PRESS RELEASE

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For Immediate Release

EU support allows Pohnpei Utility Company to save $320,000 USD on fuel bill

European Union Ambassador for the Pacific Andrew Jacobs today inaugurated the Nanpil Hydro Plant in Pohnpei, Federated States of Micronesia, following completion of rehabilitation works. Nanpil was rehabilitated as part of the EUR 15.49 million EU funded North Pacific ACP Renewable Energy and Energy Efficiency Project or North-REP, implemented in partnership with the Secretariat of the Pacific Community and the governments of FSM, the Republic of the Marshall Islands and Palau.

Originally built in 1986, the Nanpil Hydro Plant first went into operation in 1987 but in 2003, it sustained significant damage to the switch gear compartment and other control equipment following a heavy flood. After failed attempts to repair the damaged turbines in 2008 and then falling into disrepair, the European Union stepped in to lend a helping hand to the FSM government via their 10th European Development Fund investment of EUR 7.4m to support the FSM government's preferred focal sector of renewable energy and energy efficiency.

The rehabilitation works included the dam or reservoir that supplies the water to power the turbines and alongside the new, more efficient turbine and other related equipment, Nanpil Hydro Plant now has the capacity to supply up to 725kW of electricity to power the grid system in Pohnpei. This has allowed the state power utility to make a saving of $325,000 USD in their fuel bill since the hydro power plant began operations in June 2014.

This maximum installed renewable, hydro energy capacity represents 11% of the peak demand of 6.6 Megawatts for Pohnpei and contributes toward reducing FSM's reliance on fossil fuels.

"The North-REP project is a successful example of an innovative multi country approach to delivering development aid to the three countries, with the shared focal sector of renewable energy and energy efficiency, as their remoteness and extensive geographic spread across the North Pacific would usually mean very high transaction costs for such an intervention, if done in isolation," Ambassador Jacobs said.

"As a result of North-REP, a total of 1.16MW of renewable energy is being produced in FSM alone and through the installation of solar systems in the outer islands 8000 people now have access to electricity for the first time. Access to affordable energy is considered crucial for the sustainable growth and equitable development of the country," he said.

Access to electricity has increased by 48% to schools and 35% to health centers in FSM. This provides the opportunity for improvements in teaching aids such as fans in classrooms, computers and printers and medical facilities, such as refrigeration.

For FSM, the increased production of electricity through renewable energy and the improvement in energy efficiency through awareness and action results in the avoidance of up to 194,374 gallons of diesel for electricity generation per year and the subsequent avoidance of 1,239kg of CO_2 emissions per year.

Importantly, the project has fostered local cooperation particularly between local communities, state power utilities, state governments and the national government. (ENDS)

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