

OUTER ISLANDS RENEWABLE PROJECT

Project Overview

The Tonga Outer Island Renewable Energy Project (OIREP) will construct Solar Photovoltaic (PV) power plants on 8 outer islands. The “on-grid” portion will be allocated to Ha’apai and ‘Eua, while the “off-grid” portion will incorporate ‘Uiha, Nomuka, Ha’ano, Ha’afeva, as well as Niuatoputapu and Niuafu’ou. The main objectives of this project are to help reduce the Kingdom’s heavy reliance on imported fossil fuels for power generation while also increasing electricity accessibility for new users. The total installed capacity will be 1.3MWp.

The project will supply secure, environmentally sustainable energy to homes, schools, and other public facilities, on these islands. It will quantify the solar resource and facilitate the integration of recurrent renewable energy with a conventional diesel grid. The Project will also build the capability of TPL and Energy Division (ED) in the operation and maintenance of renewable technologies.

Performance Target

Tonga is highly dependent on petroleum imports for electricity generation and high imported fuel prices have been a major burden on the economy with an estimated 15 million liters of diesel consumed for power generation in 2014. This has led to a government decision to reduce imported fuel dependency through the increased use of renewable energy for power generation.

The government of Tonga set a renewable energy target in 2010 of reducing fossil fuel imports for power generation by 50% by 2020.

Project Funding

The Asian Development Bank will provide a US\$2 million grant from its concessional Asian Development Fund, while the Australian Government through the Australian Agency for International Development will extend a US\$4.5 million grant. The Government of Tonga will make an in-kind contribution of US\$300,000 equivalent for a total investment of US\$6.8 for the OIREP Project.

Project Timeline

The development stage of the project has been ongoing since 2014. The implementation stage has recently started and is scheduled to be completed by the end of 2016.

Project Outcome

On-grid and off-grid generation systems are improved and provide increased consumer access to electricity generated by solar power at a lower cost.

Project Implementation

The on-grid portion of the project will be implemented by TPL, while the off-grid portion by ED assisted by the Project Management Consultant. The aid funding shall be processed through the Ministry of Finance and National Planning.