

Palawan Power Project

Roxas, Palawan

Context

The Philippines is currently facing an energy security challenge. To combat such challenge, the country is exploring a variety of options to create an energy independent future supplied by low-cost, reliable and sustainable energy sources.

Despite being rated as a top tourist destination, the island of Palawan is experiencing constrained economic growth due to **the lack of secure, affordable and reliable power supply on the island.**

Infunde Development will be taking the lead developer role during the project development. As the lead developer, Infunde will spearhead all aspects of the development process including project management (studies, investigations, and detailed design), permitting and approvals, financing, and purchase agreement negotiations.

Project Highlight

25MWp
Hybrid power
capacity output

21M
US\$ of
CAPEX

Jun 22
Expected
COD



Source: @publicpowerorg, Unsplash.com

Country and Sectoral Background

The island of Palawan currently produces electricity from **high-cost bunker and diesel fuel**. The presence of the solar hybrid project in the power supply mix of the island will displace imported fossil fuels and provide stability to the grid.

There are constant **power interruptions which are caused by the use of bunker-fuel generators**, which is the primary source of electricity for the island. The project will offer affordable electricity and at the same time provide a renewable energy solution.

This will allow the island of Palawan to reduce its dependence on more expensive fossil-based sources and will ultimately **reduce the overall generation** charges paid by consumers.

Project Overview

Company:	Global Clean Hybrid Energy Corp.
Country:	Philippines
Region:	Palawan province
Sector:	Solar Power
Status:	In development
Timeline:	Expected financial close: Q3 2021
Shareholder(s):	InfraCo Asia

Development Impact



Achieve energy independence by replacing imported fossil-fuel with hybrid solar power.

The project will help address the power crisis that the province of Palawan is experiencing and provide clean power to the island.



Improving the economy by creating additional source of cleaner and cheaper electricity.

This will enable and encourage more businesses in the island such as hotels and restaurants.



140,000+ people will be improved access to the better infrastructure services.

Around 880,000 inhabitants in Palawan, the project will provide more electricity to the grid to serve the islands increasing electricity demands.



Provide 600+ jobs for the short and long term during the construction and operation.

The construction for new hotels and restaurants will provide additional jobs to the locals of Palawan from the construction to the staffing and maintenance.

Environment and Community



The project will be completed to target the immediate requirements of the Palawan grid in order to provide adequate, cost-efficient and reliable peak power through a solar plant.

Infunde Development will ensure IFC Performance Standards are followed and that social environmental risks are well identified, avoided when possible, and other wise minimized and mitigated.

Key Investment Strengths

The Solar PV

The solar plant will provide reliable and sustainable renewable energy to the Palawan Main Grid. It will lessen power interruptions and reduce the use of expensive fossil fuel with expected average output of 31GWh per year.

Power access and grid connection

The access road to the site is via a concrete-lined road from Puerto Princesa to Port Barton – Roxas Road. There is an existing local port located in Puerto Princesa, which can be utilized during the construction phase.

Advanced stage of site development

With local government permits has already secured or pending for renewal. Permits prior to land use conversion has also been obtained from the Philippine Coconut Authority, Sugar Regulatory Administration and National Irrigation Administration. Secured land option agreements and obtained the Environmental Clearance Certificate through an Initial Environmental Exam.

Power Market Overview

Demand

Electricity demand in the Philippines is projected to grow by about 5% annually and will reach a total of 49,287MW by 2040 according to the Power Development Plan 2017-2040 of the Department of Energy (DOE). In Palawan, the consumption rate is close to its supply and has annual growth rate at 5.32%.

Supply

2 main grids and 23 micro-grids. The micro-grids are managed by the Electric Cooperatives (ECs), the diesel generators owned by the National Power Corporation's Small Power Utilities Group.

Location

The island can be reached either by air or sea travel means of transport from Manila to Puerto Princesa City, far enough from the villages and far from shading mountains from the east and west thus allowing a good solar collector location.

Infunde's Role

Infunde Development is leading overall project management, negotiations with strategic partners, installers, and financing activities. It will also help the local building the business plan and investment case, obtaining the necessary licenses, project and partnership structuring, overseeing feasibility studies, management of design work, EPC procurement and contracting and arranging the necessary debt facilities.

INFRACOA

InfraCo Asia (IAD) is a commercially managed infrastructure development and investment company of the Private Infrastructure Development Group (PIDG) – an innovative infrastructure development and finance organization delivering pioneering infrastructure in the poorest and most fragile countries.