

12.5MWp Kirahon Solar Farm



Project Highlights

- 12.5MWp embedded utility solar power plant in Misamis Oriental, Mindanao
- First large-scale solar PV project in the Philippines built under a bilateral power supply agreement (PSA) with local utility
- First bilateral solar PSA approved by the Energy Regulatory Commission



Overview

On the island of Mindanao, quickly growing demand for power has been met by insufficient supply, poor transmission infrastructure, and a heavy reliance on coal and diesel power plants.

With its 12.5MWp Kirahon solar farm, Alternenergy's solar company, Solar Pacific, supplies approximately 24,000 local households and businesses with over 18 million kWh of clean, renewable energy each year. The solar PV power plant, which sits on 15 hectares of private property, interconnects directly to the local electric utility, Cagayan Electric Power & Light (CEPALCO), minimizing blackouts and enhancing grid performance. Since beginning operations in 2015, the Kirahon solar farm has generated 110% of the expected energy output, thanks to its use of the highest-quality technology and world-class plant operations.

First Bilateral Power Supply Agreement

The project began in 2013, when Solar Pacific and CEPALCO entered into a 25-year power supply agreement (PSA) for the sale of energy generated at the Kirahon solar farm. This was the first bilateral PSA in the Philippines for a large-scale solar PV project, demonstrating that offtake agreements can happen outside of the government's Feed-in-Tariff program. Bilateral contracts enable developers to work directly with the customers who need power the most, and give off-takers the assurance that green power will be supplied at a fixed cost for the long term.

Engaging New Stakeholders and Opening New Markets

The Kirahon Solar PSA was the first of its kind to be reviewed and approved



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by the Energy Regulatory Commission (ERC), helping to pave the way for future renewable power bilateral agreements. While negotiating the first non-recourse project financing in the Philippines for a utility solar power project from local lender RCBC, Solar Pacific embarked on an educational journey with all of the major stakeholders, including the bank, the utility off-taker, the ERC, and the local communities who supported the project. Since that time, the market for bilateral PSA contracts in the Philippines has flourished.