

BUSINESS

Crude rises to US\$81.62

BENCHMARK US crude oil for March delivery rose US\$0.31 to US\$81.62 a barrel yesterday. Brent crude for March delivery rose US\$0.56 to US\$88.19 a barrel.



February natural gas rose US\$0.27 to US\$3.45 per 1,000 cubic feet. T&T's 2023 budget is based on crude at US\$92.50 a barrel and natural gas at US\$6 per 1,000 cubic feet.

PM at Energy Conference: Low-cost electricity challenges green transition

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THE prevailing low cost of electricity in Trinidad and Tobago poses a challenge to the transition to renewable energy sources.

So said Prime Minister Dr Keith Rowley as he addressed the 2023 Trinidad and Tobago Energy Conference at the Hyatt Regency yesterday.

Noting that the country is at an early stage in the development of a renewable energy industry, the Prime Minister challenged the Ministry of Energy to move quickly to bring more renewable energy projects on stream.

The Prime Minister said on November 29, 2022, the Government launched the Roadmap for a Green Economy in T&T, developed by the IDB in collaboration with the Ministry of Energy, which determined that of all the potential renewable energy sources in Trinidad and Tobago, offshore wind offered the largest potential for the country with a projected output of approximately 25 gigawatts of levelised energy.

He said the initial goal of the roadmap is the establishment of a wind pilot project and towards this end, the Ministry of Energy in collaboration with National Energy and the European Union would be conducting a National Wind Resource Assessment to identify potential sites for wind farm development in Trinidad and Tobago.

He said the construction of solar parks, the result of an agreement between Government and the consortium of Lightsource bp, BP and Shell for a 112.2 megawatt Solar Utility Project, is scheduled to begin in the first quarter of this year. The full operationalisation of the project is expected by the fourth quarter of 2024 and it would also provide impetus to the development of a renewable energy industry.

He said the solar utility project, which is the largest solar project in the English-speaking Caribbean, will meet eight per cent of the country's power generation requirements, on completion. He stressed, however, that the Government's stated objective is to increase power from renewables to meet 30 per cent of the country's requirements.

The Prime Minister noted, however, that the transition to renewables is not without challenges. He said the prices for wind and solar power increased nearly 30 per cent in the past year due to global supply chain issues, significant price increases for components and increases in labour cost in producing countries, reversing a decade of cost declines.

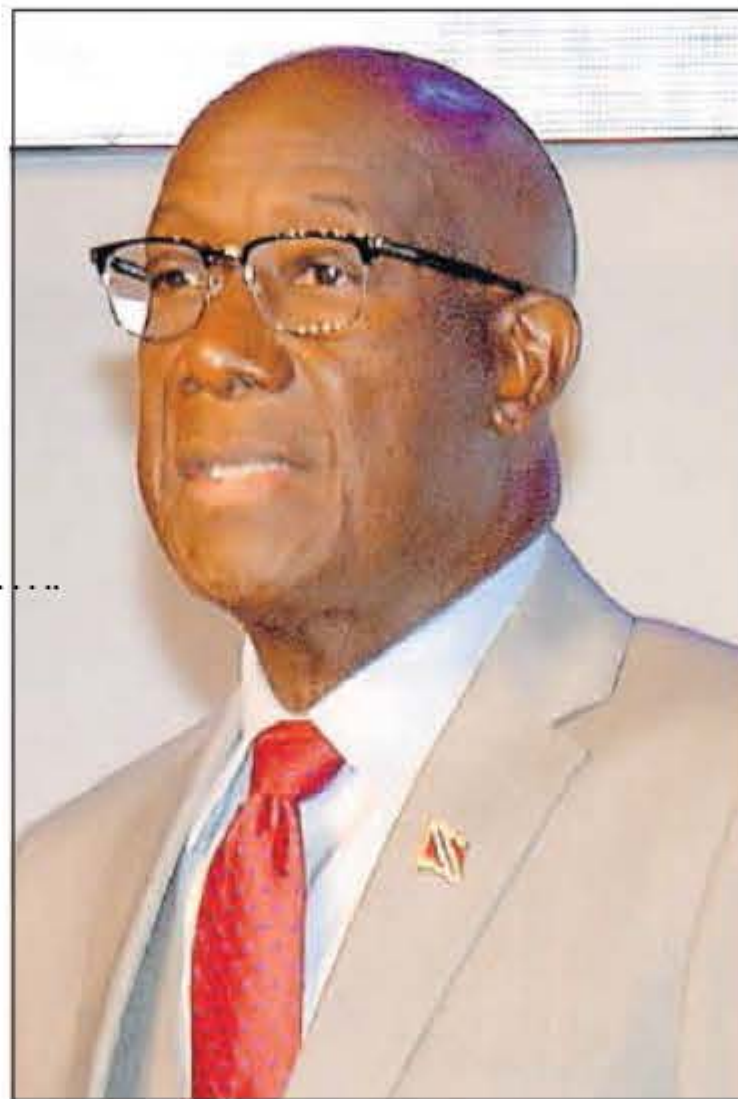
He added that another hurdle, as encountered by the Solar Parks Project, is the competition with prevailing low cost of electricity in Trinidad and Tobago.

He said a review of the country's power requirement had projected peak demand to increase from 1400 MW to 1600 MW by 2032. He said during this period the PPA (Power Purchase Agreements) of two of the country's major independent power producers representing 40 per cent of the country's installed generation capacity are due to expire.

"We therefore have an opportunity to achieve much of the target of 30 per cent of power from renewables," he said.

Oil and gas still king

The Prime Minister said while the outlook for the development of renewable energy was promising and attainable, renewables could not in the



'FOSSIL FUELS COST LESS': Prime Minister Dr Keith Rowley delivering the feature address on the opening day of the 2023 T&T Energy Conference at the Hyatt Regency in Port of Spain yesterday. —Photo: ROBERT TAYLOR

near- to medium-term replace oil and gas. He said while new breakthroughs in technology were making renewable energy reliable and viable, fossil fuels generally cost less than renewables.

"Therefore the cost competitiveness of renewable energy technologies will be one of the main factors dictating the pace of deployment," he said. "Notwithstanding the current issues, the outlook for renewables is technically promising but widespread cheap

energy from these myriad sources are still some time away," he said.

The Prime Minister said while the Government's primary focus is the optimum development of hydrocarbon resources, it could not ignore the initiatives being taken globally to develop low-carbon economies. He said the Government would be introducing Feed in Tariff legislation as part of its strategy to encourage low-carbon power generation technologies and renewable energy generation.

Improved gas production

He said the Government has been pursuing the accelerated exploration and development of the country's hydrocarbon resources as it transitions to a lower carbon economy.

The Prime Minister said natural gas production is expected to improve in 2023 based on projects which came on stream in mid-to-late 2022. "In the period 2024-2026 projects with a production capacity of 1.5 bcf per day will serve to stabilise projects such as Shell's Manatee Project and Woodside's Calypso project.

However, there is much work to be done to bring these projects to a final investment decision," he said.

Noting that crude oil is an important revenue earner, the Prime Minister said the outlook in the near term was positive given the aggressive drilling programme of EOG and Trinity, recent discoveries by Touchstone and the generous fiscal incentives made available to onshore producers and shallow water marine areas in recent times.

Irfaan Ali to developed countries: Don't hinder regional natural gas development

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GUYANESE President Mohamed Irfaan Ali says he'll probably be described as an "obstructionist" for raising issues which challenge the status quo as it relates to how developed countries set the tone for the developing world.

He noted the argument being advanced of "greener and cleaner in the production of energy."

"When we have this open and honest conversation, then you will see how lopsided the

argument is in relation to the end of fossil fuel. And natural gas," he said as he delivered the feature address at the Energy Chamber's annual conference yesterday.

And while cognisant of the reality that the world is facing a triple crisis of energy, climate change and food, he said countries should be allowed to develop their hydrocarbons to secure energy security.

"At the centre of all of these crises lies energy because energy is the backbone through which everything re-

olves," he said

"Every country in the region with potential in natural gas should be allowed to explore that potential to its fullest, aggressively, to ensure the energy security of this region," Ali centred his speech on the region's energy plan and security.

He observed that in T&T, the opportunity to exploit hydrocarbons exists and should be allowed to blossom for the benefit of the people of this region and the globe.

"Higher prices for both developing and developing countries means higher electricity costs, transportation costs, consumable goods costs went up. It contributed painfully to high inflation. Much of our inflation is important as political leaders and policymakers. We have to face

that reality of inflation that is not as a result of bad policies or measures, but as a result of global conditions," he said.

"This is the reality of the world we live in," he added.

In explaining his concerns, he said he could be described as an obstructionist.

"But It's looking at the reality and we have to deal with this reality. And that is what these conferences should do. Deal with this reality and the practicality of the environment in which you operate. So many times one of my disappointments in conferences is that there is no outcome document. There should be an outcome document that must feed into the global system to tell the global system, how the region is thinking, How to invest in us and energy in the region," he said.

UNIT TRUST
The Net Asset Value for the respective Funds as at
January 20, 2023

INCOME FUNDS			
Fund Name	Price	Estimated Effective Yield	Period
TTS Income Fund	TTS20.00	1.28%	January 01-31, 2023
USS Income Fund	USS20.00	1.22%	January 01-31, 2023
UTC Corporate Fund	TTS100.00	2.05%	January 01-31, 2023

OTHER FUNDS		
Fund Name	Offer Price	Bid Price (Net Asset Value)
Growth & Income Fund	TTS19.12 (+3)	TTS18.75 (+4)
Universal Retirement Fund	TTS50.17 (+16)	TTS50.17 (+16)
Global Investor Select ETF Fund SP:		
-Conservative	USS20.41 (+4)	USS20.41 (+4)
-Moderate	USS21.47 (+4)	USS21.47 (+4)
-Aggressive	USS21.21 (+4)	USS21.21 (+4)
Calypso Macro Index Fund: Net Asset Value (NAV)	TTS31.65 (+15)	

Performance is subject to variations and is likely to change over time. Past performance should not be treated as an indicator of future performance. Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus. Investors should carefully consider these before investing. Obtain a prospectus from our website or at any of our UTC Investment Centres and read it carefully before investing.