SIGLOBAL PARTNERSHIP

Towards 100% sustainable energy on the Caribbean island of Saba



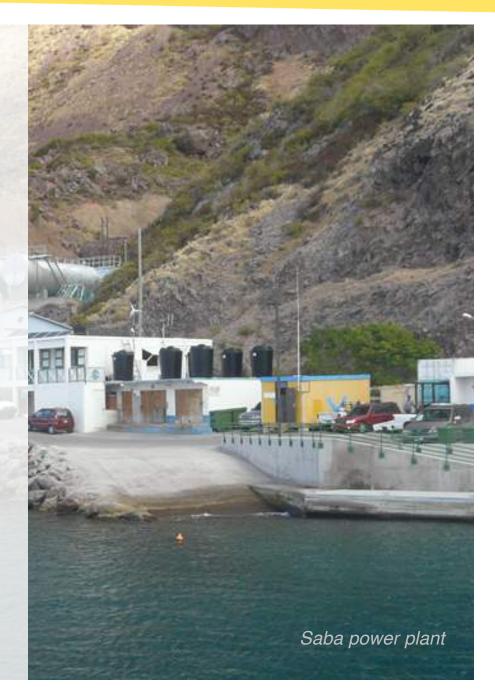
On Saba, challenges to sustainable, environmentally resilient development include:

- an over-dependency on food and fuel imports
- insecurity of energy supply.

Electricity supply depends entirely on one diesel power plant located close to sea level by the harbour.

50% of the cost of electricity is related to the volatile price of fossil fuels and lubricants.

Consumers pay a subsidised rate 35% below the cost of production.

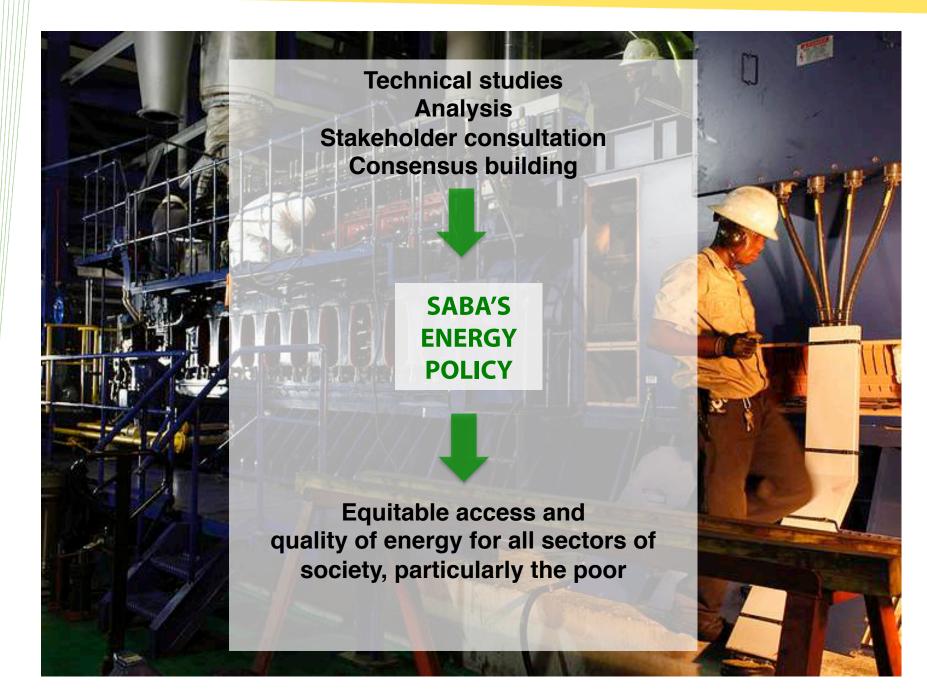


The Government of Saba has made the decision to transform the island to 100% sustainable energy and eventually eliminate dependence on fossil-fuelgenerated electricity.

Intermediate targets for renewable electricity are:

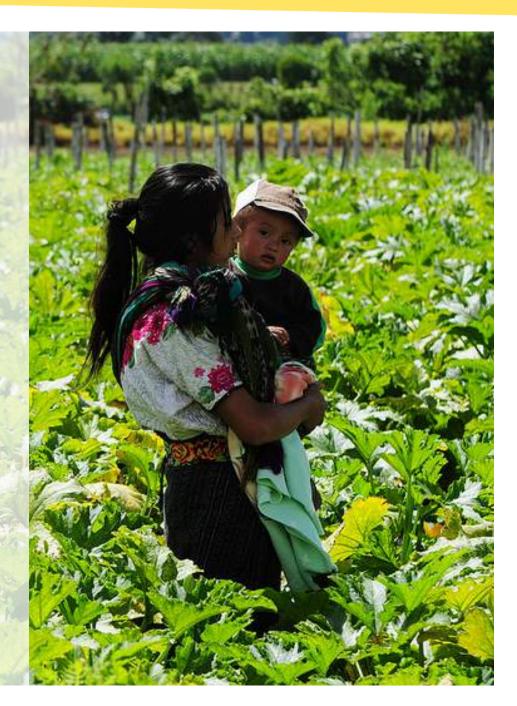
- 20% by 2017
- 40% by 2020





The implementation of Saba's energy policy has been considered a success.

Two energy projects are being implemented thanks to a private—public partnership between the Dutch Government and the local Saba Electric Company NV (SEC).





The first investment is related to security of supply.

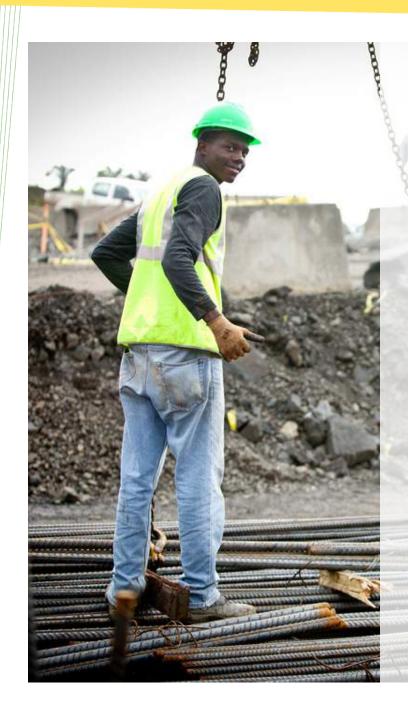
The current diesel power plant is being upgraded with modern, more efficient engines.

It is also being relocated to an area less vulnerable to flooding and other natural disasters.

The second investment is the construction of the first 1 MW photovoltaic solar system on the island.

This renewable energy system will be operating by the end of 2016 and will provide Saba with 20% of its energy needs.





Between 2013 and 2015, the energy sector reform received Dutch grants to reduce the risks of SEC losing money in its operations.

Technical guidance in the form of analysis and studies have been provided by the Dutch Government to facilitate implementation of the policy. The successful implementation of Saba's energy policy provides four lessons to other islands:

1. Public—private partnerships are a viable financing mechanism for the transition from a fossil-fuel-based system to renewable energy sources.

2. Low-risk off-the-shelf technology solutions are available, rather than taking the risk of using untested new technologies.

- 3. Analyze best practices: Photovoltaic systems are currently preferred in the absence of technologies to protect wind energy equipment from hurricane damage.
- 4. Choose a business model: A prosumers model (businesses/households both produce and consume electricity) is too high risk for Saba's small size. The more conventional business model adopted offers firmer guarantees.



Want to know more? Download the full case study from the Subnational Integration Working Group of the Low Emission Development Strategies Global Partnership (LEDS GP) here: http://ledsgp.org/resource/towards-100-sustainable-energy-oncaribbean-island-saba/

For more information, get in touch with the Subnational Integration Working Group at <u>sniwg@ledsgp.org</u>.

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