



# Hydro Taveuni Pte Ltd

Oct 2020



# Company Introduction & Project Rationale

- **Brief Introduction of Company**
  - Hydro Taveuni Pte Ltd is the Fijian subsidiary of Australian company Hydro Developments Pty Ltd. Both companies were established specifically to develop small hydropower projects on Taveuni, the garden island of Fiji. The major shareholders include Mr William Tenner and Dr Philip van der Riet, both Australian nationals.
  - The company is in the renewable energy sector.
  - Hydro Taveuni's CEO Philip van der Riet has a lifetime of experience in developing small and large scale hydropower internationally around the Pacific and was the founder of various companies including Pacific Hydro Ltd of Melbourne, Australia, which was listed on the ASX in 1993.
  - Hydro Taveuni is developing 2 small hydro projects and an associated pumped storage facility with capacity totaling approximately 8000kW.
- **Project Rationale**
  - The projects are intended to replace more than 95% of the imported diesel fuel on which northern Fiji is still reliant with low-cost indigenous hydro energy.
  - The target market includes Taveuni and Vanua Levu.

# Project / Activity Introduction

- **Outline Description of Project**

- The technology to be used is hydropower, still considered one of the most reliable and purest forms of renewable energy when conditions are suitable, as they are in eastern Taveuni which receives phenomenally high annual rainfall together with steeply flowing creeks and rivers.
- The total investment required is around US\$25 million including the construction of a submarine power cable between Taveuni and Vanua Levu.
- In addition to the above, grid strengthening work will be needed to distribute the electricity around Vanua Levu, including a 33kV transmission system connecting Vianni Bay with Savusavu and Labasa.

- **Value Proposition & Business Model**

- All electricity produced would be sold to EFL under a long term PPA.
- The project sites are subject to long term lease. Terms have already been negotiated with ITLTB.
- The special purpose project company will be funded by a mix of equity and project debt approximately in the ratio 1 to 2.
- Shareholders are not yet in place but will include funds dedicated to climate change abatement and renewable energy development in the Pacific.
- The energy price will be set at a level sufficient to provide adequate commercial returns on capital.

- **Development Impact**

- The project will provide electricity to at least 10,000 Fijians that are currently off-grid and will replace most if not all of the diesel power generation in Vanua Levu, saving annually 40,000 tonnes of CO<sub>2</sub> and avoiding the importation of 14 million litres of diesel fuel.

# Project Status Next Steps?

- **Project Status**

- Conceptual and preliminary feasibility studies have been completed.
- Bankable feasibility study, EIA and detail design will follow if the company is successful in securing a PPA commitment from EFL. Subject to this and to funding, construction could start late 2021 and be completed in 2023.

- **Challenges**

- The main challenges going forward will be to secure the PPA and the EIA approval, and to ensure that the transmission systems are built. Land leases for the power projects are not expected to be problematic, but access to land for transmission systems including the submarine cable will require the interaction and support of multiple Government authorities.
- The company has the expertise and management skills to develop the project and to source the engineering design, construction and equipment supply, subject to funding being in place.
- PFAN may be able to provide a proposal for funding the grid strengthening work in Vanua Levu to be carried out after the details have been developed through load flow and other power system studies.

- **Funding requirements**

- Funding for the bankable feasibility studies is expected to be provided by entities with whom the company is now in discussion. Likewise, expressions of interest have been received for funding of the construction should development activities be positively concluded. However, there is still scope for an industry player compatible with the existing investors to join the group.



# Thank You