

FIJI RENEWABLE ENERGY POWER PROJECT (FREPP)

Progress of the Project

Objective

- Removal of barriers (policy, regulatory, market, finance and technical) to the wide-scale use of renewable energy resources for grid-connected power generation in Fiji.
- 4 main components:
 - Energy Policy & Regulatory Frameworks
 - Renewable Energy Resource Assessments and Renewable Energy-based Project Assessments
 - Renewable Energy-based Power Generation Demonstrations
 - Renewable Energy Institutional Strengthening

Major Achievements

Component	Achievements
<p>1. Energy Policy & Regulatory Frameworks</p> <p><i>(Projected Outcome:</i> Facilitation of investments on energy projects, particularly on RE-based power generation)</p>	<ul style="list-style-type: none">- Draft Biofuel Status Report disseminated to stakeholders for comments
<p>2. RE Resource and RE-based Project Assessments</p> <p><i>(Projected Outcome:</i> Technical feasibility of harnessing RE resources are ascertained and made widely known)</p>	<ul style="list-style-type: none">- Installation of 15 wind monitoring stations around Vitilevu (FJ\$850k)- Installation of 2 hydro monitoring stations in Kadavu (FJ\$2k).

Major Achievements

Component	Achievements
<p>3. RE-based Power Generation Demonstrations</p> <p><i>(Projected Outcome: Markets for specific RE technologies are supported)</i></p>	<ul style="list-style-type: none"> - Completion of Biofuel Gender Survey - Development of a PPA - Compiled a review and listing of BANKABLE Investment Opportunities - Finalized a report on Investment Information Packages and Publications - Conduct an Investors Forum - Review of Existing Subsidy and Incentive Schemes - Review of International Experiences in the Development and Implementation of RE Subsidy and Incentive Schemes - Design of Incentive Schemes for RE-based Power Generation Projects
<p>5. Project Management</p>	<ul style="list-style-type: none"> - Commencement of Mid-Term Review and Project Audit.

PROGRESS

No.	Component	Output	Status
1	Energy Policy and Regulatory Frameworks	1.1 Biofuel Policy developed, reviewed, and submitted for Cabinet approval.	<ul style="list-style-type: none"> - Consultancy is currently being undertaken by Emergent Ventures Pte. Ltd. - <u>Reports submitted</u> – Inception Report (18/12/14) and draft Biofuel Status Report (06/05/15). - PS approved the dissemination of the draft Biofuel Status Report in early March, 2016. - Comments to be collated from stakeholders on the <u>05/04/16</u> - Biofuel Market Assessment Study: The Consultant (Mr. Peceli Nakavulevu) is currently undertaking the assessment of Biofuel market locally and abroad.
		1.2 Implementing Rules & Regulations (IRRs) developed for the Fiji Biofuel Policy	<ul style="list-style-type: none"> - Rules & Regulations <u>to be developed</u> once the Biofuel Policy is finalized
		1.3 De-Risking or Tariff Guarantee Fund developed and submitted for Cabinet approval.	<ul style="list-style-type: none"> - This has been included in the consultancy for the “Design and Establishment of a RE-based Power Generation Demonstration Project”. The design and establishment of a Tariff Guarantee Fund is being included as an incremental activity for the Bukuya Hydro Project. Please refer Output 3.1

2	Renewable Energy (RE) Resource Assessments and RE-based Project Assessments	2.1 Operational Centralized Energy Database System	- Tender documents are currently with ITC awaiting Steering Committee approval.
		2.2 Completed and Published RE resource assessments	<ul style="list-style-type: none"> - Work on the Assessment of Hydro, Wind and Solar Potentials is being co-funded through the Department of Energy (DOE). Some funding is being provided for purchase of equipment. The REDP Unit within DOE is to be consulted in terms of which monitoring equipment is to be purchased. - So far, 15 wind monitoring stations have been installed around Vitilevu (FJ\$850k) and 2 hydro monitoring stations installed in Kadavu (FJ\$2k). - Work on the Assessment of Waste-to-Energy Resources has been completed and reports printed and stored with UNDP and DOE Library.
		2.3 Completed Feasibility of RE Investments	- TOR has been drafted, awaiting MTR recommendation.

3	RE-based Power Generation Demonstrations	3.1 Designed and Implemented RE-based Power Generation Demonstration	<ul style="list-style-type: none"> - Consultancy was awarded to Grue + Hornstrup A/S in 28th November 2013. - So far, 2 demonstration projects have been identified namely: FSC 10MW Combined Power and Heat Project and proposed 100kW Bukuya Hydro Power Project. - FSC 10MW Project – Letter of Agreement has been signed with the company. Monitoring and Evaluation (M&E) Reporting and Baseline Setting Parameters finalized. - 100kW Bukuya Hydro Power Project – there is a need to identify another project whereby the PPP concept could be trialed. - FREPP/UNDP is in consultation with the Consultant (Douglas) to decide on the new demonstration site.
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<p>3.2 Standard Power Purchase Agreement (PPA) for IPPs</p>	<ul style="list-style-type: none"> - Part of the “Formulation of an Independent Power Producer (IPP) and Investment Framework” Tender. - <u>Reports Submitted</u> – Review of Existing PPAs report (finalized) and “Development of a Standardized PPA Format” (draft) - <u>Pending</u> - Comments from DOE and FEA on Standardized PPA Format and finalization of report.
<p>3.3 Completed Investment Promotion Package</p>	<ul style="list-style-type: none"> - Part of the “Formulation of an Independent Power Producer (IPP) and Investment Framework” Tender. Study on this Output is almost complete. - <u>Reports Submitted</u> – a) Review and Listing of Bankable Investment Opportunities (finalized); b) Preparation of Investment Information Packages and Publications (finalized); c) Organization and Conduct of an Investors’ Forum (completed); d) Finalized Investment Forum Report
<p>3.4 Completed Assessment and Developed RE Incentive Schemes</p>	<ul style="list-style-type: none"> - Part of the “Formulation of an Independent Power Producer (IPP) and Investment Framework” Tender. Study on this Output has been completed. - <u>Reports Submitted</u> – a) Review of Existing Subsidy and Incentive Schemes (finalized and printed); b) Review of International Experiences in the Development and Implementation of RE Subsidy and Incentive Schemes (finalized and printed); Design of Incentive Schemes for RE-based Power Generation Projects (finalized and printed).

4	RE Institutional Strengthening	4.1 Completed Training Program on Integrated Energy Planning (IEP) and Administrative Energy Policy for Government Personnel	TOR drafted and submitted to UNDP for advertising. UNDP has advised that the TOR could be advertised once the National Energy Policy is endorsed by Cabinet.
		4.2 Completed and Approved National Electrification Master Plan	Discussions made with ADB Officials to have this study implemented by both parties. Still awaiting further advice from Michael Trainor.
		4.3 Design and Establishment of an Effective and Least-Cost Tariff Collection System for Fiji Department of Energy's Solar Home Systems Projects	Report has been submitted by the Consultant (Mr. Peceli Nakavulevu)

Issues/Challenges

Staff Turnover / Contract Extension

- Early 2015 the Project Manager was promoted to a Director post within the Ministry, thus the Assistant Manager was handling both responsibilities until now.
- PMU vacant for more than a month (Contract Extension).
- Assistant Project Manager was eventually recruited as the Acting Manager and was on probation for 3 months. A/PM post vacant and post has been advertised.
- The Project Manager is on maternity leave and will resume work on the 22nd of June, 2016.

Way- Forward

The Board is invited to discuss and advise way forward for issues currently faced with the FREPP.

THANK YOU