

Pacific Renewable & Energy Efficiency Projects Webinar 2016

Adrian Weeks – Trade Commissioner Pacific
Austrade



Australian Government
Australian Trade and Investment Commission



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2. OVERVIEW

1. The Paris Agreement
 2. Australia's Post-Paris priorities
 3. Maximizing the public private relationship
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3. THE PARIS AGREEMENT

- Paris Agreement significant turning point
 - › Nearly 190 nationally determined commitments (climate plans and targets)
 - Many include focus on renewables
 - › Low emissions investment signal
 - › Finance and private sector support key
 - Still more to do
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4. AUSTRALIA'S POST-PARIS PRIORITIES

- Talking to business: both FDI and export
 - Helping turn NDCs into business plans
 - Raising the profile of climate in aid program
 - › Green Climate Fund
 - Building on existing work
 - Focused on low-emissions innovation
 - › Engagement with business and other Govts
 - › Mission Innovation
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5. PUBLIC PRIVATE RELATIONSHIP

- Work with private sector – deliver shared goals
 - Government as convener and broker
 - Collaboration with other governments and institutions
 - Direct funding through the aid program
 - Deep knowledge of enabling environments
 - › DFAT Post network
 - Partnership funding - Business partnerships platform
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6. FINAL THOUGHTS

- Paris a good platform but needs to be built on
 - Need a new level of engagement to accelerate public / private cooperation
 - › Renewables in the Pacific perfect opportunity
 - Break down the barriers
 - Understand how government works
 - Understanding of how business works
 - Achieve shared goals
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7. CONTACT

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Asian Development Bank: Pacific Renewable Energy and Energy Efficiency

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9. ASIAN DEVELOPMENT BANK

- Multilateral development bank est. 1966
 - Owned by 67 members, including Australia
 - Reduce poverty in the Asia-Pacific region
 - Financial and technical assistance for infrastructure development
 - Sovereign and private sector
 - Bank-wide \$27 billion approved in 2015
 - Bank-wide \$2 billion clean energy 2015
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REGIONAL



Promoting Energy Efficiency in the Pacific Phase 2	\$8.75 M
Promoting Access to Renewable Energy in the Pacific	\$3.75 M
Establishment of the PRIF Coordination Office	\$15.2 M
Increasing Access to Renewable Energy	\$1.00 M



Institutional Strengthening of the Nauru Utilities Corporation	\$0.23 M
Electricity Supply Security and Sustainability	\$12.14 M
Tariff and Subsidy Policy Reform	\$0.80 M



Majuro Power Network Strengthening	\$0.69 M
Fuel Tank Farm Rehabilitation	\$7.00 M



Yap Renewable Energy Development	\$8.73 M
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Power Sector Expansion	\$90.10 M
Renewable Energy Development and Power Sector Rehabilitation	\$33.59 M

REPUBLIC OF PALAU
FEDERATED STATES OF MICRONESIA

MARSHALL ISLANDS

NAURU

KIRIBATI

TIMOR-LESTE

PAPUA NEW GUINEA

SOLOMON ISLANDS

TUVALU

SAMOA

TONGA

COOK ISLANDS

Electricity System Strengthening and Sustainability	\$48.30 M
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Renewable Energy Sector	\$25.59 M
Renewable Energy Sector	\$4.26 M



Improved Energy Access for Rural Communities	\$5.00 M
Port Moresby Power Grid Development	\$65.39 M
Implementation of the Electricity Industry Policy	\$1.00 M
MFF: Town Electrification Investment—Tranche 1	\$62.07 M
MFF: Town Electrification Investment—Tranche 2	\$73.60 M



Provincial Renewable Energy	\$15.00 M
Solar Power Development	\$15.20 M



Cyclone Ian Recovery	\$4.52 M
Outer Island Renewable Energy	\$18.23 M



Support for Energy Sector Regulatory Capacity and Electrification	\$1.00 M
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11. PACIFIC ENERGY SECTOR

- Existing loan/grants in 8 Pacific countries
 - Existing portfolio approx. \$350 million
 - 8 technical assistance grants - \$16 million
 - Pipeline 14 projects in 9 countries proposed investment \$305 million
 - Largest financier to energy sector in the Pacific
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12. ADB PACIFIC CURRENT INVESTMENTS

	Loan/Grant Projects	Total (US\$ million)
1	Cook Isl. Renewable Energy Sector Project	24.28
2	Micronesia Yap Renewable Energy Development Project	12.00
3	Micronesia Omnibus Infrastructure Project (Chuuk)	5.00
4	Nauru Electricity Supply Security and Sustain.	10.53
5	PNG Town Electrification Investment Program T1	62.07
6	PNG Improved Energy Access	5.00
7	PNG Port Moresby Grid Development Project	66.70
8	Marshall Isl. Improved Energy Supply for Poor Households	1.76
9	Samoa Renewable Energy Dev. and Power Sector Rehab	32.59
10	Samoa Power Sector Expansion Project	99.10
11	Solomon Isl. Provincial Renewable Energy Project	15.00
12	Tonga Outer Island Renewable Energy Project	13.23
13	Tonga Cyclone Ian Recovery Project	4.52
		351.78

13. ADB PACIFIC ENERGY PIPELINE

			Total (US\$ million)
1	Cook Isl.	Renewable Energy Sector Project - AF	5.57
2	Fiji	Network Efficiency Project	50.00
3	Palau	Renewable Energy Project	10.00
4	PNG	Town Electrification Invest. Program (T2)	73.60
5	PNG	Power Development Project	60.00
6	REG	Pacific RE and Energy Eff. Project	20.00
7	Marshall Isl.	Majuro Power Network Strengthening	3.69
8	Marshall Isl.	Fuel Tank Farm Rehabilitation Project	7.00
9	Samoa	Power Sector Development Project	10.00
10	Solomon Isl.	Solar Power Development Project	15.20
11	Solomon Isl.	Renewable Energy Project	10.00
12	Tonga	Outer Island Renewable Energy (AF)	7.89
13	Tonga	Solar Power Development Project	15.00
14	Vanuatu	Energy Access Project	15.10
			303.05

14. ANALYSIS

- Investment demand is expanding rapidly
 - Renewable energy is the core of investment requirements.
 - › 75% of our investments (20 projects)
 - › Hydropower has the largest investment need (5 projects, \$194 million)
 - › Solar is the fastest growing in number of projects (7 projects)
 - Energy Access – major issue in Melanesia
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15. EXAMPLE

Hydropower

- 11 plants under construction or design
 - PNG: Ramazon Hydropower, Divune Hydropower
 - Samoa: Rehabilitation and new sites
 - PNG: Rouna Cascade (Rouna 1 and Sirinumu TOD)
 - Solomon Islands: Fiu River Hydropower, Malaita Province
 - Vanuatu: Brenwe Hydropower Plant, Malekula



16. PRIVATE SECTOR INVESTMENT

- Independent Power Providers required to meet investment and capacity needs
- Appropriate policies, regulations and legislation being put in place
- Power utilities have experience in negotiating Power Purchase Agreements
- Increasing interest by international and domestic investors
- Significant barriers to private sector investment exist

17. IPP STATISTICS - AUG 2016

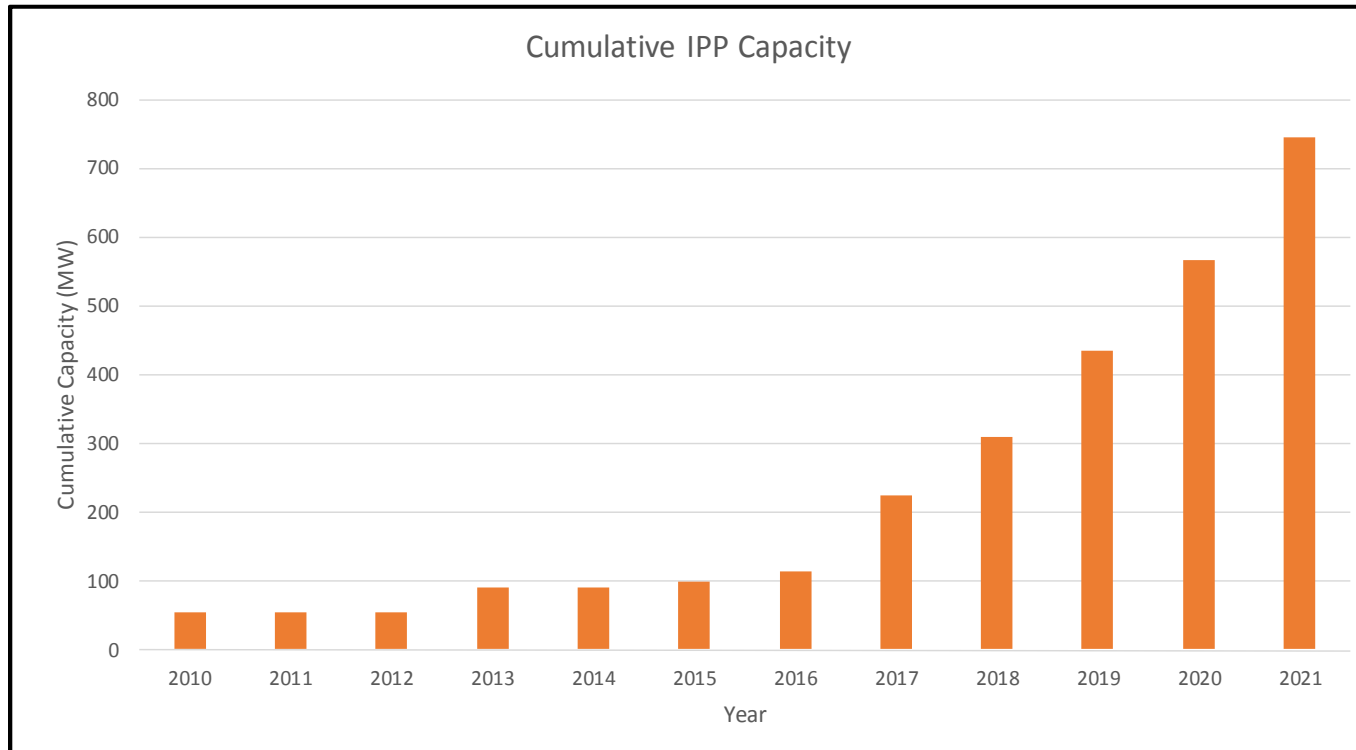
- Significant level of IPP investments in the Pacific
 - › Total actual and forecast IPP Investments: 60 projects, 745 MW, USD 2.7 bil.
 - › Upcoming private sector investment opportunities: USD 594 mil.
- For complete list of projects see *2nd Pacific Energy Investors Forum Report*

IPPs Statistics in PICs

	<u>Number</u>	<u>Capacity, (MW)</u>	<u>Estimated Cost (USD million)</u>
Existing IPPs	21	114	404
Selected IPPs	23	429	1,670
Planned IPPs	16	202	594
Total	60	745	2,668

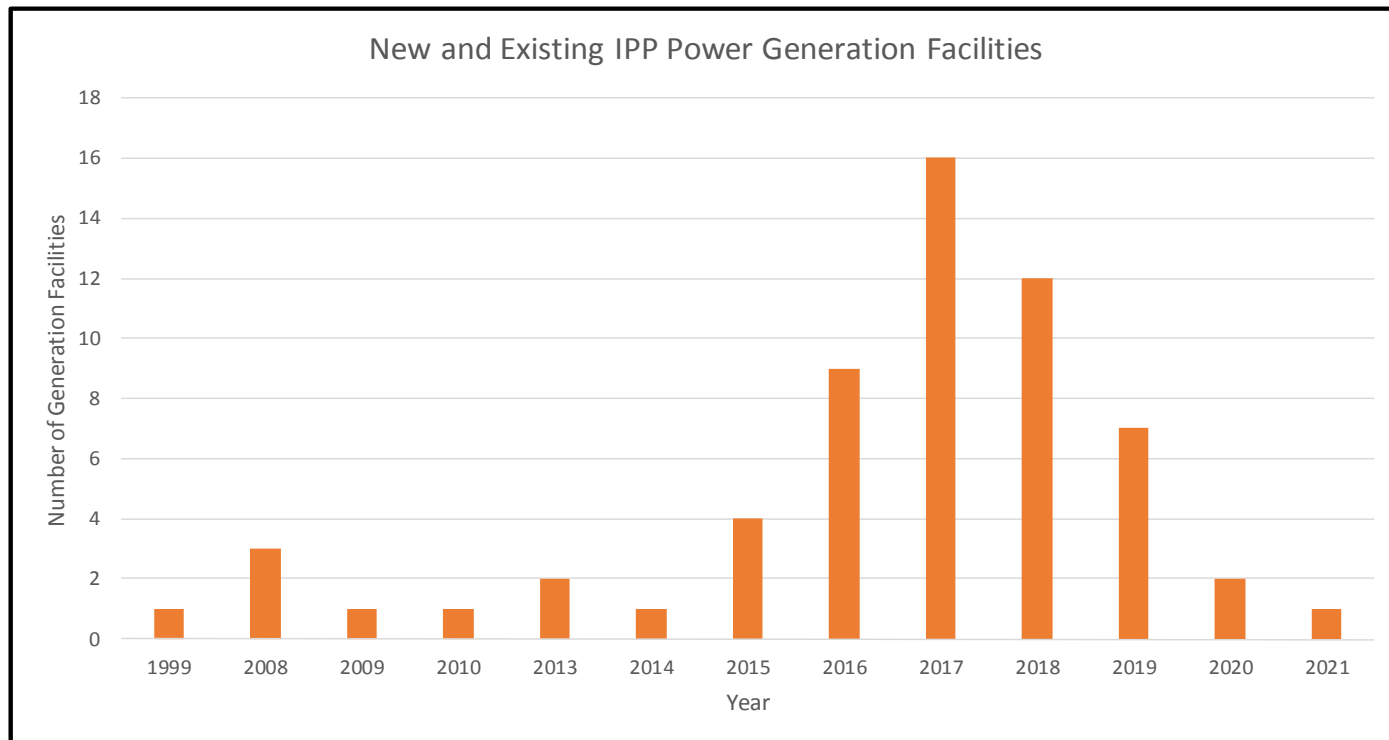
18. IPP INVESTMENTS

- Gradual growth in 2010-2016, from 50 MW to 112 MW
- Rapid growth in 2016-2021, about 7-fold, from 112 MW to 745 MW
- Estimated cumulative investment of USD 2.7 billion



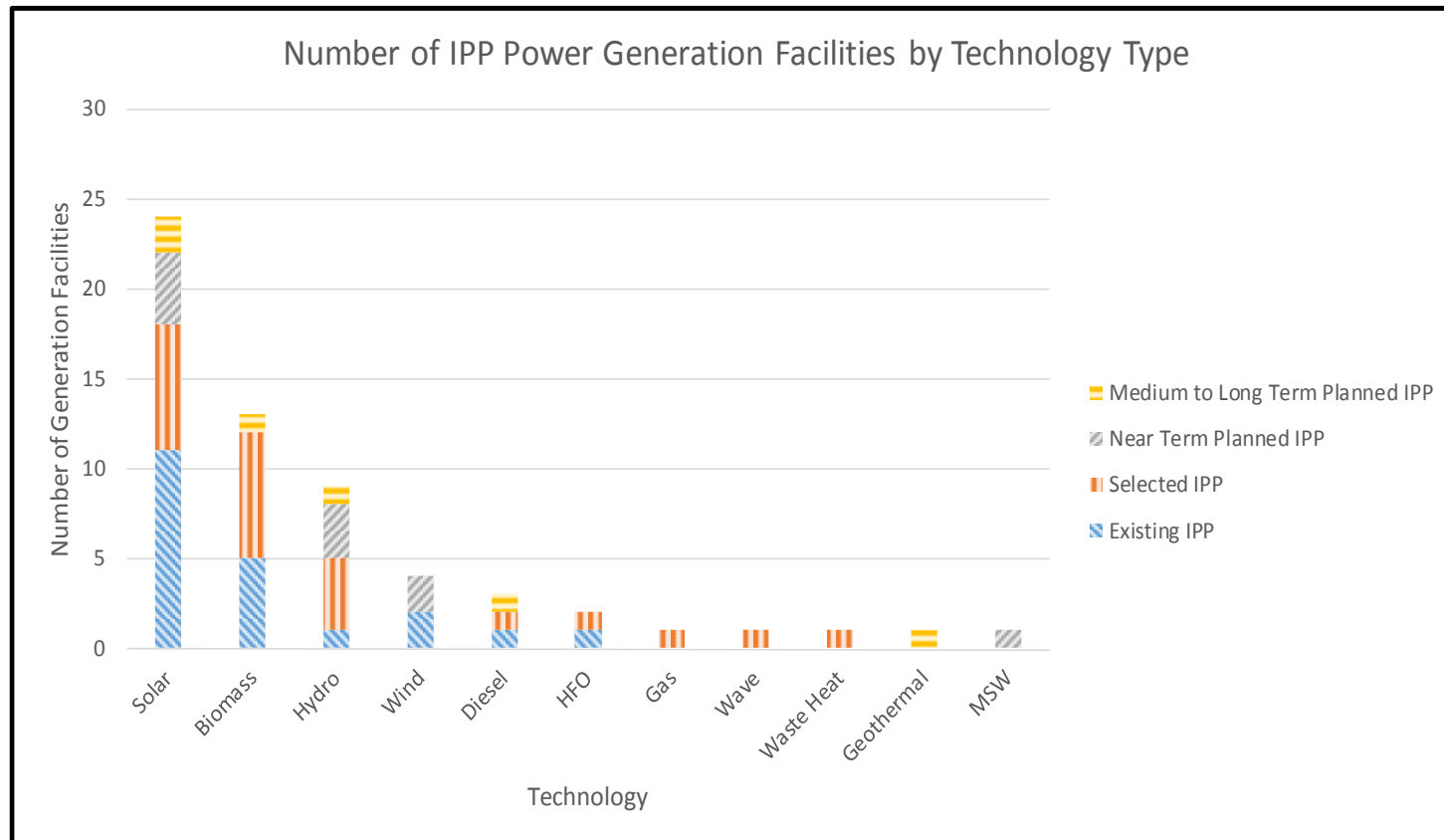
19. MANY IPPS IN THE NEXT 3 YEARS

- Many small renewable energy IPPs coming into operation during 2017-2019
- All hydros in 2019 – 2021



20. TECHNOLOGIES

- Mostly renewables
- Mainly solar and biomass



21. PROCUREMENT

- Procurement follows ADB Guidelines and bidding procedures
- Fund flow is generally from ADB to consultant/contractor
- Opportunities for Consulting, contractors and suppliers
- Register at

<http://www.adb.org/site/business-opportunities/main>

22. RESOURCES

- **ADB**

- <http://www.adb.org/site/business-opportunities/main>
- <http://www.adb.org/documents/pacific-energy-update-2016>

- **Pacific Power Association** <http://www.ppa.org.fj/>

- Pacific Private Sector Investors Prospectus

- **Pacific Region Infrastructure Facility** <http://www.theprif.org/>

- Power Benchmarking Report 2014

- **ADB Pacific Facebook page**

<https://www.facebook.com/adbpacificenergy/>



THANK YOU

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