

# **The Partial Unbundling of the Electricity Sector in Trinidad and Tobago**

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## **Abstract**

Trinidad and Tobago Electricity Commission (T&TEC) is 100% owned by the Government of Trinidad and Tobago. The Board of Directors is appointed by the Cabinet. The Chairman of the Board reports directly to the Minister of Public Utilities. T&TEC has the monopoly on the sale of electricity in the country. Other entities are allowed to generate for their own use or to sell to T&TEC but not to others.

In 1993, T&TEC concerned about impending shortages, sought approval from the Government to finance the addition of 200MW of generation plant. T&TEC was directed to seek a partner in the generation aspect of its operation. T&TEC did this by establishing a generation company, PowerGen, and divested 49% of the shareholding of PowerGen to SEI/AMOCO. PowerGen was awarded a power purchase agreement which obligates T&TEC to purchase specified capacity over a 15-year period.

The paper discusses the divestment of the generation aspect of T&TEC and analyses the effect on the future of the electricity sector. Conclusions are made about the existing T&D section and what are the options for the future. It also touched on the regulation issue and its effect on the solvency of T&TEC.