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RECOMMENDATIONS BY THE REPRESENTATIVES OF THE PRIVATE SECTOR  
(Thackwray Driver, President and CEO of the Energy Chamber of Trinidad and Tobago,  
Chairman of CARICHAM)

**SUMMIT IMPLEMENTATION REVIEW GROUP (SIRG)**  
**7<sup>th</sup> March 2022**

**Comments on behalf of the Energy Working Group of the Americas Business Dialogue.**  
**By Thackwray Driver, CEO, Energy Chamber of Trinidad & Tobago.**

Thank-you and good morning.

I am Dax Driver, the CEO of the Energy Chamber of Trinidad & Tobago and joining you this morning on behalf of the Energy Working Group of the Americas Business Dialogue.

Energy is at the heart of many of the challenges facing the Americas today – from the challenge of climate change to the current supply chain disruptions and the challenge of assisting all our people to rise out of poverty. The private sector, working in partnership with Governments and civil society, has a crucial role to play in meeting these challenges. In the Energy Working Group of the Americas Business Dialogue, private-sector representatives have been coming together to share experiences and perspectives and to make policy recommendations.

The Americas has abundant sources of energy, both fossil fuels and renewable energy sources. However, these sources of energy are not geographically evenly spread, and the region includes countries who are both net energy exporters and net energy importers. Here in the Caribbean, we have a microcosm of the hemisphere with both energy exporting counties, such as Trinidad where I am based and many countries that are reliant upon importing energy. I will draw mainly on Caribbean examples in my discussion this morning, as this is the region I know best,

I want to highlight five policy areas where we the Energy Working Group believes that Government's can take urgent action to meet the challenges that we face.

We need:

- 1) Roadmaps and long-term policy frameworks that will allow capital to flow into the lower carbon energy sources, including renewable energy and natural gas, if we are to meet the net zero objectives.

- 2) The integration of energy markets to allow easier cross border trade in electricity and in other sources of energy, including natural gas and green or blue hydrogen.
- 3) Policies and regulatory regimes that will encourage the development and adaptation of new technologies.
- 4) A focus on investment in flexible and resilient electricity grids that can incorporate intermittent sources of renewable energy, at competitive rates for consumers.
- 5) A focus on the circular economy and on creating the opportunity to nearshore the production of inputs to renewable and low carbon energy systems in the Americas to overcome global supply chain disruptions.

Starting with the first of these recommendations on long-term policy frameworks: private capital is looking for opportunities tied to the overall objectives of meeting the climate change objectives. For those of us in small island states, climate change, sea-level rise and the prospect of even more intense hurricanes are clearly issues that loom large. Investments in lower carbon energy systems can both offer us a climate resilient future, but also allow us to re-orientate our economies – which is also important to the current hydrocarbon producers. This means getting the right policy frameworks in place that will encourage needed investment – and I would just put in a clear call here for mechanisms that will set a price for carbon and allow the international trade in carbon credits. If Government’s focus on getting the right policy environment, the private sector will invest.

The second policy area to highlight is the promise held out by the integration of energy markets. As I mentioned, energy sources in the region are not evenly distributed and cross border trade in energy sources is important for all economies. Traditionally oil and coal have been easily traded between countries – we need to make it easy to trade in electricity from renewable sources, and in natural gas.

We have noted and welcome the draft Summit commitment to reduce the release of methane and the commitments to reduce flaring of natural gas. There is a key opportunity that exists in the region to ensure that we capture and use all of this natural gas in both domestic and cross border markets.

With respect to electricity grid integration, this is extremely important to create greater grid resilience. But there are also cases where electricity grid integration is needed to create investment opportunities in stable sources of renewable energy; I am thinking here especially of geothermal power in the Eastern Caribbean, where it is difficult to generate economies of scale for large projects to serve just one market. Green hydrogen could also offer an intriguing opportunity in this setting.

Green hydrogen offers a nice segue into our next major recommendation area and the need for policies and regulatory regimes that will encourage the development and adaptation of new technologies. In the Energy Working Group we try to be agnostic on specific technologies but note that the need the right environment for funds to be channelled to innovation and new technology

adaptation. Energy storage technology is especially important – and hence the focus on hydrogen and batteries.

With hydrogen we believe that it is important that we encourage investment into both green sources, from electrolysis of water, and blue sources, from natural gas, but where the carbon is capture and sequestered. There are also interesting opportunities in waste to hydrogen and low carbon fuels like bio-methanol. These technologies have crucial roles in play in the hard to decarbonise sectors, like shipping and heavy industry.

The focus on storage is also important if we are to build resilient electricity grids that can incorporate intermittent sources of renewable energy, such as solar and wind. There has often been a focus on the upstream development of renewable energy sources and of course the fantastic decline in costs for many sources. However, if those intermittent renewable sources of cheap energy are going to translate into consistently competitive rates for consumers, then it needs very careful planning in how the grid operates.

Our final recommendation relates to the circular economy. Given the current global geopolitical environment we believe that there needs to be a clear focus on the production of *inputs* to renewable and low carbon energy systems in the Americas to overcome global supply chain disruptions. This was discussed in detail at the side event at the recent side event organised by the ADB at the Energy and Climate Partnership of the Americas in Panama so I would conclude by referring delegates to those discussions.

Thank-you for your time and for your attention to these vital issues for our region.