

National Energy president Dr Vernon Paltoo addresses the audience at the 2025 Guyana Energy Conference and Supply Chain Expo, with moderator Dr Priya Marajh looking on.

Paltoo lauds public-private partnerships for energy sector growth

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GUYANA is on track for successful downstream operations and lower electricity rates once it forms the right partnerships, said National Energy president Dr Vernon Paltoo.

He said this at the 2025 Guyana Energy Conference and Supply Chain Expo on February 18. This year's conference was themed Connecting the Dots: Integrating the Future.

He also promised Trinidad and Tobago's support where needed and explained why partnerships are crucial saying, "In Trinidad, our industry has been premised on public and private partnership. Matter of fact, most of our downstream petrochemical plants in the LNG facilities are composed of public and private partnerships so the Government and the private sector own various aspects of those projects but it has worked very well for us from the perspective that it brings capital, technology and access to markets."

Paltoo said these are critical building blocks for a vibrant downstream energy sector and once the sector starts and we start to build it out, it can only grow stronger.

"The private sector multinational companies will bring their know-how and training and what happens over time is that locals get trained and developed. In due course, as what has occurred in T&T, most of the downstream facilities are now managed and run by locals. In fact, we have more than 20 downstream plants in T&T and the vast majority of them are actually managed at a president or

CEO level by locals even though they are still owned by foreign partners," explained Paltoo.

While private partnerships are essential, he emphasised the importance of government involvement in these initiatives, as this will determine whether the needs of the states are adequately addressed. He said he believes Guyana is looking to adopt this model and "it can only go well for the people of Guyana".

Opportunities for regional collaboration

In terms of regional collaboration in the downstream energy sector, Paltoo highlighted that there is a significant opportunity for cooperation. The more collaboration occurs, the stronger the sector becomes, and regional economies can thrive, he said.

"Food security and energy security go hand in hand; once we have established those fundamentals and those bases as a society and region, we will have economic prosperity. From the perspective of things like fertiliser production, it can lead to food security and that is not only for Guyana but for the region and that will strengthen the overall fabric of what we do and how we do it as a Caricom community," he said.

Paltoo stated that there is an opportunity to examine how gas can enhance the standard of living and boost the economy in the region.

"Power generation comes to mind there, simply because the cost of power generation across the region is relatively high. I know it is high in Guyana right now but similarly, in some of the islands in the northern Caribbean, it is equally high. The cost

of introducing renewable energy has its challenges, particularly because of the capital required. So, what natural gas does in terms of offering opportunity for the downstream is enable us to show that we can reduce the cost of the production of power and that in itself will lead to greater economic activity as we develop the region," he said.

Paltoo explained that the power plants that operate with diesel right now can easily be replaced by gas-based plants and said, "We are well set. Guyana will be producing gas shortly, so together Guyana, even Suriname and T&T can be an effective combination in terms of supplying those markets towards enabling a transition where gas is used as a fuel for transition in the gas market. That in itself will allow further downstream industry. If we can get access to gas in some of the other markets, we can build industry."

He said once the raw material is readily available in Guyana, the manufacturing facilities could be housed in other islands that have cost-effective power and operations to add value.

Paltoo also spoke on how T&T managed to balance domestic demands and export opportunities and said there are options when it comes to downstream development – LNG, fertiliser, gas to power and metal processing – so as a country, revenue, country development and jobs must be balanced.

"If we look at LNG, it provides a lot of revenue but very little employment, on the other hand, if we look at metal processing, bauxite or aluminium, lots of jobs and added value but the revenue is inherent and is set in

the processing and does not really come back as revenue for the country outside of taxes," he explained.

However, he said with fertiliser and power generation, there is a "sweet spot" and he praised Guyana for its gas-to-power project describing it as an "excellent platform".

The Gas-to-Energy project is purposed to establish infrastructure so natural gas can be transported from the offshore Stabroek Block's Liza oilfield to an integrated gas processing facility in Wales, on the West Bank of Demerara. The project will deliver natural gas liquids (NGL) and dry gas to the government of Guyana.

The Liza field is the area in which ExxonMobil made the first commercial discovery of crude oil in 2015, kicking off Guyana's incredible growth story. ExxonMobil is already producing more than 600,000 barrels per day (b/d) of crude oil offshore, with about 60% from the Liza field.

"It (gas-to-power project) enables more competitive cost production of the manufacturing industry. It allows people to have a better standard of living and really reducing the cost of power is the first building block that we get in developing a proper balance between the downstream industry," he said.

The role of gas and green Hydrogen in the region's energy future

Paltoo added that there is also a great opportunity for the production of green hydrogen in the energy mix. He added that while T&T was predominately an oil and gas economy, the Government is working towards maintaining being a leader in

the sector by leveraging alternative energy.

"We are looking towards the next stage of energy development that will involve renewable energy and as a consequence, a naturally green hydrogen comes into play. That is the long-term plan, now how that fits into the Caribbean's long-term plan, from a Caribbean perspective, the future of energy will really comprise a mixture of different energies. So definitely oil from Guyana and Suriname, natural gas from Suriname, Guyana and even T&T and beyond that, it will be renewable energy and decarbonised green hydrogen energy," explained Paltoo.

He mentioned that the focus is on the long-term survivability of the energy industry, which necessitates collaboration among all countries in the region. He noted that this is why regional resources and infrastructure will be crucial.

"By producing low-carbon hydrogen, Guyana can incorporate lower-carbon hydrogen into the production process from the get-go. So, into the whole development and construction phase of the project, input and you could create a whole framework for decarbonisation resulting in products being more competitive on a global basis," he said.

Paltoo reiterated that the entire region can remain competitive in the energy sector, particularly as low-carbon hydrogen will play a crucial role in the industry's future. He added that the hydrogen project in T&T, which was approved by Cabinet last year, will serve as a model for similar projects in T&T and the wider region moving forward.