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Economic Commission for Latin America and the Caribbean
Subregional Headquarters for the Caribbean

Meeting on fiscal and regulatory barriers to implementation
of energy and efficiency measures and renewable energy
technologies in Belize, Curaçao and Guyana
18 April 2013
Georgetown, Guyana

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**REPORT OF THE MEETING
ON FISCAL AND REGULATORY BARRIERS TO IMPLEMENTATION OF
ENERGY EFFICIENCY MEASURES AND RENEWABLE ENERGY
TECHNOLOGIES IN BELIZE, CURAÇAO AND GUYANA**

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A. INTRODUCTION

1. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) subregional headquarters for the Caribbean convened a meeting that sought to identify the barriers in fiscal and regulatory systems to implementation of energy efficiency measures and renewable energy technologies.
2. The meeting was used a forum for presentation of a draft report that was prepared based on stakeholder consultations previously held in February 2013. The main objective of the meeting was to sensitise stakeholders as to the fiscal and regulatory barriers that were identified, to obtain their comments and endorsement of the draft report that would lead to its finalization.

B. ATTENDANCE AND ORGANIZATION OF WORK

1. Place and date

3. The meeting was convened by ECLAC subregional headquarters for the Caribbean on 18 April 2013 in Georgetown, Guyana.

2. Attendance

4. The Chief Executive Officer (CEO) and staff of the Guyana Energy Agency (GEA), representatives from Belize and Curaçao, regional experts and representatives from ECLAC attended the meeting.

3. Agenda

5. The meeting adopted the following agenda:
 1. Welcome and introductions
 2. Presentation of draft report on fiscal and regulatory barriers to implementation of energy efficiency measures and renewable energy technologies in Belize, Curaçao and Guyana
 3. Discussion
 4. Closure

C. OUTLINE OF PROCEEDINGS

1. Opening of the meeting

6. Welcome and opening remarks were made by Dillon Alleyne, Deputy Director a.i., ECLAC subregional headquarters for the Caribbean. He thanked the Duetsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH for their support in the initiative and the Government of Guyana for hosting the meeting. He spoke about the importance of the study and the collaborative approach ECLAC took in producing the reports. He then informed the representatives that their comments on the report would be considered in its finalization. The head of the GEA, Dr. Mahender Sharma, indicated, that many of the stakeholders may not have reviewed a few general comments. He said that some of the information was dated, and that the GEA would be willing to provide updated information. He then spoke of their efforts at

building human resources capacity and of the importance they placed on sustainable energy and energy efficiency.

2. Report Presentation

7. The findings of the three reports were presented by Dr. Devon Gardner. He began with an overview of the report, in which he discussed its purpose and its importance for the region. He then discussed the methodology used in preparation of the draft report namely, (1) desk assessment, (2) analysis of the fiscal and regulatory environment, (3) consultation and dialogue with stakeholders, and (4) recommendations. He stated that steps 1 and 2 were completed and he was currently at the consultation stage, although some recommendations had already been made. He then proceeded to present the findings.

8. Dr. Gardner mentioned that in all three countries there are institutional and policy barriers to implementation of renewable energy and energy efficiency measures. One institution that stands out in all three countries is the regulatory body. He said that energy efficiency is encouraged but not mandated. He said there are capacity barriers because no one is pursuing the energy efficiency agenda and that subsidised energy is a barrier to sustainable energy. It was also revealed that the small market size of the countries, as well as their long distribution chains act as barriers to renewable energy. High capital costs were not a problem as much as the access to capital was in financing alternative energy projects. Interest in alternative energy measures were related to the price of oil, because as energy became more expensive, people become more interested in alternative sources of energy. He said some investors may want to weight the benefits of investing in alternative energy versus purchasing oil futures.

9. The overall findings of the reports were then presented. Dr. Gardner found that there was too much focus on large-scale renewable energy generation and there was also a need for mid- and short-term solutions as opposed to long-term, large-scale projects. He also mentioned that there was not enough focus on the transport sector, mainly due to the difficulty in measuring its impact. He noted the importance of transport as it accounts for around 67 per cent of the fossil fuel use in the Caribbean subregion. In Belize it accounts for 80 per cent.

10. It was said that the process of energy planning is driven by the electricity utility. It was also mentioned that in all countries the utility regulators lacked resources and capacity, and that therefore harmonization across sectors was necessary.

11. Dr. Gardner discussed the usage of appliances that match the countries voltage supply. He explained that there is a need to examine regulation of appliances and emphasized the need to assess whether or not it was cheaper to transform the grid to match the appliances or if it was cheaper to transform the appliances to match the grid. He said that countries tended to focus on the demand for energy rather than the demand for services. Dr. Gardner added that it was necessary to disaggregate energy services from the grid and to identify those that may be provided in an efficient manner.

12. The report identified deficiencies in several areas of the legislation of the countries, such as building codes, appliance standards, vehicle emissions, motor vehicle import duty and tariff regulations. It was noted that there was a need for energy efficiency protocols in building codes in all countries. ECLAC mentioned that there was a large unregulated housing market in some of the Caribbean islands and there was a need to consider this. It was also mentioned that there is a need to reform tariff regulations. Dr. Gardner raised the point of emissions standards in noting that in some countries the standards were very low, and that in some, there was a problem of enforcement of such standards.

13. On the issue of grid interconnection, Dr. Gardner mentioned that it should be standard throughout the region. He said that net metering and net billing would be most effective in countries where ownership

of the electricity utility was predominantly private and grid maintenance costs were likely to be an issue. Dr. Sharma said that in Guyana there has been significant investment in electricity generation over the last twenty years. He added that there was investment taking place in transmission and that there were plans for investment in distribution in the near future.

14. After Dr. Gardner's presentation, the meeting addressed the contents of the reports through discussions. Dr. Sharma spoke of the need for capacity building in Guyana, but said that it took time. Ms. Mattai said that based on what was presented in the report; Dr. Gardner may not have met with all the appropriate stakeholders. Dr. Sharma spoke of some of the capacity building efforts of the GEA and indicated that there was need for information dissemination. He added that subsidized energy was an issue, but did not have that much bearing on how renewable energy use was encouraged. He also mentioned that there was a need for incentives for improving energy efficiency, but he raised the question of sources of funding for such incentives.

15. Dr. Sharma agreed with Dr. Gardner's statement about the transport sector, and he said there is a vision for the sector. There is also an agro-energy portfolio, but interest in it had declined since the global financial crisis. He then continued, mentioning that energy planning was not driven only by electricity, but that it did play a part in the planning process. He agreed with Dr. Gardner's point on the need for cross-sector harmonization. He said that the health sector was doing plenty work in sustainable energy. He also mentioned Guyana's Energy plan which was developed in 1994. Ms. Mattai commented that although the plan was developed almost twenty years ago, it was very modern and needed only to have updated information.

16. In reference to the building codes deficiencies, Dr. Sharma indicated that there was need to enforce them but he noted that if the country does not have the capacity for enforcement, there was no point to creating new laws and regulations.

17. Mr. Mena, the representative from Belize, discussed the findings of Dr. Gardner's study with respect to that country. He concurred with the main barriers outlined by Dr. Gardner and emphasized lack of capacity as a major barrier. He mentioned that the privatization of the transport sector in Belize led to a lack of incentives for energy efficiency and that lack of cross-sector harmonization could not be understated.

18. Dr. Gardner mentioned that one important way that Curaçao could achieve energy savings was through cooling regulations. In the case of Belize achievement of energy savings was in the transportation sector.

19. Dr. Gardner and Mr. Anandbahadoer, the representative from Curaçao, indicated that one of the issues in that country is the absence of a specific energy agency. Since the Government of Curaçao became more autonomous in 2010, there has been a struggle with policy consistency. Curaçao has become dependent on expatriate capacity and since the shift toward autonomy; there has been a reduction in this capacity. The country has also had many different governments in the past ten years. This situation proved to be a barrier to investment in alternative energy. In Dr. Gardner's meetings in Curaçao, the lack of cross sector harmonization was the main complaint.

3. Closure

20. Dillon Alleyne closed the meeting by thanking the participants for their comments and indicated that the reports would be sent to the other interested stakeholders for comment before they were approved by ECLAC.

Annex I

LIST OF PARTICIPANTS

- Robby Anandbahadoer, Ministry of Finance, Curaçao. E-mail: roby.anandbahadoer@gobiernu.cw
- Devon Gardner, Consultant. E-mail: gardner_devon@yahoo.co.uk
- Kiran Mattai, Legal Council, Guyana Energy Agency. E-mail: kiranm_15@yahoo.com
- Frank Mena, Public Relations Officer, Ministry of Energy, Science & Technology and Public Utilities, Belize. E-mail: public.relations@estpu.gov.bz
- Mahender Sharma, Chief Executive Officer, Guyana Energy Agency. E-mail: mahender.sharma@hotmail.com
- Shevon Wood, Economist, Guyana Energy Agency. E-mail: shevon.wood@yahoo.com

Economic Commission for Latin America and the Caribbean (ECLAC) subregional headquarters for the Caribbean

- Dillon Alleyne, Economic Affairs Officer, Deputy Director a.i. E-mail: Dillon.Alleyne@eclac.org
- Machel Pantin, Research Assistant. E-mail: Machel.Pantin@eclac.org