

GBC in the Press

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**RP-British firm to invest \$1 billion
in biomass power projects**

Filipino-British firm Global Green Power Plc Corp. (GGP) plans to invest up to \$1 billion to put up a combined 420 megawatts (MW) of biomass power plant projects within eight years, a top company official said.

During the groundbreaking ceremony of its first 17.5 MW biomass project here, GGP president David de Montaigne said the aggregate 420 MW capacity will be built in three phases and will be undertaken in different areas in the country.

The GGP group's 17.5-MW project, undertaken by unit Green Power Nueva Ecija, is worth \$43 million.

"It will take 18 months to construct the plant upon financial closing. So we've done all the preliminary bidding for all of the equipment now," De Montaigne said.

Green Power Nueva Ecija expects the plant, which can be expanded up to 35 MW, to come on stream by December 2011.

The company executive said they plan to tap local lenders such as Land Bank of the Philippines, Development Bank of the Philippines and other commercial banks to fund the project.

“We have several lenders offering us the funding. We’re just negotiating the best terms for our customers,” he said.

GGP is also developing two other 17.5 MW biomass power plants in the country, one located in Mina, Iloilo and the other in Pangasinan. Green Power Nueva Ecija, Green Power Panay and Green Power Pangasinan have executed 25-year biomass supply contracts with Global Biomass Plc Corp.

The GGP group currently delivers between 300 metric tons to 800 MT of biomass daily as an alternative fuel through 55 specialized trucks based in Luzon.

Another phase will involve the construction of four more biomass projects in Bicol, Samar, Bukidnon and Negros. The third phase, on the other hand, will be undertaken in Agusan, Ilocos, Mindoro and Davao.

De Montaigne said their power plants will contribute about P200 million in the first year of operation and an extraordinary P9 billion over 25 years per 17.5 MW plant to local farming and host community through their purchase of local fuels and associated ancillary services such as transport.

“It delivers social integration and development through the provision of jobs, economic opportunity and socio-economic development,” he said.

He said an estimated 900 direct and indirect jobs will be generated for every 17.5 MW project.

The project, he said, will also deliver climate change mitigation through GGP’s use of crop residues such as rice straw, cane tops, and other agricultural waste residues that are currently left in the field to rot.

