

CEPALCO: Demonstrating Conjunctive Use of Hydro and Photovoltaics in the Philippines

CEPALCO is the third largest electric distribution utility in the Philippines, and was considering increasing its fossil generation to meet increasing demand. Instead, using a \$ 4 million grant from the Global Environment Facility (GEF), the International Finance Corporation as executing agency, has helped structure a truly path-breaking PV project that will enhance the capacity of the CEPALCO existing hydro facility. The project has many “firsts” to its credit and some of these are highlighted below:

- Largest grid connected PV installation in the developing world,
- Demonstrates the conjunctive use of hydro and PV resources, effectively increasing the capacity of the hydro unit and converting PV power to firm power for productive uses,
- Follows an innovative project finance structure, wherein the financing is structured as a loan that converts to a grant if all the conditions precedent are fulfilled.

Sumitomo Corporation of Japan is the turnkey contractor for the project which uses solar panels manufactured by Sharp Corporation. The project was completed in 2005 and has been successfully operating since. An evaluation of comparable opportunities in other developing countries is now being undertaken in another GEF project being managed by the UN Environment Program. The pictures below tell the story:



Stage 1: Initial Site Work

Stage 2: Panels Being Installed (far right)



**Stage 3: View of the Completed Facility – 1 MW of Capacity
Alan Miller and the Project Manager in the foreground**

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