

Private Sector Energy Overview

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Why do we need Cheaper Energy?

- 🌐 **Residential users: spend more on consumption**
 - Reduction in GCT on residential bills offset against GCT on other expenditure
- 🌐 **Tourism: more competitive**
- 🌐 **GOJ (e.g. NWC), Construction (Carib Cement): gross savings**
- 🌐 **Bauxite/Alumina Sector: 50% Operating Costs spent on energy, could have avoided shutdown of plants if we weren't in bottom 25% in terms of being competitive**

Why Cheaper Energy? contd...

- 🌐 Foreign exchange savings on lower fuel costs
- 🌐 Increased foreign exchange earnings on greater exports
- 🌐 Manufacturing:
 - major improvement in competitiveness to spur import substitution and exports
 - Possibility of attracting electricity intensive industries which are now not viable in Jamaica hence increase in employment

Solutions

Diversifying Power Generation

- 🌐 More Efficient Plants (JEP 60MW, JPS 360MW 2014 of 480MW, Jamaica now has 820MW with 25% from Independent Power Producers) – replace Aged Plants
- 🌐 Negotiate better fuel prices
- 🌐 Work at Night – Even out the Load (Policy) – Peak Demand in evening as little production in day
- 🌐 LNG – cheaper than oil (including Bauxite sector)
- 🌐 Coal (JPS 300 MW)
- 🌐 Wind (Wigton 21 MW plus 18MW??)







Solutions contd...

- Water (22MW now, if oil price is above US\$50 expand to 65 MW)
- Steam Cogeneration (Jamalco 6MW, Bauxite Jamalco US\$ 1bil))
- Sun – viability of solar generating equipment
- Waste to Energy
- End monopoly – more IPP's (JEP 124MW, JPPC 60 MW)
- Decrease theft (13.2% loss)
- Changing out of street lights
- Decreasing “refined” petroleum products importations

Questions

- Is JPS new facility for 2014 really cutting electricity costs by 28%? Consider transport & sourcing costs of LNG.
- Is there a revised policy on private sector selling back to grid? Tax benefits? Net billing/metering?
- Can we meet the new power (600 MW) over next decade to meet our growth?
- Japan's Marubeni & Emirate's Taqa own 80% of JPS, GOJ own 20%. Is the minimum Return on Equity too high at 14.85% - USA is 11%? What is the policy on keeping this within the world industry norm?

In Summary, Cheaper Energy will:

-  Revalue currency
-  Reduce inflation rate
-  Increase disposable income
-  Increase corporate profits
-  Grow the economy
-  Create jobs

TOGETHER WE CAN FIND SOLUTIONS TO CHEAPER ENERGY