



RENEWABLE ENERGY — OPPORTUNITIES IN BARBADOS

Renewable Energy Opportunities in Barbados

The Government of Barbados has set a target for 30% of national energy usage on the island to come from renewable sources by 2030 in an aim to reduce expenditure on imported oil, improve environmental sustainability and achieve greater energy security. This is providing opportunities for investors and developers in the areas of Wind energy (wind farms), solar photovoltaic, waste to energy, biomass cogeneration, biodiesel, bio-fuels and ethanol.

Barbados is a cost effective location for renewable energy development, with considerable market potential. Salary costs for an engineer are US\$37,166 per annum¹ while minimum wage is US\$505 per month.² Property and development costs are also highly competitive.

¹ fDi Intelligence from the Financial Times based on Towers Watson Global Remuneration Planning Report 2014/15 and national statistics

² World Bank Doing Business

Renewable Energy Advantages in Barbados

❖ Barbados has an ideal environment for the development of renewable energy projects. The island gets a considerable amount of sun, even by Caribbean standards with an average of 8.3 hours of sunshine per day³ and an average daily solar irradiation of 5.6 kilowatts per square metre. The island is also one of the windiest places in the Caribbean with an annual average wind speed of 5.5 metres per second⁴ (all figures recorded in the Capital of Barbados, Bridgetown).



❖ Barbados is one of the most expensive places in the Caribbean for electricity with prices standing at US\$367.7 per megawatt per hour⁵. The island has a population of 280,000 which is predicted to reach 300,000 by the end of 2030⁶. These factors, combined with a healthy economy and high levels of investment mean that there is a strong market for investments in the renewable energy sector.

Investor Testimonials

“Cahill Energy began exploring Waste to Energy in 2011 and our attention was directed towards the Caribbean by 7th Heaven Properties. While we recognize the country faces some short term challenges due to the impact of the global economic downturn, we believe the fundamentals are strong. We are therefore confident that this investment represents a phenomenal business opportunity for our investors and offers even greater benefits to the people of Barbados.”

Clare Cowan, CEO of Cahill Energy

³ World Climate Guide

⁴ Renewable Energy System Design Tool: Solar power calculator

⁵ Climatescope2015

⁶ fDi Intelligence from the Financial Times based on Population Reference Bureau World Population Data Sheet

Incentives

Barbados offers a wide range of incentives to boost the renewable energy market. These include:

- ❖ Tax deduction for individuals of up to BDS\$10,000 for home improvements. Distributed renewable energy technologies such as solar PV fall into this category.
- ❖ The cost of energy audits up to BDS\$2,000 can be deducted as part of the general Income Tax Allowance for home improvement of \$10,000 in any one year.
- ❖ An allowance called the Energy Conservation and Renewable Energy Deduction of a maximum of BDS\$10,000 per year to cover the costs of an energy audit and 50% of the cost of retrofitting a residence or installing a system to produce electricity from a source other than fossil fuel.
- ❖ Exemption from import duties and environmental levy under the Customs Tariff for various items of wind turbines, photovoltaic components and systems, biofuel systems, hydropower systems, solar thermal systems, wave or tidal power systems, fuel cell systems and geothermal heat pump systems.

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