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Guyana engaging investors for LNG-to-power plans

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The Guyanese government is in talks with an international investor about a proposal to power mining operations in the country's interior by using liquefied natural gas.

The initiative would see associated gas from offshore oil production converted into LNG and then trucked to remote locations in cryogenic tanks.

Speaking during the [Institute of the Americas' Madrid Energy Conference \(MEC\)](#), Guyana's natural resources minister Vickram Bharrat (pictured) affirmed the plan would provide a cleaner and more cost-effective alternative to diesel.

"We have a lot of challenges associated with mining at present that we are trying to correct," Bharrat said. "Diesel is like a lifeline for them. There are truckloads of diesel being delivered to those mines on a daily basis.

"In the past two months I've met with so many investors. One is proposing to liquify natural gas so that it can be used elsewhere. As a matter of fact, I'm meeting with [the investor] sometime later this month. We are open to suggestions because we are new in oil and gas production."

The announcement comes as Guyana seeks to capitalize on growing prospects for natural gas production from its [offshore fields](#).

The administration of President [Irfaan Ali](#), who took office in August, has vowed to reduce flaring and promote gas-to-power projects as part of its commitment to reduce carbon emissions.

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A [licensing agreement](#) signed Wednesday (Sept. 30) with an [ExxonMobil](#)-led consortium, stipulates heavy fines for continuous flaring at the Payara field, the third development on the [Stabroek block](#).

"We can't just sit back and allow flaring to occur. That is why we have introduced a fine and also a penalty ... not only for the emissions and environmental effects but also the wastage of gas," Bharrat said.

In addition to the anti-flaring drive, the government has set up a task force to establish guidelines for a gas-to-power project that is scheduled to come online next year. Bharrat did not provide details, nor did he reveal if the initiative was related to the LNG proposal for the mining sector.

"The government of Guyana has taken a decision to use the associated natural gas being produced by Exxon to go to power," said Kevin Ramnarine, a senior consultant with IPD Latin America, in the same MEC discussion panel.

"And that in itself is a step in the green direction because, currently, power in Guyana is generated by burning diesel and fuel oil," added Ramnarine, a former energy minister of Trinidad and Tobago who now acts as an advisor to the Guyanese government.

The new administration has also announced plans to provide greater legal and regulatory security to investors through the creation of a petroleum commission.

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Bharrat said the new entity would "depoliticize" the hydrocarbons industry while overseeing the implementation of new regulations such as minimum [local content requirements](#).

"We'll be tabling the petroleum commission bill in a matter of weeks and hopefully by mid next year, at the latest, we can have that commission in place," he said. "Ideally we're hoping it can be early next year so that it can manage this emerging sector without political interference."

The Caribbean nation's commitment to cleaner power generation extends to planned new investments in solar, wind and hydropower plants.

Initiatives include a decision to revive the 165MW, US\$860mn Amaila Falls hydroelectric project, which was shelved in 2017 by the previous government.

"We will work to make sure that we protect the environment and build on the renewable energy resources that we have," Bharrat said. "We will actually use resources from the oil and gas sector to help in those areas."

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