

STANDING COMMITTEE REPORT NO. 16-42

RE: C.R. NO. 16-46/T&C

SUBJECT: \$700,000 SOLAR PROJECT PROPOSAL/GRANT FROM ITALY

OCTOBER 02, 2009

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Second Regular Session, 2009

Dear Mr. Speaker:

Your Committee on Transportation and Communication, to which was referred Presidential Communication No. 16-78 regarding C.R. No. 16-46, a resolution entitled:

"A RESOLUTION APPROVING A PROJECT PROPOSAL CALLED "GRID-TIED PHOTOVOLTAIC POWER SYSTEM" FOR CHUUK STATE AND RATIFYING ITS SUBMITTAL TO THE GOVERNMENT OF ITALY FOR POSSIBLE FUNDING SOURCE.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

This resolution is for approval of a project proposal submitted by the executive branch for a solar project in Chuuk and to ratify submission of the proposal to the Government of Italy for review as a potential funding source.

The Government of Italy has been identified as a funding source under the Memorandum of Understanding among Italy, Austria, and the Pacific Small Island Developing States (PSIDS) on development cooperation on energy for sustainable development.

The solar project proposal involves installing four photovoltaic (PV) power systems that will be tied to the Weno power grid. The proposed PV systems will be operated and maintained by the Chuuk Public Utility Corporation. Current power is diesel generated; this leads to frequent blackouts due to insufficient generators and the escalating costs of diesel fuel. The goal initially is to decrease dependence on fossil fuels, resulting in financial and environmental benefits for the State. It is the long-term goal that the Utility Corporation will be able to use the data provided by this project to consider expanding and replicating the project on a much larger scale to continue the growth of alternative energy uses and decrease substantially any dependence on fossil fuels.

At a joint hearing held September 30, 2009 on the status of European Union (EU) grants, the Secretary of the Department of Resources and

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Development testified that this solar project in Chuuk is consistent with EU efforts.

The proposed budget for the project is \$700,000. If the grant is approved and funding forthcoming, the total time to procure materials and complete the project is expected to be less than one year.

Your Committee is supportive of efforts to secure funding for this solar project proposal, but believes the project is better placed in Tonoas. Your Committee wishes to offer the following amendment:

1. Page 1, line 2, delete "Weno", and insert "Tonoas" in lieu thereof.

Your Committee on Transportation and Communication is in accord with the intent and purpose of the C.R. No. 16-46, as amended, and recommends its adoption in the form attached hereto as C.R. No. 16-46, C.D.1.

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Respectfully submitted,

Dion D. Neth, chairman

/s/
Tony H. Otto, vice chairman

/s/
Tiwiter Aritos, member

/s/
Claude H. Phillip, member

/s/
Fredrico O. Primo, member

/s/
Joe N. Suka, member

/s/
Joseph J. Urusemal, member