Australian Government
Department of Foreign Affairs and Trade

Australian Infrastructure Financing Facility for the Pacific

FACT SHEET

Building Palau's first utility-scale solar power plant

Project Name: Palau Independent Power Producer - Solar Generation

AIFFP INVESTMENT	PARTNERS	CONSTRUCTION	COMPLETION
LOAN: AUD25.7 million **GRANT:** AUD5.7 million	Solar Pacific Pristine Power Inc	2022 onwards	Solar power plant completed in 2023

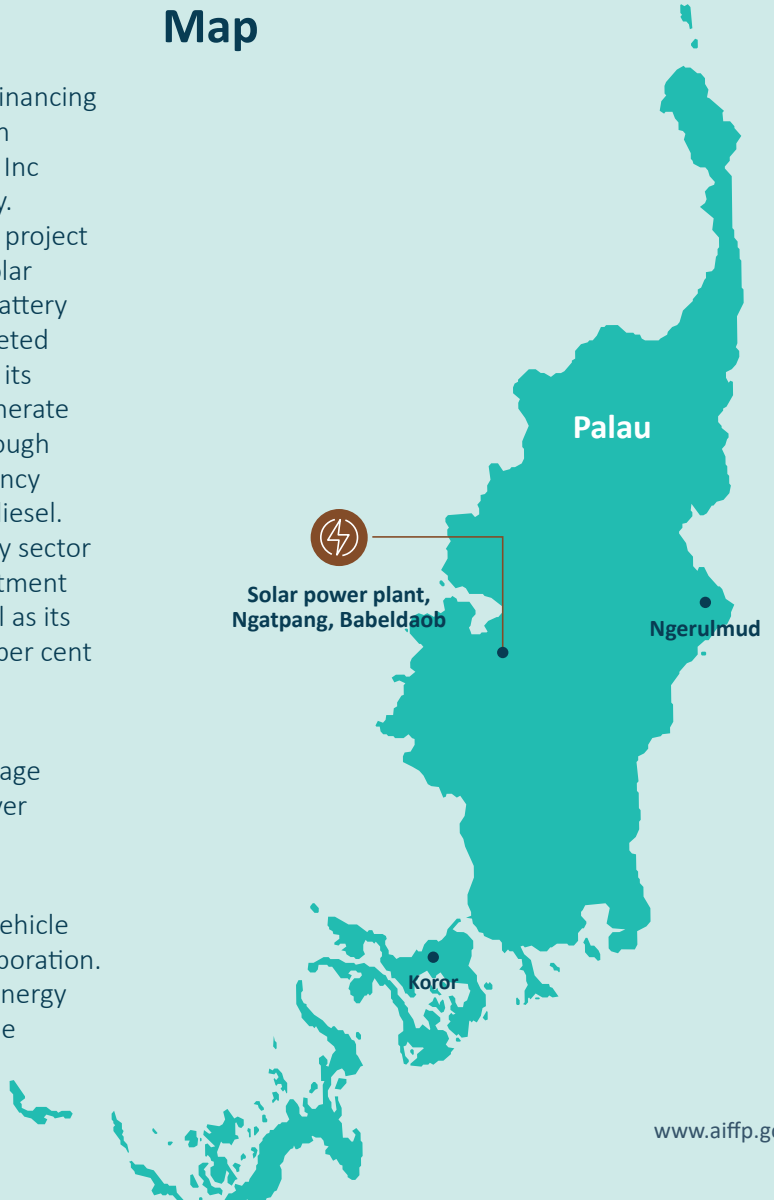
About the project

Australia, through the Australian Infrastructure Financing Facility for the Pacific (AIFFP), has provided a loan and grant package to Solar Pacific Pristine Power Inc to support Palau's transition to renewable energy. Located on Palau's largest island, Babeldaob, the project comprised of a 15.28-megawatt peak capacity solar photovoltaic facility and a 12.9-megawatt hour battery energy storage system. With construction completed in 2023, it's among the largest hybrid facilities of its kind in the Pacific. The plant enables Palau to generate up to 20 per cent of its energy requirements through renewable sources, strengthening its self-sufficiency and displacing a high dependence on imported diesel. The facility contributes to reducing Palau's energy sector emissions in line with its self-determined commitment of 22 per cent below 2005 levels by 2025, as well as its targets of 45 per cent renewable energy and 35 per cent energy efficiency by 2025.

The project is wholly private-sector led and demonstrates how Australian financing can leverage and encourage private sector investment to deliver major infrastructure projects, in line with Pacific development priorities.

Solar Pacific Pristine Power is a special purpose vehicle incorporated in Palau by Solar Pacific Energy Corporation. Solar Pacific Energy Corporation is a renewable energy developer based in the Philippines and part of the Alternergy group.

Map



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Infrastructure highlights

In partnership with governments and private sector firms in the Pacific, the AIFFP facilitates the delivery of high quality, resilient infrastructure. This project's anticipated infrastructure footprint will include:

15.28 MEGAWATT
PEAK CAPACITY SOLAR PHOTOVOLTAIC FACILITY

12.9 MEGAWATT HOUR
BATTERY ENERGY STORAGE SYSTEM

WITHSTAND NATURAL HAZARDS
SUCH AS TYPHOONS

UP TO 23,000 MEGAWATT HOURS
PER YEAR TO PALAU'S GRID NETWORK

UP TO 20%
OF PALAU'S ENERGY NEEDS

Impact at a glance

The AIFFP prioritises lasting development and economic outcomes for people and communities. Its approach is guided by five impact areas: local content; climate resilience; social and environmental safeguards; gender equality, disability and social inclusion; and quality and integrity.

The project aims to support Palau to move towards greater energy self-sufficiency through renewable sources rather than imported diesel. Its impact to date includes:

GENDER EQUALITY, DISABILITY AND SOCIAL INCLUSION

With a **gender action plan** in place, women have led efforts in several of the project's work areas, including non-traditional areas for female workers in Palau. Since the project commenced, **65 women** (including 30 Palauan women) have held professional roles, equivalent to **23 per cent** of the total workforce.

SAFEGUARDS AND CLIMATE RESILIENCE

The Palau Government regards the project as a **flagship demonstration** of its commitment to move away from its current dependency on diesel imports and to meet Palau's **renewable energy targets** under the Paris Climate Accord. In addition to the energy generated by the plant, its construction was planned to **minimize impact on the surrounding environment.** An existing site for capital works that was already degraded was sought, avoiding any deforestation or disturbance to native fauna.

The project has also **contributed to improvements in global labour conditions.** With an assessment revealing the proposed provider of the plant's solar modules was procuring polysilicon from factories suspected of using forced labour, a second procurement was initiated to source a new supplier which could demonstrate transparency in its supply chain.

LOCAL CONTENT

As one of the **largest commercial projects in Palau,** the project has **contributed significantly to local employment,** creating opportunities for local workers and companies. With **15 local companies contracted,** the project engaged 288 personnel of which **77 were Palauans.**

Information as of December 2024

To learn more about the AIFFP, visit our website