

NATIONAL ASSEMBLY

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**GOVERNMENT'S ALTERNATIVE ENERGY PROGRAMME**

**Question posed by Mrs. Sheila Holder, M.P. for the Honourable Prime Minister:**

*“What is the status of the Government’s alternative energy programme and specifically on the following:*

- (a) *Wind-mill project Government was pursuing at Hope?*
- (b) *Hydro-electric scheme at Amaila Falls? And*
- (c) *Alternative energy programme?”*

**Response:**

Government remains committed to fostering the development of energy by private developers / investors from renewable resources including wind, solar, biomass and hydro and endorses the benefits associated with alternative energy sources viz:

- Reduction in global warming and the greenhouse gas effect;
- Reduction in foreign exchange associated with the importation of fuel;
- Reduced dependency on fossil fuel and protection from unpredictable and rising fuel prices on the world market; and
- Promotion of a ‘green image’.

Our current laws allow for fiscal incentives to apply for importation of equipment used for renewable energy projects.

- (a) With regards to development of wind power, Government entered into a Memorandum of Understanding with DELTA CARIBBEAN N. V. of Curacao in October 2001 which granted the developer exclusive rights to conduct feasibility studies and wind measurements at Hope Beach. The developer fulfilled the objectives of the MOU and is currently negotiating a Power Purchase Agreement

with the Guyana Power & Light Inc., including price for power and other technical requirements.

The wind farm is expected to have 13.5 MW of power installed and its production will average approximately one-third of that capacity which will be sold to the national grid. In addition, the developers will finance part of the 69 KV transmission line. Commercial Operation Date for the wind power is fourteen months from the date of contract signing, which is anticipated by mid 2008.

- (b) Synergy Holdings Inc., headed by an overseas based Guyanese has demonstrated sustained interest for more than ten (10) years in developing the Amaila Falls Hydro-electric Project (AFHEP). In July 2002 Synergy Holdings was granted the rights to develop the AFHEP under the terms of an Interim Licence which currently expires in April 2008. The Interim Licence requires Synergy Holdings to complete certain activities, including negotiation of engineering; procurement and construction (EPC) contract and conclude financial closing and pre-closing activities for the development of the AFHEP prior to the grant of a Final Licence. The Project constitutes the development of a 100 MW hydroelectric power plant to supply electricity to the national grid and 296 kilometers high voltage transmission line.

Synergy Holdings has associated with Sithe Global which is part of the Blackstone group. That group will contribute financial resources (equity) and technical expertise. Government has set a deadline of August 2008 for financial closing. The construction period is expected to last three (3) years from financial closing. There are certain perceived risks which are being monitored, namely:

- Escalating capital cost is threatening the viability of the project; and
- While equity funding is principally in place – total financing for the Project is to be determined.

In addition to the Amaila Falls Hydroelectric Project, Government has also received considerable interest in the development of the Country's hydro power resources. The attached spreadsheet provides information on possible exploitation of certain sites.

- (c) Other alternative energy programmes include development of solar systems. The support offered by Government has resulted in increased installation of photovoltaic systems, particularly in hinterland communities. Some of the more recent assistance provided by or planned by Government include:

- Under the Unserved Areas Electrification Programme – Hinterland Project Preparation Component, solar home systems will be installed on each residence and communal building in: (i) Capoey – Region 2 (62 systems); (ii)

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Muritaro – Region 10 (69 systems); (iii) Kurukabaru – Region 8 (104 systems); and Yarakita – Region 1 (104 systems). The sustainability of these systems will be assessed over a 6 – 12 months period and if the results prove positive, solar systems will be installed in additional communities.

- Installation of a 2400 watts photovoltaic system in Wauna to enhance economic activity, particularly relating to peanut production.
- One 1500 watts, 120 VAC photovoltaic system was installed at the Kato Health Post in August 2005. This system provides electric lighting on the inside and on the outside of the building and power outlets for the operation of medical equipment.
- In December 2004 one 1500 watts photovoltaic system was installed at the Multipurpose Hall in Paruima, Region 7. That system provides lighting to enhance economic activities.



Samuel A. Hinds  
Prime Minister