

Caribbean Islands Swap Diesel For Renewable Resources

Carbon War Room

NECKER ISLAND, British Virgin Islands - In a joint effort to unlock opportunities on scaling renewable energy projects across the Caribbean-basin, Carbon War Room and Rocky Mountain Institute brokered commitments from the British Virgin Islands, Colombia, Dominica, Saint Kitts & Nevis, Saint Lucia and Turks & Caicos. Last week, all joined the Carbon War Room's 'Ten Island Renewable Challenge', a campaign to help flip islands off fossil fuels, as well as move forward with renewable projects for schools and hospitals.

The commitments were complemented by news that Virgin Limited Edition and Sir Richard Branson, who had committed Necker to the 'Ten Island Renewable Challenge' as a 'demo' island, awarded the contract to transition it on to renewables to U.S. energy giant NRG.

"What we hope to do is use Necker as a test island to show how it can be done," said Sir Richard Branson, Founder of Virgin Group and Carbon War Room. "The only way we're going to win this war is by creative entrepreneurship," to make the price of clean energy cheaper than that of energy from fossil fuels.

Currently, Caribbean nations lack access to low-cost power because of the small size of their national market and an absence of standardized contracts and regional regulatory systems. In some cases, local energy suppliers, locked in for many years, currently enjoy a virtual monopoly over the system and creditworthiness is also a challenge for many nations. Consequently, banks have been reticent to lend money for energy projects.

"Islands are a microcosm of larger energy systems around the world and offer an excellent test bed to demonstrate and scale innovative, clean energy solutions," said Amory Lovins, co-founder and chief scientist of Rocky Mountain Institute. "We're pleased to bring our decades of experience helping businesses and communities cost-effectively shift to efficiency and renewables to help island nations move beyond clean energy roadmaps to tangible, on-the-ground results."

Representatives of 12 countries, as well as CEOs and executives from over 30 corporations and institutions, including Philips, Johnson Controls, Sungevity, Vestas, NRG, CARICOM, the Overseas Private Investment Corporation (OPIC) and The World Bank attended the summit, held on the British Virgin Islands.

Summit outcomes:

- Three large, cross-island initiatives were identified for development and

advancement

- A CARILEC/CARICOM electricity sector capacity building initiative to help support deployment of energy efficiency and renewables in the region
- Stimulation of a regional ESCO market through PACE program development, loan guarantees, and training programs
- Codification of standardized efficiency "playbooks" for hospitals and hotels to ensure all sites have access to proven energy solutions.
- Multiple on-the-ground efficiency and renewable project collaborations were accelerated:
 - Hotels: Sustainable development options were considered and progressed at two developments-West Caicos (Turks & Caicos) and Anegada (BVI)
 - Hospitals: Energy efficiency and renewable options advanced at four hospitals-San Andres & Providencia Hospitals (Colombia), St Jude's Hospital (St Lucia), Milton Cato Hospital (St Vincent & the Grenadines)
 - Schools: Energy pilots advanced for four schools-Antigua Barbuda Institute of Technology, Antigua State College, Clarence Fitzroy Bryant College (St Kitts & Nevis), Green Technology Center (USVI)
 - Utility-Scale Renewables: Regional partnership formed to help advance geothermal power; additional solar, wind, geothermal, and electric bus project acceleration for BVI, USVI, St Lucia, Cayman Islands, and Aruba.
- Assembled \$300+ million in funding to support the projects above with clarified pathway to access.

To reduce hospital project costs, time and risk, OPIC and Johnson Controls developed a standard, pre-engineered modular solution for all countries to fast track and scale approvals for financing. Johnson Controls will initiate the first tranche of country projects once projects are identified. OPIC last year invested \$1.6 billion in renewable projects.

"From a banker's perspective, implementation of solutions for one hospital can be quite time-consuming and complex, for a project size that is not considered individually large scale," said Lyn Tabernacki - OPIC's managing director of renewable and clean energy programs at OPIC. "By developing a solution that will address the major energy inefficiencies common to all hospitals, the lenders can underwrite a common technology and other common risks to fund an entire sector, rather than fund one hospital at a time."

Hospitals use as much as twice the amount of energy as hotels of the same size do. Air-conditioning, ventilation and lighting represent over 80 percent of energy use in hospitals and standard technical solutions could save 20 percent to 30 percent in hospitals across the region.

"We see these first demonstrable projects as a pre-cursor to unlocking the barriers to scaling renewables across the Caribbean over the next two years," said Jose Maria Figueres, president of Carbon War Room.

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