



This submission to the Ministry consists of two distinct documents. The first consists of OWTU's preliminary response to the proposed Just Transition Policy. The second is a response prepared by OWTU's international partner Trade Unions for Energy Democracy (TUED) which is based at the City University of New York

Recommendations

Given the very serious issues highlighted below, here are some recommendations the OWTU would like to present.

Firstly, It is important for Trade Unions to be active participants in maintaining and guaranteeing a **Just Transition** in Trinidad and Tobago. For the transition to be “just” there will be need for more than political will and an end to the fossil fuel industry but due participation of stakeholders and human rights involvement or else it will be considered simply a “transition” into a green economy. Trade Unions have shown that the transition can only be “just” when all stakeholders are seated at the table, building and creating the plans for a Just Transition. For instance, in Canada the government created a task force which travelled to communities who would be significantly affected by the closure of their coal industry. The task force which included Trade Unions met with workers and their families, community members, business representatives and other stakeholders to gather opinions on dealing with the transition. This included a guarantee of job security and other steps needed to be taken before embarking on the transition.

Secondly, to ensure decent work and protection for the vulnerable in society, there should be programs targeting those in need, so that no one feels left behind but ultimately benefits from the

transitions. The results of these consultations should also be published throughout communities widely; therefore all persons directly and indirectly affected by the transition would be alerted and highly aware of the changes that are forthcoming. Needless to say, Leadership must critically and strategically manage their existing assets (such as land) and networks (including unions, civil society and communities) in order to properly prepare for implications. The Just Transition should be a progressive concept for shifting the energy sector to green sources while considering the local conditions, economic sector, and the size and type of enterprises of our country.

Thirdly, we also call for a proper debate on what the approach should be in Trinidad and Tobago to tackle the challenges involved in addressing the need for global decarbonization and addressing the social and economic needs of the people of Trinidad and Tobago. The current process is inadequate and will have to be reviewed.

OWTU's Preliminary Response to the Draft Just Transition Policy

On January 22nd 2021 the OWTU received the initial invitation to be a part of a Just Transition Stakeholder process. We were sent the initial documents with an overview of the background research being used to form the basis of the policy highlighting the below documents:

1. Key Components of the Just Transition Policy
2. Designing Policies and Actions for Inclusion and Competitiveness
3. Prioritisation of Sectoral Actions for a Just Transition
4. SWOT Analysis for a Just Transition

The document highlighted a variety of points, including the need to focus on labour for the Just Transition process. The SWOT analysis however did not delve into much engagement with the actual labour sector and included positions which are not in alignment with the Labour Sector.

The SWOT analysis included certain items such as the need for the creation of 'decent' jobs in a low carbon economy, as well as citing specific opportunities to create labour protections and a stable employment rate.

Although considerable attention was directed towards employment for the SWOT analysis, short term measures were then assessed such as the Unemployment Relief Programme (URP) and the Community Environment and Enhancement Programme (CEPEP) which are misaligned with the

qualified workforce that will be leaving the fossil fuel industry. Focus was also placed on retraining and educating which would be a measure that can only be a contributing factor which would provide relief after a relative amount of time.

In any Stakeholder Engagement Process, it is critical to identify the key stakeholders which should include groups who would be both directly and indirectly impacted. Although it was proposed that the Labour sector would be critical, trade union representation at the January 27th meeting was inadequate. The meeting therefore suffered from an incomplete analysis, particularly in the area of the immediate impact of job losses in the country's most significant economic area.

Additionally, the stakeholder engagement process was quite informative, although the level of actual engagement was minimal at best. The engagement occurred through an open floor of minimal feedback and pointed questionnaires. The overall format on January 27th 2021 was that the Meeting was led by Ministry official, Kishan Kumarsingh and the main address came from the UNDP Consultant, Mr. Miguel Rescalvo who is an International Consultant of Just Transition Development. Ministry Official, Mr. Kumarsingh would have presented a summary of each research document and participants were then given a short survey to identify possible industries for transition.

Thereafter, on February 22, less than one month after the initial meeting, the Union received an invitation to a presentation of a draft policy. In such a draft policy, the likely negative impact on jobs is of major concern. Moving forward, the Trade Union Movement must be engaged in a meaningful way. The engagement was certainly inadequate for such a major policy proposal, which was a sentiment echoed by other labour representatives, as such a policy would have significant implications for thousands of workers.

The Oilfields Workers' Trade Union in responding to the Just Transition Policy Draft has prepared this statement to further advance and deepen the discussion around the critical policy document. Since the OWTU sees this process as very crucial, we sought to draw on international experiences and experts. The OWTU has long been a partner with the Trade Unions Energy for Democracy (TUED) network, and partnered with TUED in the preparation of the Union's statement on the Just Transition Policy Draft. TUED is a project based at the School of Labor and Urban Studies, City University of New York. TUED's preliminary assessment of the proposed Just Transition policy is presented below. As you will see, the TUED briefing paper takes issue with some of the

main assumptions in the draft policy with regard to energy trends and the current policy framework being promoted by major institutions (like the IMF, the World Bank, and also the ILO.)

In a future briefing paper, TUED and OWTU are prepared to submit data that show that the “Just Transition” proposals in the *Draft Policy* (such as deregulation of energy prices, or Feed-in tariffs for renewables) have, at the global level, failed to reduce emissions and they also have a poor record in terms of job creation. Implementing these policies in Trinidad & Tobago will not deliver a “just transition” away from fossil fuels to a low carbon economy.

It should be noted and recognised that it was Trade Unions that have for many years pioneered the concept of “Just” transition.. It was the forerunner of the International Trade Union Confederation (ITUC) that placed the concept on the agenda of the Kyoto conference in 1997. The ITUC held a second World Congress in 2010 where it passed a resolution on Just Transition. The Just transition concept eventually became part of the preamble of the Paris Agreement in 2015. The Preamble clearly stated that policy must consider “Taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.”

At the heart of a just transition according to the Paris Agreement, there must be job security for the working class.

According to IndustriALL Global Union the objective of a Just Transition is supposed to provide an optimistic future for all workers. They also advised that at all time, any public policy support must guarantee the Fundamental Principles and Rights at Work as defined by the 1998 ILO declaration, Union members’ rights must be protected during any transition.

There are two extreme dangers facing the working class. The two extremes include the maximalist (close the industries) and the green capitalism project informed by the so -called negotiated (win/win) transition to renewable energy. It is an undisputed fact that there can never be a win/win outcome in a class struggle.

We believe that a ‘just transition’ if driven by the government without sufficient participation and involvement of trade unions can become a weapon against the working class if we are not careful.

It must always be made clear that the contradictions of capitalism have caused the crisis of climate change that we see today.

The solutions to the crisis of capitalism do not lie in finding the appropriate regulation, but in the extent to which social movements are able to wage a worldwide process of class struggle from below, that seeks profound changes in the relations of production in energy and the reproduction of human life.

The failed Neo-liberalization Project: Trinidad and Tobago must say NO!

For some freedom in the eyes of an individual may simply be the right for him/her to make their own decisions regardless of the opinion of others. In today's world, one may believe that they are truly free since there are no longer confinement to chains and shackles, or are no longer enslaved in a world filled with hopelessness and abuse. However, with all the rights to vote, freedom of speech, and rights to equality, which is given around the world, one cannot be absentminded to the control of capitalism, neo-liberalism and the 21st century mental slavery that is occurring.

To understand the effects of economic policies, it is important to understand Capitalism. Capitalism in its simplest terms may be defined as an economic system where private entities own the factors of production which are entrepreneurship, capital goods, natural resources, and labour. The owners of capital goods, natural resources, and entrepreneurship exercise control through companies, meaning Individuals own and control the labour of others. Capitalism creates a playing field for individuals to fight for minimum wage jobs while capitalist benefits greatly from the hard work of the middle and low income families.

This is where Neo-liberalism joins the party and state officials embark on an ideologically-driven effort to transfer the control of strategic sectors and services from the public to the private sector. It is generally associated with policies such as cutting trade tariffs, influencing international movement of capital, and limits the power of the trade unions. These policies work in favour of a global financial elite and the self-serving policies that enrich the upper class and in doing so, they enable the sickening rise in inequality. Throughout the world neoliberal government policies are successfully being enforced, causing disastrous effects on the social infrastructures and life-support of many countries. These policies are moving vast amounts of public money into private

hands which further increases the gap between the rich and the poor and decimates social support services for the majority of the population.

Neo-liberalism created a reordering and rethinking of our status as individuals. For instance, think of the free market which has integrated into all of society until it has invaded its way into our personal lives. Individuals who are well educated, skilled workers and healthy stand a better chance at getting jobs in today's society. However, the lesser fortunate who are unable to pursue degrees or the disable will make up the low income families. Therefore the combination of a continuing emphasis on reducing benefits and the existence of a high unemployment rate has led many people to poverty. Neo-liberalism aims to lower wages, reduce benefits, destroy the health and education system, and create funding from national and international welfare.

In Trinidad and Tobago, the neoliberal market restructuring began in the 1980s, when the country accepted structural adjustment loans from the International Monetary Fund (IMF) in the wake of declining oil prices and the adverse effects this had on the economy. Trinidad and Tobago's neo-liberal policies then began extracting the wealth of its citizens and funneling it to the upper class of society. In May 2012 the cabinet (People's Partnership) approved the Public-Private Partnership (PPP) policy in Trinidad and Tobago which facilitates the transfer of investment projects that had been traditionally executed by the public sector to the private sector. For example the government uses a Build-Own-Lease –Transfer PPP program which allows the private sector to build, finance and own assets which were then leased for many years before being transferred to the government (Smith, 2019).

Keeping this in mind, there may be many negative effects of a mass privatization of our country's public sector. According to research conducted in Chile, "note that policies can foster a replacement of elites, create corporate empires, and contribute to the concentration of economic power in the hands of few entrepreneurs, which might not be of interest for a country depending on the economic context, the development process, and the potential benefits of a "big push" (Aldunate, Felipe, et al, 2020)."

The OWTU is very clear that every decision our generation makes directly affects the generation to come. From achieving new medical advancements to continuing the fight against inequality, everyone around the world has a part to play in ensuring a better and brighter future. On that

account the OWTU understands that we all need to play our role in protecting the environment and creating a sustainable economy while attaining this. Therefore, the “Just Transition” framework was created to ensure a shift from an extractive economy to a regenerative economy. Although the Just Transition appears to be a positive outlook at protecting both the environment and the people who are directly affected, with poor leadership skills from governments and poor planning this can take a negative turn and harmful impact on the future generation.

In simple terms, Just Transition means, the process in which countries worldwide prepare for the economic and environmental transitions that are currently facing the world. With the present emphasis on climate change around the world, steps are being taken to move forward as a society into a climate of “net zero emissions”. The Just Transition is a framework created by unions for a fair and just transition of workers into a green economy. It means, conversations among community members about the path their communities should embark on, to protect the livelihood of individuals when transitioning. It is about access to decision making, changes in sovereignty and control, determination about how energy projects are built or the plans on how communities can build beyond just energy. It’s allowing the community members, workers, and trade unions to be active participants and not passive in the rebuilding, rebranding and survival of the transitioning period. . Most importantly, it deals with protecting and maintaining job security and stability for the working class and their communities. This transition needs all movements who stand for human rights, justice and for environmental sustainability. It is beyond simply energy as it is also the transition from a colonized mind-set to independently making decisions for our own communities

The transition will require large-scale changes to infrastructure, technology and socio- economic frameworks. There will be many economic and social repercussions of implementing this transition without proper planning. When Trinidad and Tobago decides to begin such a transition, if there is not enough high quality research, planning and discussions among the government, trade unions and community members, there will be a chaotic roll-out of the transition. There will be loss of livelihoods and jobs in the fossil fuel-based industries and its environs, meaning many small businesses will be affected, for example the “doubles” vendor, market vendors and small shops. According to Sophie Yeo “Men and women who have spent their lives working in the fossil fuel industry may not have the skills to take part in emerging professions; these jobs may not be

available in the same places that jobs were lost; and they will not necessarily materialize at the same time as workers find themselves out of work (2019).” Additionally, considering Trinidad and Tobago faced an increase in unemployment from 2019 to 2020 and the further increase because of the coronavirus, implementing this transition during an already difficult time for many citizens will be cruel. In 2018 the closure of the PETROTRIN refinery saw the termination of 3,400 permanent employees and according to the honorable Dr. Keith Rowley “a negative impact on quite a number of people (2018).” Consequently, workers who were working many years in the energy sector and are highly skilled in their field of work will now find themselves out of work and find it difficult to move on to another job. This can be seen as an unjust transition where the government is not taking into consideration the future of the current workers.

Furthermore, there will be a loss of energy access and affordability for the poor population as there will be a rise in prices for energy and energy- dependent services and activities such as public and individual transportation, electricity and home cooking. These communities will also be struck with the cost of transitioning to solar panels and solar generators which are very costly and usually sold separately. On the other hand, the question arises about individuals who cannot afford to transition or those who choose not to transition, on the price of continuing electricity through our natural gas. Will the subsidies on electricity from the Trinidad and Tobago Electricity Commission be completely removed? Considering a Just Transition comprises of constant conversation and consideration of the community and unions, will the government allow social ownership when transitioning? Or will the low-income household be disproportionately affected, where individuals will result in having to spend a higher percentage of their income on energy.

Moreover, the International Labor Organization reports that only a quarter of the world's population currently has adequate social security coverage while more than half lack any form of coverage. According to SLYCAN Trust, “Social protection systems for a just transition should be shock-responsive, holistic, inclusive, and able to adapt to progressive climate change impacts and transforming economies (2021).” With this in mind, will the government be providing grants and funding to citizens greatly affected by this transition? What jobs and services will the government be creating when moving forward with this transition? Where will these infrastructures be built and will these companies be a part of the public sector or will the private sector pride itself with

having full control of our greener economy? More and more questions seem to be arising when the thought of our country beginning this process is truly understood by individuals in our country

Is T & T's carbon emission target realistic?

We need to make it abundantly clear that it is developed countries around the world that are responsible for a large percentage of cumulative carbon dioxide (CO₂) emissions from coal, natural gas, oil, industrial waste and other fuels. China is currently the top emitter of CO₂, releasing approximately 28% of the world's greenhouse gases, with the United States and India following with 15% and 7% respectively. Although, in the Caribbean, smaller islands usually account for less than 1% of the global emission, each island is still playing an active role in achieving a “net zero emission” worldwide.

Trinidad and Tobago being responsible for only 0.10% of the world's CO₂ emission, has signed the Paris Agreement and a carbon reduction strategy was developed. It is understood in Trinidad and Tobago, that our islands are facing many effects of climate change, as there has been an increase in flooding, frequency in hurricanes and loss of coastal habitats. The fact is, that the union does recognise that climate change is real and currently happening around the world and particularly impacting smaller island states. Therefore, we understand that in Trinidad and Tobago, a carbon reduction strategy needed to be developed to deal with the high emission from the power generation, transportation and industrial sector. It can be noted that Trinidad and Tobago have seen a reduction from 2017 global emission of 0.11% to 2019 0.10%. The government aims to achieve a reduction in the overall emissions from the three sectors by 15% in their 2030 vision.

In order to reduce our emissions, the government has estimated a cost of USD 2 billion, which will be generated through domestic funding (taxes) and from the Green Climate Fund. According to the Green Climate Fund, currently Trinidad and Tobago readiness support is approved for USD 1.7 Million of which USD 606.8 thousand readiness supports have already been disbursed. We as stakeholders, are yet to see how the money has been disbursed.

On the other hand, in Trinidad and Tobago there is a lack of data and information found for recent trends in the climate change of our country. According to Kishana Kumarsing, the head of the Multilateral Environmental Agreements Unit, there is a gap in data in the public domain, especially verifiable data about the statistics available. Consequently, understanding that the most recent

information published for Trinidad and Tobago was in 2019, the government's first priority should be gathering a more updated statistic on GHG emissions. Precise and accurate research should be taken, to gather the right amount of data needed before undergoing such a big goal of reducing our CO2 emissions. Seeing that Trinidad and Tobago is only emitting 0.10% as per the latest data, our government should be patient in their journey and take into consideration how these changes not only affect the environment but also the community as a whole.

The government should formulate a strategic plan to deal with the chaotic roll out of job losses, which will then foster an increase in violence in communities and an increase in the struggles of the working class. Without proper research and planning, Trinidad and Tobago may suffer for many years all because of a government's need to reduce 0.10% of CO2 global emission by 2030. As the great Greek philosopher Aristotle once said, "Patience is bitter, but its fruit is sweet." Waiting and critically structuring a plan for such a transition is necessary for all of the citizens of Trinidad and Tobago to not be subjected to such hardships.

In conclusion, the privatization of public services has enabled corporations to charge inflated prices on services such as public transport, health and education. According to an article written in *The Guardian*, "In Mexico, Carlos Slim was granted control of almost all landline and mobile services and soon became [one of] the world's richest man (Monbiot, 2016)." On the other hand, from 2005-2009, Mexican consumers paid \$13.4 billion a year in excess for phone and internet services, with high cost disproportionately affecting the working class (Rucker, Hughes, 2012). This goes to show how privatization of public sectors can fuel the rich to become richer and the poor to become poorer.

The briefing paper presented below has been prepared by TUED to assist OWTU in developing a response to the *Just Transition Draft Policy for an Equitable Low Carbon Future for Trinidad and Tobago* (hereafter: *Draft Policy*). The aim of the paper is to draw attention to some major problems with the *Draft Policy*. The briefing paper points out that the *Draft Policy* makes assertions about global energy trends and the inevitability of decarbonization that are either not supported by the available evidence or just plainly wrong. As the paper says "These cannot be viewed as innocent mistakes. For neoliberal policy advocates, such assertions serve a political purpose: they are designed to cultivate consent and compliance, and to nullify opposition."

OWTU is willing to engage in a transparent process, but the process must be informed by facts and not assertions that can not be substantiated.

Why it will fail in Trinidad and Tobago - Unsustainable Options for Trinidad and Tobago.

In our aim to reduce our country's carbon footprint, one may consider the many types of renewable energy to power Trinidad and Tobago. The question then arises whether we can transition to another option, where we rely solely on renewable energy. Government should then consider the effects it may have on our country and whether these renewable energies can sustain our energy sector. Considering that there are no Caribbean countries that rely entirely on renewable energy, here are some reasons why these renewable energies are unsustainable options for Trinidad and Tobago.

WIND ENERGY: There are two types of wind turbines around the world, onshore and offshore wind farms. Onshore wind farms are very unpredictable and inconsistent in their production of energy. In Trinidad and Tobago, there may be multiple increases and decreases in the speed of wind and the direction the wind blows in. Additionally it will be costly to build these farms with high import bills for the materials that are needed and to maintain these farms. Also, the wind farms require detailed analysis when selecting a developmental space to ensure that nearby communities are not affected by the noise pollution produced. According to "The energy fix," installations of wind farms are more suitable for larger areas with a minimum distance of 150 m from any communities or obstructions and a turbine-to-turbine separation of 7 times the diameter of the rotor (2020). For example, in Oregon U.S.A, the Shepherds Flat Wind Farm is approximately 80 Km² with 338 wind turbines, 152 Km of road and 267km of transmission lines (Power Technology, 2021). With this in mind, consider Trinidad and Tobago which has a population of approximately 1.4 million and with land area of 5,130 Km². The northern range of Trinidad which covers 25% of our land space cannot facilitate the wind turbines because of its densely forested and mountainous area of land. Should a plant like this be undertaken our already deprived citizens would be placed at an even greater loss with regards to land security and housing? Therefore sourcing land space to build such infrastructure in Trinidad and Tobago may prove to be very futile.

On the other hand, offshore wind turbines are more consistent in its delivery of wind energy, however it will cost more to build in seas compared to build on land. Hurricanes are also a major conflict with building offshore wind turbines as the natural disaster may destroy them. Seeing that Trinidad and Tobago is located in the hurricane belt, the offshore wind turbines will be under constant threat during the hurricane season. Additionally building wind turbines close to coastal areas can decrease marine lives and directly affect the lives of fishermen. Taking this into consideration, the fishing industry is directly and indirectly supporting approximately 40,000 individuals in Trinidad and Tobago, the offshore wind turbines will be directly affecting the livelihoods of individuals in the fishing industry (Mohammed, 2017). Furthermore, there will be additional cost to transfer this energy from the sea to the homes and business.

In a developed country such as China, despite their government's robust support of wind power, it is obstructed by various barriers and powered only 12.8% of national electricity generation for 2020. For off-shore wind power, China still has problems with both a weak technology support system and underdeveloped technologies. (Stanway et al, 2021, Grafström, 2019, p.2 &5, Sahu, 2017, Zhang et al., 2018)

Considering the statistics, China being the world leader in wind power, with vast availability to technologies and supply of raw material continues to face challenges with using both onshore and offshore wind turbines. After 15 years of contributing greatly to wind power, it is China's third – largest source of energy with coal contributing to 58% and oil contributing to 20% (U.S Energy Information Administration, 2020). Furthermore, the U.S Energy Information Administration stated, in 2019, China's renewable energy only accounted for 15% of the country's power usage, which explains the country's continuous need for coal and oil energy (2020).

Therefore, considering all the factors previously stated, whether Trinidad and Tobago adopts the renewable energy practices with wind power, there will consistently be a need for our oil and gas in order to generate mass energy throughout the country.

SOLAR ENERGY: Solar energy being one of the easiest energy to obtain in the Caribbean is constantly advertised as the main option for our islands. However there are many disadvantages to solar energy in Trinidad and Tobago such as the cost of purchasing a solar system. An individual will be paying for solar panels, inverter, batteries, wiring and the installation of the solar system.

Additionally, the solar system may not be 100% effective as one may need to take into account cloudy and rainy days and nightfall. Families and businesses may be affected by the additional cost of purchasing generators to facilitate when there are little to no sunlight for more than 24hrs. According to the “green match”, it is safer and cost-effective to use energy from the grid during the night.

After contacting multiple solar energy companies[1] inquiring on the price of solar systems to power an entire house, the starting price began at TT\$100,000 dollars without installation fees. According to “Trifactor Solar” a south based company; most of their customers purchase solar systems to assist in reducing their electrical bill. Customers purchase two or three solar panels, which will power a few lights, internet router and a fan. The starting price for this solar system began at TT\$11,000 dollars without installation fees.

Another disadvantage of installing solar systems are homes where roofing needs to be adjusted in order to fit solar panels required. According to Trifactor Solar, “roofing on homes needs to be sturdy enough to hold the panels and big enough to fit the amount needed.” Some roofing may not be large enough to fit the number of panels to collect as much sunlight needed to power their homes. Hence there will be further costing for purchasing a solar system when all of the extra charges are added together. Considering the working class and lower class communities of Trinidad and Tobago, the cost to purchase a solar system may be beyond their budgets and therefore they cannot afford to purchase it.

Moreover, in India, the country's production of solar power generated only 3.6% of total generation from April 2019 to March 2020 (Petrova, 2020). Seeing that 80% of the materials needed to build solar panels are imported from China, during the Coronavirus there have been major impacts on supplying solar power to citizens in India (Utpal, Bhaskar 2020). That is to say, Trinidad and Tobago may also be affected by importing woes for materials needed, only to power a small percentage of the country's population.

Hydroelectric energy: Many individuals believe since Trinidad and Tobago is surrounded by water, creating hydroelectric energy will be simple, however, plant locations for hydroelectric energy needs to be carefully situated. Hydroelectric energy uses dams which are man-made, to store water which can then be used to create electricity. In Trinidad and Tobago, the dams are used

to provide water for citizens throughout the country. These dams are greatly affected during both the rainy season and the dry seasons.

During the dry seasons dams such as Hollis, Caroni and Navet are at half of its average long term capacity and have resulted in the Water and Sewage Authority to change its water schedule in an attempt to conserve resources. According to an article in Trinidad and Tobago Newsday, when the dams are near full capacity there are still restrictions in place, where communities are on a rotation schedule to preserve as much water for the dry season (Kenzie, Rhianna Mc, et al, 2021). Therefore, creating dams to be used for hydroelectric energy will be difficult in the long run. Keeping the dams near full capacity during the dry seasons is already a challenge and this will make the energy flow even more inconsistent and unreliable.

Geothermal energy: One of the biggest disadvantages is its location, geothermal energy are usually located near the boundaries of the earth's tectonic plates. According to the U.S Energy Information Administration, major geothermal energy is found where most volcanoes are located and the most active geothermal areas in the world is called the Ring of Fire. Furthermore, the geothermal power plants release foul odours, may trigger earthquakes and may cost twice the amount to produce in comparison to fossil fuel. Taking into account, when Trinidad and Tobago was affected by the 2018, 6.9 magnitude earthquake, “Claiming engineers have stated 80 per cent of TT’s building stock is at risk (Webb, 2018).” As a result, geothermal energy will trigger earthquakes which Trinidad and Tobago’s buildings are not prepared for. Therefore, geothermal energy will most likely not be an option for renewable energy in Trinidad and Tobago.

In conclusion, after considering all the information previously provided, one can assume that renewable energy may not be solely sustainable in Trinidad and Tobago. Wind energy requires a large landscape to build on, which Trinidad and Tobago will find difficult to source, while solar energy is very costly to power entire households, hydroelectric energy is challenging to maintain and Trinidad and Tobago is not suitable for geothermal energy. Seeing where all these factors will explain why renewable energy is an unsustainable source of energy, renewable energy should act as an assistant to our natural oil and gas. Trinidad and Tobago should maintain our oil and gas as our main energy source while renewable energy will aid in reducing our carbon footprint, while

working alongside our natural oil and gas to accommodate those who can afford the renewable option.



**CUNY SCHOOL
OF LABOR AND
URBAN STUDIES**
THE MURPHY INSTITUTE

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Just Transition Draft Policy for an Equitable Low Carbon Future for Trinidad and Tobago: Towards an OWTU Response

Highlighting Errors and Misconceptions Regarding Global Energy Trends and Climate Commitments

This briefing paper has been prepared by Trade Unions for Energy Democracy (TUED) to assist OWTU in developing a response to the *Just Transition Draft Policy for an Equitable Low Carbon Future for Trinidad and Tobago* (hereafter: Draft Policy). TUED is a project based at the School of Labor and Urban Studies, City University of New York.

The aim of the briefing paper is to draw attention to some major problems with the *Draft Policy*.

The *Draft Policy* makes assertions about global energy trends and the inevitability of decarbonization that are either not supported by the available evidence or just plainly wrong. These cannot be viewed as innocent mistakes. For neoliberal policy advocates, such assertions serve a political purpose: they are designed to cultivate consent and compliance, and to nullify opposition.

The Response: Foundational Positions

Suggested points of departure. The OWTU:

- Acknowledges the climate emergency and the need to address it globally and nationally
- Notes the failure of the “liberalize and privatize to decarbonize” policy framework to impede GHGs emissions at the global level
- Rejects privatization and liberalization. This is not a viable path to decarbonization for T&T
- Is convinced that the proposed Just Transition Policy, if implemented, will produce negative and regressive social outcomes

- Supports defending and reclaiming energy systems to full public ownership as a means of ensuring a planned and equitable transition
- Sees the need for a major policy shift that can establish a “global public goods” framework for socio ecological transition of the type currently being developed by OWTU’s trade union and policy allies

Green Structural Adjustment

The *Draft Policy* amounts to a “structural adjustment program,” packaged in such a way that it appears to be motivated by ecological concerns, particularly the need to address climate change, when in fact it aims to advance further privatization, commodification and liberalization of the country. Overall, the tone of the *Draft Policy* is to present T&T as a country that is too dependent on the public sector and particularly oil and gas. T&T is depicted as trailing global policy trends, and therefore missing out on a range of “green” economic opportunities. It suggests that T&T can embark on a new course, but in order to do so it must go further to create a “business friendly” environment as a means to attract private investment from outside T&T. Such thinking reflects the kind of neoliberal orthodoxy articulated by the IMF and World Bank for several decades.

As has been seen elsewhere (for example, South Africa, Mexico) the “green” arguments used to promote structural adjustment in T&T are accompanied by a number of assertions about global energy and policy trends and the inevitability of a transition to a low carbon future. Therefore, according to the *Draft Policy*, T&T must ensure that the “inevitable” transition is a *just* one.

Global Energy Trends: “Decarbonization” is NOT happening

The *Draft Policy* asserts that: “Globally, oil and gas-dependent countries are embarking on an energy transition process,” and it refers to a “global trend towards decarbonization.” [page 11] This purported trend towards decarbonization will mean “lower demand for oil and gas and lower prices.” [page XX]

Neither of these statements is accurate. In some respects, both are simply wrong.

The assertion that “Globally, oil and gas-dependent countries are embarking on an energy transition process” implies that these same countries are reducing their dependence on oil and gas, and T&T had better face this reality and commit to diversifying its economy along the lines proposed in the *Draft Policy*.

In fact, the data show that oil and gas-dependent countries continue to import oil and gas at record or near-record levels. For example, China’s oil demand continues to outstrip domestic production. According to the EIA, “oil imports have greatly increased during the past decade, reaching record highs in 2019.... China, which became the world’s largest crude oil buyer in 2017, imported 10.1 million b/d of crude oil on average in 2019, rising almost 10% from 9.2 million b/d in 2018.” The story is similar in the case of Japan, Korea and other major oil and gas dependent economies.

The *Draft Policy* also claims that there is “a global trend towards decarbonization.” This is misleading. Some developed economies are decarbonizing their power sectors, but this is not a “global trend.” In fact, gas and oil consumption have been on an upward trajectory for many years. The use of gas was, until early 2020, also growing rapidly. Oil consumption in early 2015 was 95 million b/d. By late 2019 it surpassed 100 million b/d—an increase of over 5.2%. Global coal use rose in 2017 and again in 2018, following three years of falling consumption that was mainly due to the economic slowdown in China. As a consequence, in 2018, CO2 emissions were at their highest point in history. Global coal consumption fell by 4% in 2020 — its steepest drop since World War II — but most of that decline occurred in the first few months, and by the end of the year demand had risen again to surpass pre-pandemic levels.

Lower Prices for Oil and Gas Have Nothing to Do With Decarbonization Commitments

The *Draft Policy* claims that the trend towards economies’ decarbonization will lead to “lower demand for oil and gas and lower prices.” We have seen that there is no evidence to support the claim that economies’ are decarbonizing, which means that, until now, decarbonization commitments made under the Paris Agreement have thus far had no noticeable impact either on energy demand or on prices.

Energy sector unions like OWTU are fully aware of the fact that, currently, the low prices for oil and gas can be explained by two factors, namely, the global price war of 2019 and the economic impacts of the COVID pandemic, 2020-2021.

The price war between Saudi Arabia, Russia and the US led to overproduction. As a result, oil prices slumped almost 50%. In 2020, the COVID19 pandemic led to a slump in global demand. This depressed oil prices even further. Gas has followed a similar pattern. Due to price wars and oversupply, gas prices dropped by one third in 2019. As of June 2020, global gas prices were rock bottom. *World Oil* reported that “the \$600 billion global gas market remains extraordinarily oversupplied.”

But according to the latest data from the International Energy Agency, oil markets are recovering from the COVID-related collapse in demand seen in 2020: “The staggering inventory surplus that built up last year is being worked off and global oil stocks, excluding strategic reserves, will return to pre-pandemic levels in 2021.” The IEA warns, however, “there may be no return to ‘normal’ for the oil market in the post-Covid era.” The IEA’s use of the word “era” suggests that the impact of COVID on global oil consumption could be a very protracted one. But according to its projections, oil consumption is expected to return to 2019 levels as quickly as 2023, and reach 104.1 mb/d by 2026.

In terms of the future, the *Draft Policy* suggests that national commitments made under the Paris Agreement mean that oil and gas consumption will decline and prices will fall. In other words, political commitments are expected to impede the rise of both energy use and emissions levels.

But there are few signs that decarbonization policies are significantly altering energy consumption. According to the UN Environment Program (UNEP), in 2018 most of the G20 countries were not on target to meet their Paris commitments (or “nationally determined contributions,” or NDCs.) China, India and Russia are all on track to meet their NDCs, but the NDCs submitted by these three major countries were pretty “low ambition” to begin with. UNEP recently acknowledged that, in terms of controlling emissions, governments collectively have failed, and the current

situation now calls for “profound change in how energy, food, and other material-intensive services are demanded and provided by governments, businesses, and markets.”

The Power Sector

Regarding the electrical power sector, there is no disputing the fact that, globally, this sector is undergoing a series of important changes. Modern renewable energy—principally wind and solar—is growing rapidly. In 2020, nearly 200GW of net wind and solar capacity was installed globally.

But in terms of installed capacity, the growth of renewable energy has been struggling to keep pace with the rising demand for electricity (which, prior to the COVID19 pandemic, had normally averaged between 2% and 3% per year). In 2018, wind and solar together generated about 8% of the world’s electricity. It is true that the *proportion* of renewable energy generation in the power sector is increasing. However, the continuing rise of overall *demand* for electricity means that year-on-year increases in the share of that demand met by renewables have been marginal. According to Spencer Dale, BP’s research director, “Even if renewables are growing at truly exceptional rates, the pace of growth of power demand, particularly in developing Asia, limits the pace at which the power sector can decarbonize.”

However, power generation in some highly developed OECD countries *is* being decarbonized, and at a relatively fast pace. This is a clear trend. The OECD’s decarbonization is being driven by three main factors. First, many coal-fired (and some nuclear power) stations are reaching the end of their life, and this capacity is being replaced by wind, solar, biomass, and some gas-fired capacity. During the same period (2011-2020) US solar installations grew from around 4 GW to almost 90GW, with residential solar accounting for about 20% of this additional capacity (roughly 18GW). Second, renewable energy is growing because of policy commitments. These include renewable energy targets as well as a wide range of public subsidies and incentives, mainly to private investors. Third, in contrast to the global trend, demand for electricity is mostly flat across the OECD, therefore renewables’ share of generation will grow more quickly there than where electricity demand is rising.

But one important difference between the OECD and some of the major non-OECD countries like India and China concerns the age of their generation capacity. Driven by Asia's economic growth, global coal-fired generation grew from under 1000 GW of installed capacity in 1990 to more than 2000 GW in 2018. Many of the coal-fired power stations in major developing economies are therefore relatively new. Several studies suggest that the climate targets adopted under the Paris Agreement cannot be achieved if this capacity is not retired "early."

This poses a major challenge to full power sector decarbonization. Replacing old coal- and gas-fired generation with modern renewables makes sense (technical challenges notwithstanding), but retiring newer coal and gas capacity before their design lifespans is a much heavier political and economic lift.

The *Draft Policy* states that, "The trend of global investment in renewable energy is increasing." But this is misleading. Bloomberg New Energy Finance recently reported that \$303.5 billion was invested in new projects and small-scale systems in 2020, a 2% increase over 2019. But in real dollars, investment in renewable energy has flatlined since 2012. Furthermore, the \$303.5 billion total includes biofuels and biomass.

Concluding Note:

In a future briefing paper, TUED and OWTU are prepared to submit data that show that the "Just Transition" proposals in the *Draft Policy* (such as deregulation of energy prices, or Feed-in tariffs for renewables) have, at the global level, failed to reduce emissions and they also have a poor record in terms of job creation. Implementing these policies in Trinidad & Tobago will not deliver a "just transition" away from fossil fuels to a low carbon economy.

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