AGENDA ITEM E7 – UPDATE ON PPA’S SEIDP AND NEW PROPOSED MUTUAL ASSISTANCE PROGRAM AND INSURANCE INITIATIVES

(Submitted by Pacific Power Association)

Purpose

1. The purpose of this paper is to inform the Ministers of the (i) progress of the Sustainable Energy Industry Development Project (SEIDP); and (ii) the proposed Mutual Assistance Program and PPA Disaster Recovery Fund initiative currently being discussed by the PPA Member Utilities and the World Bank.

Background

2. The SEIDP is being implemented by the Pacific Power Association (PPA) over 5 years (2016-2020) with funding from the World Bank of USD 5.66 million. PPA member utilities in the 13 World Bank (WB) PICs are the recipients of the project. The project aims to increase the data availability and capacity of power utilities to enhance their ability to incorporate and manage renewable energy technologies and long-term disaster risk management planning.

3. The project consists of 3 components
   i. Component 1: Solar & Wind Energy Resource Measurement Campaign
   ii. Component 2: Technical Assistance; and

Current status

4. The Project is progressing well, and most activities are expected to be completed within the timeframe of the project. The PPA has requested time extension from the World Bank to allow for the completion of the Solar and Wind Measurement Campaign.

   i. Component 1: This component involves the installation of high quality solar and wind measurement equipment around the Pacific region to collect data on the resource available. The data collected will be used to validate the World Bank’s Global Solar and Wind Atlas which currently has limited data on the Pacific. Surveys have been carried out in each of the participating countries to select suitable sites for the installation of the monitoring equipment which will commence in October 2019.

   ii. Component 2: Several activities have been carried out under this component.

      • A software for power system modelling has been procured by the PPA secretariat and is available for use by all member utilities of PPA. The software can be used to model the power system of each utility and training has been provided to the utilities to use the software. This tool would be very useful for conducting studies on the integration of renewable energy systems into the grid.

      • An online data benchmarking platform has been developed to replace the current manual system which uses Microsoft Office Excel spreadsheets to prepare the PPA Annual Benchmarking report. The new system will allow each utility to input its own data online
and carry out analysis as well as benchmarking its own performance against other Pacific utilities.

- The Project has funded the development of new technical guidelines on various sustainable energy technologies. These include guidelines on grid connected and off grid solar PV systems as well as a range of other technologies such as hydropower, small scale wind and energy storage. In-country workshops have also been carried out in each of the World Bank member countries to promote the guidelines. Further, competency standards on sustainable energy technologies have been developed under this activity and will be accredited to be used in relevant Pacific technical and vocational institutions.

- The PPA is engaging a firm to develop investment plans for utilities to enhance energy resilience to climate hazards and disasters and the study is expected to be completed by the end of the year.

- Several capacity building workshops for PPA member utilities have been completed under the project so far including power system modelling; benchmarking; solar PV operation & maintenance, energy storage and SCADA design; Variable Renewable Energy grid integration and power purchase agreements (PPAs). More training workshops are expected to be completed over the remaining term of the project including follow up trainings on Power Purchase Agreements, project management and power system modelling.

iii. Component 3:
- As part of this component, the PPA in collaboration with the WB have put together a Gender Action Plan for the PPA to incorporate into its activities. Gender champions that from several utilities will assist the PPA in promoting the gender action plan.

- The PPA has updated its Strategic Plan for the period 2018-2023 and it highlights some of the PPA’s goals and priorities over the next 5 years as well as activities to achieve these goals. A concept paper is being prepared to seek additional funding support from the WB to implement some of the activities identified in the strategic plan. This will also be used to leverage funding from other development partners for further project support to PPA.

- The Variable Renewable Energy grid integration studies and SCADA/EMS system design assessments for selected utilities with additional funding from the WB have been completed. The studies highlight key technical issues to be considered as utilities embark on projects to increase the penetration of variable energy sources such as solar PV and wind energy.

- Disaster Risk Management: A new initiative being proposed under the project is a Post Disaster Mutual Aid Program for the PPA member utilities. The program aims to form a non-binding MOU between participating utilities to aid utilities affected by a disaster either through the provision of manpower or equipment to help with recovery efforts. A draft MOU on this Mutual Aid Program is currently being reviewed by the utilities.

- The second phase of the Mutual Aid Program is a PPA post-disaster fund or insurance initiative which aims to create a mechanism to provide financial support to a utility following a disaster.

Issues

5. The Mutual Assistance Program requires the commitment of utilities to ensure that assistance can be provided by/to other utilities following a major disaster.
6. The support of the National governments to the PPA and the utilities is requested to ensure the smooth implementation of the remaining activities of the project through the provision of duty and tax concessions for monitoring equipment to be brought into the countries, immigration support to PPA consultants and coordination with other relevant ministries such as Energy, NDMOs and Environment.

Recommendations

7. The meeting is invited to:
   
   i. **Endorse** the progress of the Sustainable Energy Industry Development Project (SEIDP).
   
   ii. **Support** the Pacific Power Association as it continues with the implementation of the SEIDP and the proposed Mutual Assistance Program and the PPA Insurance Initiative.