

Pacific Power Association

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Date: 02 March 2023

The World Bank Level 19, 14 Martin Place Sydney NSW 2000 Australia

Subject: Acknowledgement Letter for the WB study on developing BESS in PICs

To: Mits Motohashi

I would like to acknowledge that the final deliverables of the "Developing Renewable Energy Storage Systems for the Pacific Island Countries" have been received by Pacific Power Association and its member utilities. These deliverables were shared during the Closing workshop on PIC E-mobility & Battery Energy Storage System (BESS) from 7th to 9th of November 2022 in Jeju Island, Republic of Korea.

The recommendations noted in the deliverables are acceptable to us. The adoption of the relevant Public Private Partnership (PPP) policies and guidelines on BESS will require additional time as these require governmental action and policy establishments.

In the meantime, I'd like to draw to your attention that the Leaders of Micronesian Island States endorsed the recommendations from the Regional Energy Committee to develop and support pilot Individual Power Producers (IPPs) and Power Purchase Agreements (PPAs) in Renewable Energy during the 25th Micronesian Island Forum (MIF) Annual Meeting (February 15-17, 2023). The Regional Energy Committee noted that new technologies in relation to battery storage can help stabilize the grid and recognized that Individual Power Producers (IPPs) and Power Purchase Agreements (PPAs) can solve many of the obsolescence problems of old systems. The full text of the Joint Communique of the 25th MIF is attached for your reference. As exemplified by this Joint Communique, we expect more PICs to pursue PPP schemes in deploying BESS in their power systems.

Sincerely,

Mr. Gordon Chang Acting Executive Director Pacific Power Association