

Growth & Jobs | Jamaica leads the Caribbean in renewable energy

Jamaica is now developing its [renewable](#)-energy potential at a leading pace among its Caribbean neighbours with support from private investment, says David Delaire, managing director, Germany-based MPC Capital.

This is demonstrated by its 170 megawatts of installed generating capacity and rapidly developing solar plants, he stated. The expansion under way in Jamaica

is based on the country's appealing market conditions; robust regulatory framework, Government's support for the development, and a utility company that is willing to work with private power producers.

"We are getting about 8.5 cents per kilowatt-hour," with respect to the price of electricity being generated by MPC's Paradise Park solar plant being constructed in Westmoreland, Delaire said. He added, "We also have a 20-year agreement with the Jamaica Public Service Company (JPS) to purchase the power we produce."

Most of the electricity produced across the Caribbean comes from diesel plants that are more than 50 years old, which produce electricity at a cost that is in "double digit" cents per kilowatt-hour, he said. Delaire declared that "these plants are obsolete."

Delaire said that the low power-production cost that the Paradise Park plant can feed to Jamaica's national grid and the fact that the national power utility company signed an agreement to take this electricity show the benefits Jamaica gets from having reformed its electric power industry to

accommodate independent power producers.

He was speaking at an MPC renewable energy forum, mounted by JN Fund Managers, a member company of The Jamaica National Group, and MPC Capital at the Spanish Court Hotel recently. His audience consisted mainly of potential investors in the MPC Clean Energy Fund, which is financing regional renewable energy plant development.

“In 2015, CARICOM states agreed on a framework in which they outlined where each member state needed to have a certain amount of renewable energy installed by 2030,” he said, pointing out “Jamaica outlined its National Energy Policy 2009-2030, thus carving out a role for the development of renewable energy in the country’s future.

“You have taken the time to outline an integrated resource plan,” the engineer stated. “In terms of renewable energy, what I find is more appreciated by investors such as ourselves is that we would like to know that the Government is behind rules.”

The electricity sector development plan has involved regulators, the Government, JPSCo and the private sector, Delaire pointed out, declaring that “Jamaica has done an exceptional job.”

Looking at Caribbean counterparts, he said that Antigua has “a couple of projects installed or in development”, but others, such as Guyana, Barbados, and the British Virgin Islands, were all “a bit behind in terms of what they need to be doing”.

HIGH COST OF PETROLEUM

Milverton Reynolds, managing director of the Development Bank of Jamaica (DBJ), told the audience that the cost of imported petroleum was what prompted a change in Jamaica’s energy policies.

The DBJ participated in a government push to reduce the burden that energy placed

on the national economy. Subsequently, Reynolds said, “We ramped up our activities in our privatisation and public-private partnership programmes, and currently, we have two major active privatisation projects. We are indeed very excited about the possibilities they present.”

Jermaine Deans, deputy general manager, JN Fund Managers, is spearheading the team that is collaborating with the initial public offering of the MPC Clean Energy Fund and providing support for the debt refinancing of the state-owned Wigton Wind Farm

“Pension funds need sure and reliable returns,” Deans told the audience of leading financial-sector representatives. “Investing in cost-efficient renewable-energy projects provides this requirement, and most of the time, your cash flow will be indexed to the United States dollar.

“Assisting Jamaica to move the renewable component of its electricity consumption from less than 20 per cent currently to a targeted 50 per cent by 2030 offers excellent opportunities for portfolio managers,” Deans stated.

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