetite to forego revenues in the form of incentives. Further, given that the relatively high cost of energy in CARICOM is already a major concern for its citizenry, it is unlikely they will be willing to pay higher prices for energy from RE sources. The key option is for the Region to pursue aggressively those technologies which have grid parity until price reductions are achieved for others on the global market.

Featured Personality of the Quarter

Mr. Thomas M. Scheutzlich

Editor's Note: *The Caribbean Renewable Energy Development Programme (CREDP) Project is a landmark renewable energy initiative in Caribbean and despite its challenges, the project is considered to have laid an important foundation upon which many of the nascent developments are based and upon which future scaling-up will take place.* Energy *hails the pioneers of the CREDP Project and will seek to feature over the next Issues, some of these persons who were involved in the early formulation and development of this Project. This Issue features* ***Mr. Thomas Scheutzlich.***

Thomas Scheutzlich

For almost a decade, within the energy sector of most countries of CARICOM and especially the OECS countries, the face of Thomas Scheutzlich has been identified with renewable energy and energy efficiency. His good understanding of the Caribbean and his energetic yet mild tempered style have been a winning approach in his engagement with the CARICOM energy sector in the pursuit of the advancement of the sustainable energy development.

Thomas Scheutzlich has more than 27 years experience in international development cooperation. He holds a Master's degree (M.Sc.) in energy technology and mechanical engineering from the Technical University of Dresden, Germany as well as a Master's degree (M.A.) in Political Sciences from the University of Munich, Germany. He is specialised in energy policy, project planning and management, engineering design and implementation of renewable energy and energy efficiency projects as well of socio-economic and socio-cultural aspects of development cooperation.

In the Caribbean, Thomas has a long working track record. From 1985 to 1988 he was seconded as the Technical Advisor to a sugar technology project in Jamaica funded by the German Agency Technical Cooperation (GTZ). After several years working in Peru, Asia and the South Pacific for GTZ, KfW, the European Union, the World Bank, Swiss Government and later for the Germany based Consulting Company Project-Consult GmbH, of whom he became a Senior Partner in 1992, he returned to the Caribbean in 1999 when his company Projekt-Consult GmbH had been awarded the contract by CEIS/UNDP for the execution of the Feasibility Study for the Caribbean Renewable Development Programme CREDP.

In his capacity as consultant to the GTZ and also to the UNDP, Thomas was actively involved in the entire process of planning and preparing the CREDP till its operational start in 2003.

In 2003, the company Projekt-Consult GmbH was awarded the contract by the GTZ for implementation of the German contribution to the CREDP which was executed in the first phase from 2003 utill 2008. During that time, Thomas was the Principal Advisor of the CREDP/GTZ based in St. Lucia and cooperated closely with the PMU of the CREDP/UNDP based at CARICOM Secretariat in Guyana. From 2008, the CREDP/GTZ entered into its second phase which will last till 2012. In this current phase, Thomas continues as Principal Advisor and heads a team of four long-term experts and local employees in St. Lucia and Guyana as well as a number of international and regional short term experts who assist in the implementation of CREDP.

In the context of the Framework Agreement between the CARICOM Secretariat and the Government of the Federal republic of Germany for the Implementation of CREDP/GTZ Phase II, The CREDP/GTZ project team works closely with the CARICOM Energy Programme. The CREDP/GTZ Project led by Thomas, provides advisory support to Caribbean Governments and regional organisations like CARICOM Secretariat, OECS Secretariat, CARILEC and others on energy policy focused on the improvement of the policy, legislative and economic framework conditions for the use of renewable energies and energy efficiency. It also supports and fosters investment projects in Renewable energies and energy efficiency and therefore engages Caribbean electric utilities, public and private investors and developers. Finally, the Project supports capacity building and awareness raising efforts for RE and EE in the Region. It is fair to say that for almost a decade Thomas has been a strong advocate and a driving force for sustainable energy in the region.

Energy congratulates Thomas Scheutzlich on his achievements to date and continue to wish him well!!!

Outcome of Climate Conference and CARICOM Energy Sector

For obvious reasons the energy sector is a critical target for Climate Change mitigating actions and therefore in developing countries like those of CARICOM this sector stands to benefit from international development financial assistance as well as direct technology transfer arising from Climate Change negotiations. The latter is critical in helping them transition towards more climate compatible systems and low carbon development pathways. Therefore if for no other reason, the U.N. Climate Change Conference held in Cancún, Mexico from November to December 2010 was of particular interest to the CARICOM energy sector. In addition to the desire for the Conference to yield firm decisions on financing and technological development support for developing countries, there was some amount of anxiety leading up to the COP 16 given the uncertainty about the future of Clean Development Mechanism (CDM) beyond 2012 if there were no agreement on Kyoto Protocol and a second commitment period.

Against this background Cancun maybe seen as a success for the CARICOM energy sector as the Conference sent a clear signal that the CDM will continue operation even if a gap will occur in 2013 between the end of the Kyoto Protocol's first commitment period and entry into force of a subsequent treaty. In supporting this view, Bloomberg New Energy Finance in London, noted that: "*The Cancun outcome should be viewed as broadly positive for the international carbon markets as expectations for COP16 had been very low and the international negotiation process to address climate change has not run aground -- as many suspected it would*." This signal has also been transmitted to the Carbon market, as UN offsets for delivery in December 2010 gained as much as 1.3 percent to 11.55 Euros, the highest level since November 2010. This contrasts with the previous six months, where because of uncertainty over the future of the CDM after the Kyoto Protocol's expiry, there were losses of up to 10%.

Further, the CDM has also been strengthened with a series of measures designed to drive more investment into emission reduction projects in the developing world. CARICOM energy sector should therefore continue the quest to develop clean energy projects which can benefit from Carbon Finance. This includes a loan scheme applicable for countries with fewer than 10 CDM Projects. It is hoped that the push by CARICOM Energy Programme under the CRECS Project to build awareness and strengthen capacity for development of projects for carbon financing as well as an effort to pursue a programmatic regional CDM project as part of the C-SERMS will gain traction over 2011.

In addition, the Cancun Climate Change Agreement package also included initiatives to deploy money and technology to developing countries with a total of US$30 billion financing from industrialised countries to support climate action in the developing world up to 2012, with the intention to raise up to $100 billion by 2020. Whilst this is not new, the Conference has sought to anchor this key component of the Copenhagen Accord into the multilateral climate framework. The design of a Green Climate Fund has also been established as well as a technology mechanism with a Technology Executive Committee and Climate Technology Centre and Network to increase technology cooperation to support action on adaptation and mitigation.

Therefore even though many objectives goals were not achieved including a global deal from the standpoint of CARICOM energy sector there were some successes that hold potential for further advancing development towards a more sustainable energy pathway.

NUCLEAR ENERGY: AN OPTION FOR CARICOM ENERGY SUPPLY FUTURE?

Just the mention of the term nuclear energy, conjures up fear in many people' mind. This, because of the fact that the radiation is known to be dangerous, there are troubling issues with nuclear waste disposal, and the lingering images of two nuclear accidents over the past three decades namely, the Chernobyl disaster in 1986 and the Three Mile Island accident in 1979. Then of course the more haunting images of the destruction of two cities, Hiroshima and Nagasaki in Japan by atomic bombs in 1945, coupled with the threat of nuclear weapons getting in the hands of terrorists. Notwithstanding the hazardous nature of nuclear and catastrophic events, nuclear energy today is responsible for 13% of the world's electrical energy production. Many countries therefore still derive a significant part of their electricity from this source. France is the global leader with 75%, but other countries such as Belgium, Sweden, Spain, UK and USA all have sizable proportions of nuclear power in their electricity generation mix. Over the years, nuclear power production has come under much pressure especially owing to environmental reasons (based on issues of waste disposal) to the point where no new power plant was constructed since the 1970's.

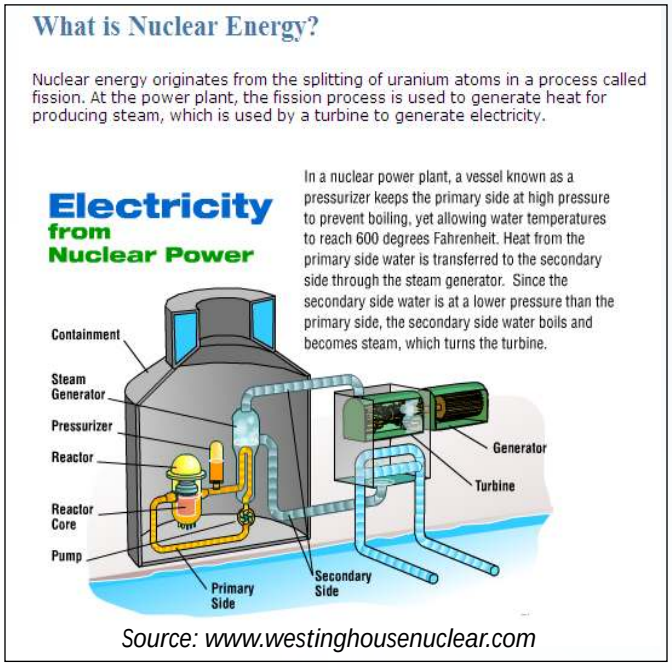
Ironically, it is for environmental reasons that nuclear energy is once again considered as having significant potential contribution to the global electricity generation mix to meet growing energy demand, carbon dioxide emission reduction targets and to limit global temperature rise by 2050. The International Energy agency (IEA) considers that the contribution of nuclear energy to global electricity generation will increase in the next 25 years. Nuclear is being pushed as a clean (carbon free source) of power and in many jurisdictions it is considered to be among one of the sustainable energy options. The USA sees this as a viable source of power to meet Carbon emission targets.

Nuclear Energy in the Caribbean

Apart from the challenges of safety and the need for high technical capacity to support nuclear power generation, Caribbean countries (except for Cuba) have traditionally not seen nuclear power as an option because of the condition that it's not cost effective for power plants under 1,000MW. Jamaica which has the largest electricity capacity of the oil import dependent CARICOM country has only an installed capacity of 779MW. (In 1983, Cuba started to build the Juragua nuclear power plant with help from the Soviet Union; however, that nuclear power plant was never finished and is not functional). Recent developments in nuclear power generation technology is changing the view that nuclear energy is not appropriate for small energy systems while addressing the safety as well as waste disposal issues.
Although a few years away from wide-scale deployment, Small Modular Reactors (SMRs) which are being promoted for their flexibility in size and design, lower cost of construction and operation (4-5 US cents per kWh compared to existing 20-40 US Cents per kWh in CARICOM), and speed of construction (similar to time to construct a Gas turbine plant). With the issue of capital cost, minimum plant size, safety and waste disposal being supposedly addressed by the SMRs technology, the question is being raised, why not nuclear energy for the Caribbean?

In Jamaica the discussions have been ongoing for the past few years since former Minister of Energy Mr. Clive Mullings established a Task force in 2008 to examine the feasibility of nuclear energy option. Jamaica's National Energy Policy 2009 – 2030, also contemplates nuclear energy as one of the options to be pursued. Recently, Professor Gerald Lalor, Director General of the International Centre for Environmental and Nuclear Sciences based at UWI Mona, has placed this issue on the table in a publication in the Jamaica Gleaner newspaper. Mr. Zia Mian, Director of the Office of Utilities Regulation in Jamaica, (which regulates the electricity sector) seems supportive of the nuclear energy option for Jamaica if the right measures and schedule are in place.

If all the supporting arguments in relation to safety, performance, economics hold true for SMRs nuclear power production, then there may be potential for nuclear energy as a cheaper and low carbon electrical energy alternative for the oil import dependent CARICOM countries. However, it would appear that the matter of nuclear energy in the CARICOM will not escape discussion at the regional level, given history, risks and capacity issues associated with this technology; further the intensity of the emotional component should not be discounted.



Source: www.westinghousenuclear.com

ENERGY NEWS

1. NEW ADDITION TO CARICOM ENERGY UNIT:

Sustainable Energy Specialist,
Dr. R. Alston Stoddard

The CARICOM Energy Unit welcomes Dr. R. Alston Stoddard to the team. Dr. R. Stoddard has been appointed Sustainable Energy Specialist effective January 1, 2011. His main responsibility is the management of the Caribbean Renewable Energy Capacity Support (CRECS) Project funded by the European Union.

Dr. Stoddard is a citizen of St. Vincent and the Grenadines, who has served his country and the Caribbean for many years in the areas of energy, science and technology and industrial development.

Dr. R. Alston Stoddard

He holds a Bachelor of Science Degree in Industrial Technology, a Masters' Degree in Technology Management and a PhD in Industrial Engineering. He has been a consultant for several international organisations including the UNDP, OLADE, GTZ of Germany and the IDB. He has represented several regional organisations viz the Caribbean Council for Science and Technology (CCST), the Caribbean Information Energy System (CEIS) and CARICOM at various fora. Prior to this engagement in the Energy Unit he was employed at the CARICOM Secretariat in the capacity of Industrial Policy Expert over the period 2009-2010.

2. CARICOM Secretariat Receives Additional Support From the Federal Government of The Republic of Germany for the Energy Programme

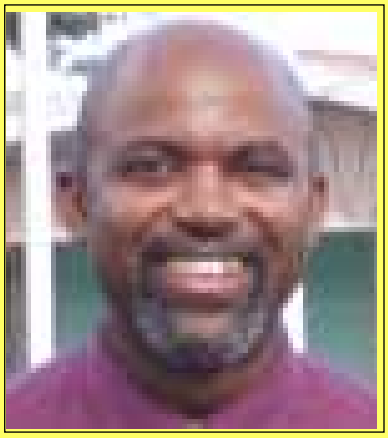
The Government of the Federal Republic of Germany has provided further timely and critical support for the region's sustainable energy development. In December 2010 the Government of the Federal Republic of Germany committed **€4,500,000** to support the programme titled "**Support for Institutional Structures for the Promotion of Renewable Energy and Energy Efficiency in the Caribbean"**. This funding will bolster the CARICOM Energy Programme and support to Member States in their aim to increase the contribution of energy efficiency and renewable energy towards long term energy security and improved climate compatibility.

Ambassador Stefan Schluter

This Support was announced by new German Ambassador to CARICOM, Ambassador Stefan Schlüter on the occasion when he presented Credentials to the CARICOM Secretariat on December 7, 2010. Inter alia, the funding will support the development of the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS) that seeks to establish goals and realistic targets at a regional level for renewable energy and energy efficiency.

This new support will build on the foundation laid by earlier and ongoing support provided to CARICOM by the Government of the Federal Republic of Germany under the Caribbean Renewable Energy Development Programme (CREDP).

3. CARILEC APPOINTS NEW Executive Director



Dr. Gary Jackson has been appointed as the new Executive Director of Caribbean Energy Utility Services Corporation (CARILEC) effective January 2011. Dr. Jackson is a citizen of Jamaica and former General Manager of Wigton Wind Farm Ltd. He replaces Mr. Nigel Hosein who moved on in September 2010. The CARICOM Energy Programme wishes Dr. Jackson all the success in his new post and looks forward to continued close working association with CARILEC towards the transformation of the regional energy sector.

4. DRAFT REPORT ON ENERGY PRICING IN CARICOM

The Heads of Government identified that the finalization of the Regional Energy Policy should be informed by a better understanding of structure of energy pricing in the Region and relative competitiveness of natural gas. The Study is proposed to answer some of the questions in the debate on energy trade in the Community. The Draft Report has been circulated to Member States for comments.

5. COORDINATION WEBPAGE & DATABASE:

A Webpage and database sponsored by CREDP/GTZ has been developed by the Caribbean Energy Information System (CEIS) for CARICOM Energy Programme to facilitate coordination of sustainable energy initiatives among Development Partners and Funding Agencies in CARICOM Sector. This will provide a central point for sharing information on sustainable energy initiatives at the regional level among developmental partners towards more effective use of resources and minimization of duplication.

6. I-SEAPS Energy Management Workshop held in Antigua:

In December 2010 an energy management workshop was conducted in Antigua by Dr. Frederick Isaac, Energy Management consultant contracted under the I-SEAPS/UNDP Project implemented by the CARICOM Secretariat. Thirty five persons who attended the workshop were instructed in basic energy management principles and opportunities for various aspects of commercial building operations.

7. Final Evaluation of CREDP/UNDP Project:

The Final Project Evaluation of the UNDP sponsored component of CREDP which ended on 31 December 2009, was conducted during October to November 2010.

8. TRINIDAD & TOBAGO:

Consultation on the Draft Renewable Energy Policy has commenced.

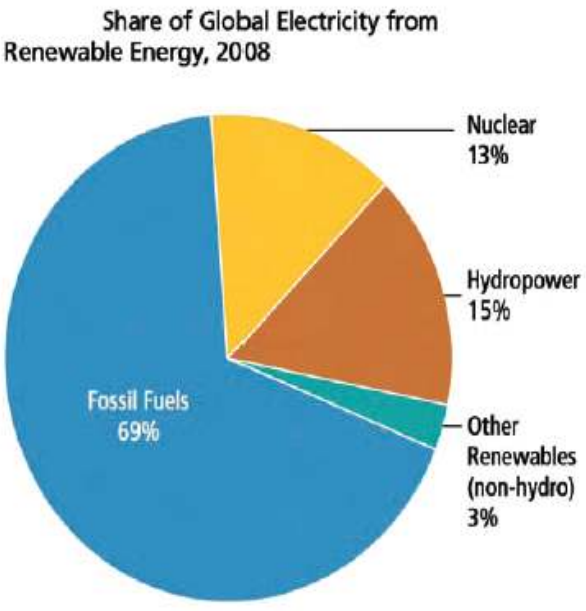
9. SIDDOCKS MOU SIGNED:

A Memorandum of Understanding was signed in the margins of the U.N. Climate Change Conference held in Cancún, Mexico from November to December 2010 for the implementation of SIDDOCKS. SIDDOCKS is an implementing mechanism for Small Island Developing and Low Lying Coastal States targeting global Climate Change funding for green investment projects. The Memorandum of Understanding was signed by the Prime Minister of Grenada (Grenada being Chair of AOSIS), the World Bank Group, and the UNDP.

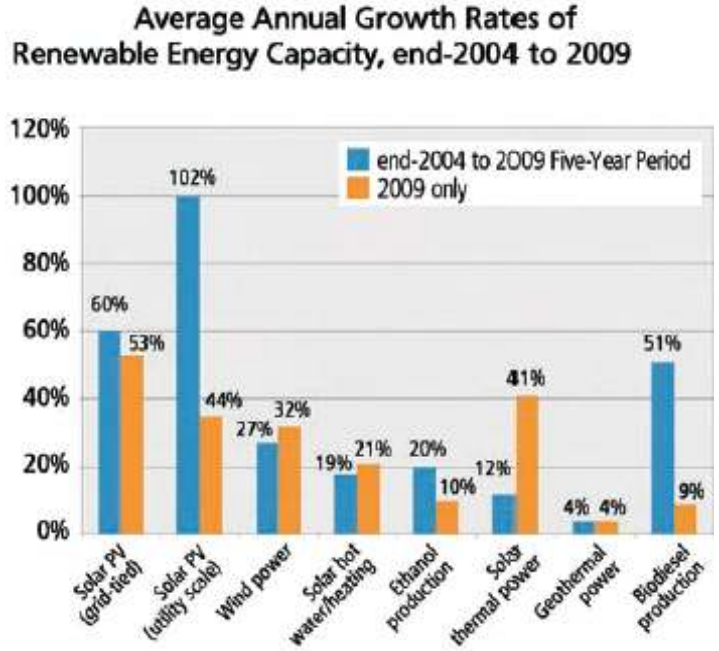
SELECTED STATISTICS FROM GLOBAL STATUS REPORT 2010

Table: SELECTED INDICATORS AND TOP FIVE COUNTRIES

TOP FIVE COUNTRIES	#1	#2	#3	#4	#5
Annual amounts for 2009					
New capacity investment	Germany	China	United States	Italy	Spain
Wind power added	China	United States	Spain	Germany	India
Solar PV added (grid-connected)	Germany	Italy	Japan	United States	Czech Republic
Solar hot water/heat added[3]	China	Germany	Turkey	Brazil	India
Ethanol production	United States	Brazil	China	Canada	France
Biodiesel production	France/Germany		United States	Brazil	Argentina
Existing capacity as of end-2009					
Renewables power capacity (including only small hydro)	China	United States	Germany	Spain	India
Renewables power capacity (including all hydro)	China	United States	Canada	Brazil	Japan
Wind power	United States	China	Germany	Spain	India
Biomass power	United States	Brazil	Germany	China	Sweden
Geothermal power	United States	Philippines	Indonesia	Mexico	Italy
Solar PV (grid-connected)	Germany	Spain	Japan	United States	Italy
Solar hot water/heat[3]	China	Turkey	Germany	Japan	Greece



Source: Renewables Global Status report 2010



Source; Renewables Global Status Report 2010

UPCOMING EVENTS

1. Launch of Sustainable Energy Initiatives

The CARICOM Energy Programme will host a Launch and Operational Planning Meeting for the following sustainable energy initiatives on 24–25 January 2011 at the Grand Barbados Beach Resort, Bridgetown, Barbados:

- The Caribbean Renewable Energy Capacity Support (CRECS) Project funded by the EU;
- The Caribbean Sustainable Energy Road Map and Strategy (C-SERMS) Project funded by the IDB;
- The Sustainable Energy Technical Assistance (SETA – OECS) funded by the CDB.

2. PLATTS Caribbean Energy Conference

The Eleventh Annual Caribbean Energy Conference will be held during January 27-28 in Miami Florida under the theme – "Strategies for Lowering Energy Cost and Reducing Carbon Footprint".

3. IBC Energy will host Workshop on Sustainable Energy in the Caribbean

A workshop to assess the Caribbean landscape for opportunities in renewable and alternative energy projects is scheduled for May 4-5, 2011 in Kingston Jamaica.

4. SATIS Conference and Workshop:

The Caribbean Solar Energy Society will host a Conference and Workshop in June 2011 in Antigua and Barbuda.

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