



Dominica Geothermal Project Update

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Holland & Knight

Developing Domestic Geothermal

- Goals:
 - (1) Diversify domestic power generation mix in Dominica with clean, renewable geothermal energy
 - (2) Demonstrate the potential for larger development of geothermal resource
 - (3) Deliver lower cost power to serve as catalyst for economic development through responsible exploitation of Dominica's geothermal resource



Developing Domestic Geothermal

- Project Data:
 - Government-owned project company signing PPA with Domlec (utility owned by Emera)
 - Domlec to integrate geothermal power into T&D system
 - 7 MW small geothermal power plant in Roseau Valley
 - Increases renewables from 25% to 51%
 - Reduces GHGs by 38,223 tons of CO₂ per year
 - Will demonstrate potential viability of geothermal resource export facility (Phase II)

Dominica Project Advantage: Proven Geothermal Resource Availability



2008: Exploratory drilling demonstrated 3 wells in Roseau Valley Geothermal field



Natural resources include steamfield potentially capable of supporting 40-100 MW



Existing infrastructure, including reinjection site, offer efficient project foundation for Phase I

Creative structuring of a successful project

- Dominica Geothermal Development Company Ltd.
 - Chartered in December 2016
 - Wholly owned subsidiary of the Government of the Commonwealth of Dominica
 - Government leverages proven existing geothermal wells
 - \$51.50 million project
- Financial Structure—Public Private Partnership
 - GoCD (\$10.30)
 - World Bank (\$17.2m)
 - Clean Technology Fund (\$9.95m)
 - UK DFID (\$10m)
 - SIDS-DOCK (\$2 million)
 - Single Purpose Trust (\$10m)
 - Govt of New Zealand (tech assistance)
 - Agence Francaise de Developpement (tech assistance)

Legal Framework Supporting Dominica Geothermal Project

Geothermal Resource Development Act

Enacted by Parliament on November 24, 2016;
Minister of Energy issued Order Implementing Act July 4, 2017

Key Contract Structure

Geothermal Resource Concession Agreement
PPA
EPC

Key Regulatory Structure

IRC Approval Pending
Domlec Cost Recovery to be included

Context: Devastating Hurricanes

- Recurrent hurricanes—Hurricane Maria (9/18/2017) = 226% of GDP; damages and losses exceeded \$1 billion



Context: Devastating Hurricanes

- Domlec: Electric service ceased; 75% of electric grid wiped out; 90% of transformers; power lost for months; losses exceeded utility enterprise value



Dominica Geothermal Project Status

- World Bank Financing Closed in March 2019
- Effectiveness Conditions Pending (should be concluded soon)
 - Finalizing PPA, Interconnection Agreement, Milestones
 - IRC Finalizing review of PPA, to issue generator license (under Electricity Supply Act)
 - Concession Agreement not yet signed
- EPC Agreement
 - Bid package RFP issued in Spring 2019
 - Bid responses due in November 2019
- Some lands to be acquired
- Subsidiary documents undergoing government legal review

Questions?

Thank you.