

Project Name		Grid – Connected Solar PV Project (GSPP) (WB)		Status at Sept-14	
PROJECT SUMMARY	Implementing Agency	Public Utilities Board (PUB) - Ministry of Public Works and Utilities			
	Lead Partner	World Bank			
	Financing	Project total USD 3.92	GEF grant USD m 1.00 AUSAID through PRIF USD m 2.92		
	Duration	4 yrs	Jun-13 to Dec - 16		
	Development Objective	Contribute to reducing Kiribati's dependence on imported petroleum for power generation in order to improve energy security and to reduce GHG emissions from diesel fuel use for grid electricity supply in Kiribati.			
	Outputs	A. Investment in Grid-connected Solar Photovoltaic Equipment – Investment in 516kW peak capacity of solar photovoltaic without storage, installed and managed at technically suitable locations with associated inverters to enable grid in-feed at each location.			
		B. Maintenance Program and Capacity Building – A “supply and install” contract for the solar photovoltaic installation with operations and maintenance provisions to cover the entire Project implementation; experience in operations and maintenance and capacity to initiate and manage future investments.			
C. Project Support – Support for managing fiduciary aspects of the Project through the KFSU; and support for PUB to effectively manage the technical aspects of the Project through the Project support team.					
Project Background	The economy has near-total dependency on oil as an energy source and about half of imported automotive diesel oil (ADO) is used for electricity generation for the main grid on Tarawa, operated by PUB. Over 95% of the Tarawa population of 42,000 is connected to the main grid. The Tarawa grid is supplied by two diesel generating stations with combined installed capacity of 5.45 MW. The demand has a maximum of 4.5 MW, minimum of 2.0 MW and typical weekday peak load of 3.5 MW. PUB's generation cost is about AU 52 cents/kWh compared with collection about AU 40 cents/kWh, resulting in high unsustainable fiscal deficits. Improving the performance of PUB, reducing direct and indirect subsidies, and lowering the ADO dependence of the electricity grid system are policy priorities which will help restore fiscal sustainability to the national budget. The project design aims for simple implementation; early positive impact in the electricity sector;				

		<p>and a shift from the current ad hoc approach to a strategic operational roadmap approach for Government and partner engagement to strengthen capacity and enhance financial sustainability in the sector. The project strategy is to strengthen PUB over the long-term as the central operator of the electricity grid system. Attracting a good quality IPP/BOT investor is unlikely and the Kiribati Solar Electricity Corporation (KSEC) lacks the capacity and experience to be an owner/operator of a grid-connected plant. A 2012 feasibility study shows that 900 kW peak of solar PVs could be installed on the Tarawa grid system without the need for enhancements, constituting 27% of average peak demand and 7% of energy demand.</p>		
STATUS	Progress Overall	Preparation: 90%	Procurement: 20%	Implementation: 2%
		<p>Preparation (90%): After some delays, the PUB appointed a Project Manager/Engineer for the KSPVP in June, 2014. The project workplan was then submitted and discussed with PUB and the Grid-connected Solar working group GSWG in July-14. The project will consider opportunities for coordination with other projects which have emerged since the design was initially undertaken. Projects funded by the Pacific Environment Community (PEC) Fund (400kW STC), and the UAE-Pacific Partnership Fund (UPPF) (400kW STC) are now underway, creating an opportunity to standardize design of the solar PV power plant parameters such as inverter size, data logging and control compatibility. Following discussions between the three proponents of grid connected solar PV installations for the South Tarawa grid, it has been agreed the UPPF installation will be controlled to address potential grid stability issue.</p> <p>Procurement (20%): The Project Support Team and KFSU are currently working to finalize the tender document. The contract for the technical support consultant (TSC) that will support the PST with the tender document, tender evaluation and installation has been finalized and now awaits consultant to sign.</p> <p>Implementation (2%): Project manager and PST support officer start on 15-Jun-14 located in PUB. Operational handover is expected by third quarter 2015.</p>		
	General	<p>With 35% of the project period elapsed, the overall progress is about 20%. The tender document is still under review. Tendering is now planned for Oct-14, and installation June to Sept-15 with operational handover in Sept-15.</p>		

MONITORING	Monitoring Indicators	<ul style="list-style-type: none">• Energy from renewables (0%; target 7%)• Renewable energy medium-term plan• Solar energy kWh/yr (0; target 850,000)• Reduction in diesel use L/yr (0; target 230,000)• Savings \$/yr (0; target 290,000)• CO2 reductions ton/yr (0; target 765)• Maintenance program implemented (0; target >= 2/yr)• Training for local capacity (0; target >30 PUB, KSEC and KIT staff)
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