

The Republic of Palau and ENGIE EPS launch **ARMONIA** 🌺: the largest microgrid in the world to pioneer access to affordable and reliable clean energy

An iconic 100 MW microgrid will couple renewables and energy storage to transform Palau into a resilient, low carbon energy country, and further establish the island nation as an exemplary leader in the global transition towards clean, distributed energy.



The Republic of Palau announced today the signing of a Power Purchase Agreement with ENGIE EPS, the worldwide technology pioneer in microgrids and energy storage (EPS:PA). This announcement marks a crucial milestone in support of Palau's achievement of its climate mitigation and adaptation goals.

Following the Paris Agreement, Palau committed to a 45% renewable energy target by 2025 as well as a 22% reduction in its energy sector emissions below 2005 levels. The partnership with ENGIE EPS through this iconic project will allow the Republic of Palau to achieve its energy goals more than five years ahead of schedule.

ARMONIA 🌺, “*harmony*” in Italian coupled with the hibiscus symbol, has been chosen as name of this iconic project to reaffirm Palau's sustainability and preservation drive, being at the same time evocative of ENGIE's commitment to harmonious progress ([#ENGIEHarmonyProject](#)).

ARMONIA 🌺 will consist of a dispatchable solar PV project: with 35 MW of renewable energy and 45 MWh of energy storage, it will be coupled with the current diesel generation to transform the Palau grid into a smart, integrated system with an overall installed power of over 100 MW, representing the largest microgrid in the world and a global reference for the state-of-the-art technology. Renewable energy produced by the solar component is expected to represent in excess of 45% of Palau's total demand.



“In the midst of the global energy transition, it is imperative that we address climate mitigation and climate adaptation – at the same time” said President Tommy Remengesau. *“As we reduce our carbon footprint, so too should we reduce the vulnerabilities of our energy infrastructure in the face of rising seas and natural disasters. As we generate cleaner energy, it must also be reliable, accessible, and economical for those citizens of the world who live on the front-lines of climate change. Our partnership with ENGIE has accelerated Palau’s transition toward a renewable and resilient future.”*

By signing this Power Purchase Agreement, the Republic of Palau will secure 30 years of clean energy at a competitive and predictable price enabling the displacement of much of the current diesel generation. The project will dramatically reduce the nation’s carbon emissions and generate substantial expected savings on its overall energy bill, providing Palau access to reliable and affordable renewable energy.

“This 100 MW microgrid would not be just one of the largest storage-enabled solar projects in world, but a pioneering showcase for the whole global energy sector” said Carlalberto Guglielminotti, CEO and General Manager of ENGIE EPS. *“Universal, affordable and reliable access to clean energy will be a reality in Palau in few months, and we have the ambition and the commitment to replicate this model all over the world thanks to the ENGIE global reach”* added Paul Maguire, President & CEO ENGIE Asia Pacific.

This project has been originally developed by GridMarket within the context of its public-private partnership with the Government of Palau. GridMarket, a US-based organization offering a data-driven approach to distributed energy, deployed its machine-learning platform and predictive analytics capabilities to map out a comprehensive national transition strategy based on Palau’s unique energy footprint. GridMarket then sourced bids via its competitive marketplace and selected ENGIE EPS as the ideal partner to implement the identified microgrid opportunity in Palau. The final sizing, geotechnical assessment, and project execution plan will be completed by ENGIE EPS; construction is expected to begin by the end of 2018 and the commissioning is predicted to take place before the end of 2019.

The partnership with ENGIE EPS will allow Palau to experience the fastest national transition to renewable energy ever occurred as well as demonstrating the impact that Palau’s model can have on the global energy economy.

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The investor conference call is scheduled on 15 October 2018 at 8:00am, dial-in will be available in the new corporate website: engie-eps.com/financial-calendar

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About ENGIE EPS

ENGIE EPS is part of the ENGIE group and specializes in microgrids and storage solutions that enable intermittent renewable sources to be transformed into a stable power source. Listed on Euronext Paris (EPS:FP), ENGIE EPS is listed in the CAC[®] Mid & Small and the CAC[®] All-Tradable indices. Its registered office is in Paris and conducts its research, development and manufacturing in Italy. Thanks to technology covered by 130 patents and applications, ENGIE EPS develops utility scale energy storage systems to stabilize electrical grids that are heavily penetrated by renewable sources in developed countries, and microgrids in islands and emerging economies to power off-grid areas at a lower cost than fossil fuels. More information on www.engie-eps.com

About ENGIE

We are a global energy and services group, focused on three core activities: low-carbon power generation, mainly based on natural gas and renewable energy, global networks and customer solutions. Driven by our ambition to contribute to a harmonious progress, we take up major global challenges such as the fight against global warming, access to energy to all, or mobility, and offer our residential customers, businesses and communities energy production solutions and services that reconcile individual and collective interests. Our integrated - low-carbon, high-performing and sustainable - offers are based on digital technologies. Beyond energy, they facilitate the development of new uses and promote new ways of living and working. Our ambition is conveyed by each of our 150,000 employees in 70 countries. Together with our customers and partners, they form a community of imaginative builders who invent and build today solutions for tomorrow.

2017 turnover: 65 billion Euros. Listed in Paris and Brussels (ENGI), the Group is represented in the main financial (CAC 40, BEL 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, Euronext 100, FTSE Eurotop 100, Euro STOXX Utilities, STOXX Europe 600 Utilities) and extra-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance). To learn more: www.engie.com

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