Eastern Caribbean Geothermal Development Project: Institutional and juridical guidelines

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Institutional guidelines for the Project management
Project Context

- Regional standing of the project:
  - Several independent States involved
  - ... And two French Overseas departments

- International standing of the project

- High risky project due to geothermal exploration high costs

- Commercial development based on PPP relationship
Project Context (2)

• Several organisations involved:
  – Multilateral: *GEF, UNEP, OAS*
  – Bilateral: *FFEM, AFD*
  – Governmental: *different ministers and public authorities, ADEME*…
Geo-Caraïbes Steering Committee

Coordination task force

Geothermal advisory panel

Financial tool Manager

Organisational Chart of the Project
Geo-Caraïbes Steering Committee

Coordination task force

COUNTRY PROJECT EXECUTIVE COMMITTEE

Financial tool Manager

Geothermal advisory panel

Country Project management organisation
• The *Project Steering Committee* (PSC) will include nominated representatives of the Geo-Caraïbes involved countries, UNEP, OAS and AFD. It will provide overall guidance and oversight of the Project.

• A *Country Project Executive Committee* (CPEC) will be created under the *Project steering Committee* umbrella to oversee the Geothermal development in each country. It will include representatives of the considered country, and of the beneficiaries in case of interconnection. It will have a full time *Country Project Executive Manager*.

• A *Coordination Task Force* (CTF) will be established by UNEP, as a PMU, to handle the overall management, coordination, administration and financial management of the Project.
Geo-Caraïbes Project Structure (2)

• CTF will coordinate activities with the Country Project Executive Committees, the Financial tool Manager and the Geothermal Advisory panel.

• CTF is a UNEP/OAS/AFD coordination unit. It will benefit from a permanent technical assistant and part time experts.

• A Geothermal Advisory Panel (GAP) will be established by the Implementing Agency (UNEP) in order to provide neutral expertise and to guide and review surface assessments and prefeasibility studies. It will be composed of reputable international experts.
Geo-Caraïbes Steering Committee

- Provide guidance to the Project and monitor progress and performance
- Includes nominated representatives of the Geo-Caraïbes involved countries, UNEP, OAS and AFD
- Supervise the establishment of *Country Project Executive Committees* in each Geo-Caraïbes involved country, comprising representatives of the relevant ministries and public bodies
Country Project Executive Committee (CPEC)

- A Country Project Executive Manager will be responsible for the day to day management of the country project
- Each CPEC will receive technical assistance from the Coordination Task Force and short-term consultancy inputs
- It will benefit from the technical, juridical and financial studies done during the PDF-A and PDF-B phases
Coordination Task Force (CTF)

• Establish management and monitoring guidelines for the Geo-Caraïbes Project
• Coordinate all activities related to the Country Project Executive Committees in conjunction with the Geothermal Advisory Panel and the Financial tool manager
• Coordinate with international donors and organisations
• Elaborate project eligibility criterias in coordination with the Financial tool manager, to be approved by the Geo-Caraïbes Steering Committee.
Geothermal advisory panel (GAP)

- Support the *Coordination Task Force* in the preparation of surface investigation activities
- Prepare a methodological framework for the analysis and the assessment of the project from a scientific and technical point
- Prepare a template for periodic reporting on the drilling execution by the sponsor
Geothermal advisory panel (2)

- Assess the submitted projects on geological, geophysical, geochemical and other relevant aspects
- Monitor drilling execution
- Provide an assessment report to the Financial tool Manager
- Report to the Coordination Task Force regarding the status of the projects receiving support from the Financial tool
Projects juridical guidelines
Public Authorities
Demonstrating the resource availability
Statutory/regulatory framework
Permitting facilitation and exemptions
Guarantees

Drilling Contractor
Develop the Geothermal Field on a contract basis (means/objectives)

Well Operator
Maintains & develops facility under incentive/penalty based contract

Plant contractor
Builds facility and provides performance & completion guarantees

Plant Operator
Maintains facility under incentive/penalty based contract

Project Company
Special Purpose Vehicle

Power Purchaser
Purchase of generation capacity and output on a take or pay basis

Inter-connexion Contractor
Builds the line

Inter-connexion Operator
• maintains the line
• Guaranties the transported power quality

Other Customers
• Purchase of geothermal fluid
• Purchase of extracted minerals …
Geothermal Resources Development Bill (1)

Regional Draft Presented by the Geo-Caraïbes Legal Project Counsel appointed by the Organization of American States (4 March 2005)

Phase I
Reconnaissance
minimal environmental impact

Permit I
< 2 years
1 year extensions

Phase II
Exploration
Drilling shallow temperature gradient wells

Permit II
< 2 years
1 year extensions
Geothermal Resources Development Bill (2)

Phase III
production injection wells
injection wells

License
<5 years
2 year extensions

Phase IV
Resource Production
steam

License
<5 years
2 year extensions
Geothermal Resources Development Bill (3)

Concessions

Phase V
Electricity Production
electricity

Concession
30 Years
5 Year Extensions

Transmission

Bi-lateral Treaty