



RENEWABLE ENERGY PROCUREMENT PROJECT

PASH TO PROVIDE RENEWABLE ENERGY SOLUTION TO ST HELENA

SHG and Connect Saint Helena Ltd are today pleased to announce that PASH, based in the UK, has been chosen as the preferred bidder to provide their renewable energy solution to St Helena. Subject to concluding negotiations, it is envisaged that a contract will be signed soon.

The project will result in the majority of the Island's energy needs being met by renewable sources. Currently we provide around 25% of the Island's energy needs from renewable energy and we will at least double that as a result of the initial phase of this project, which will comprise new solar and wind energy infrastructure and battery storage. The project will also mean that less diesel will be used to produce electricity on St Helena, which will reduce the Island's environmental footprint and reduce sensitivity to future increases in the price of diesel.

The project supports the aims of the Energy Strategy notably that 'St Helena will increase the production of energy through renewable sources, and reduce the Island's reliance on imported fuels, increase fuel security and price stabilisation'. It will also support the 10 Year Plan's aim to 'Invest in renewable energy with a view to becoming 100% self-sufficient' and supports the Sustainable Economic Development Plan by 'increasing the amount of renewable energy on-Island, reducing reliance on diesel and encouraging improvement of distribution networks required to avoid significant increases in energy costs in the future'. This demonstrates St Helena's commitment to the environment and sees the Island as a global leader in renewable technology.

PASH's bid provides for 1.6MWh of battery storage, 1MW of wind turbines located at Deadwood Plain, subject to Environmental Impact Assessment, Planning Approval and approval from Air Safety Support International (ASSI), and 0.5MW of solar panels to be located on land already owned by Connect adjacent to the existing solar site at the Rifle Range, Ladder Hill. The solar and battery is expected to be commissioned this financial year with the wind turbines following on as quickly as possible after. PASH visited the Island as part of the tender process and commenced dialogue with local contractors.

CEO of Connect Saint Helena Ltd, Barry Hubbard, said:

"One of the reasons for creating Connect was the ability to attract private finance. PASH is a truly world class organisation who have plenty to bring to the party. During the tender process they visited St Helena and were very impressed with what they saw. Now we just need to agree contract terms (called a Power Purchase Agreement) and then we will move very quickly to the doubling of our solar capacity and providing battery storage to allow the renewable energy to be optimised. More wind generation will follow but the planning process will take a little longer. This is a very exciting time, diesel prices are increasing again and renewable energy will stabilise and even reduce our costs."

Assistant Chief Secretary, Paul McGinnety, added:

"It has been a real team effort and today marks an important step towards delivering the Energy Strategy and 10 Year Plan. We have been delighted with the quality and scope of the bids received and we are delighted to partner with PASH on this exciting project."

The project will result in less volatility to diesel price changes, and therefore savings on the cost of diesel going forward. It is important to note that renewable energy is not free although renewable energy does displace the most significant cost (diesel) which allows Connect to reduce operating costs. The project will seek to eliminate the SHG subsidy meaning that SHG can spend the money on other priorities for St Helena.

Details of the Evaluation Criteria can be found within the Request for Proposals on the Publications page of the SHG website: <u>http://www.sainthelena.gov.sh/publications/</u>

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