

Press Release

May 11, 2020
Shizen Energy Inc.

Shizen Energy Consortium's Joint Project Proposal Selected for Wind Power Project in the Caraga Region of Mindanao, Philippines

The Caraga Wind Project Consortium, an international consortium in which Shizen Energy Inc. (“Shizen Energy”) participates as a partner, has been selected for the Financing Programme for Joint Crediting Mechanism (JCM) Model Projects in FY2019 through FY2021 for which Japan’s Ministry of the Environment issued a call for project proposals. As a result of this selection, the consortium will now be working on a roughly 33 MW wind power generation development (“This Project”) in the Caraga Region of Mindanao, Philippines.

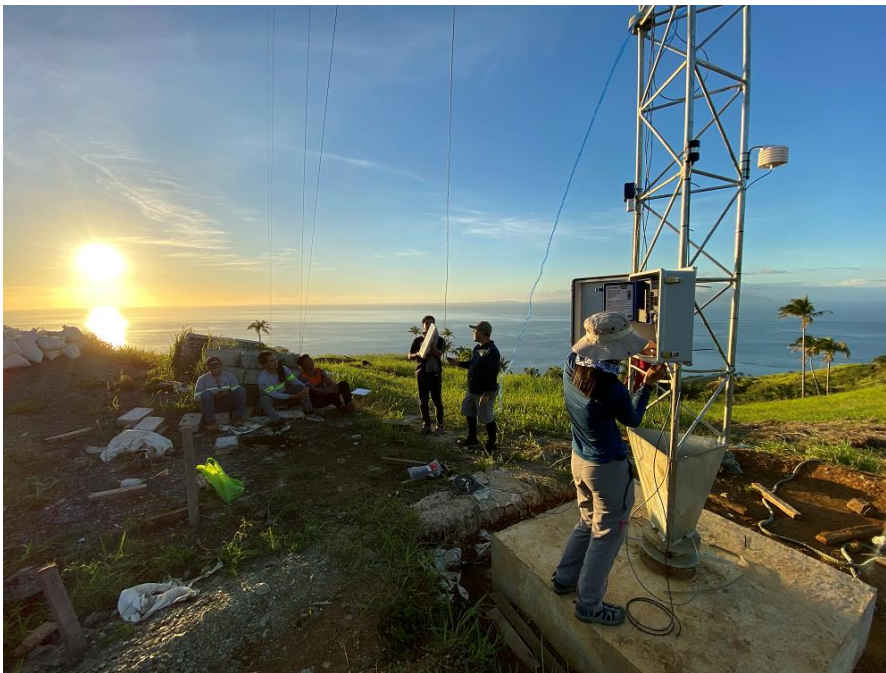
With a high rate of economic growth compared to other Southeast Asian countries, the Philippines has increasing demand for electric power. This Project will be centered in Butuan City in the Caraga Region of Mindanao. The area has a growing population but very few power generation facilities, and most of the power required to meet the current peak time demand (250 to 300 MW) is transmitted long-distance from coal-fired power plants in other regions. As a result, the Caraga Region has had no choice but to procure expensive electric power which includes additional cost for the transmission of the power.

This project will construct a wind farm with around 33 MW of wind power generation capacity by erecting a total of eight 4.2 MW-class wind turbines in the Caraga Region of Mindanao, Philippines. Generating a projected 77 GWh of electric power per year, the plant is expected to contribute to the economic development of the Caraga Region as baseload power generated from local resources, while also reducing CO2 emissions by 35,350 tons per year^{*1}.

This proposed project will proceed under the consortium headed by Chodai Co., Ltd. (“Chodai”) which has a long track record of involvement in various types of renewable energy projects in the Caraga Region. The other partners in the consortium are Shizen Energy, Equi-Parco Construction Company (EPCC), Equi-Parco Holdings Corporation (EPHC), and Caraga Wind Energy Corporation (CWEC) which is a special purpose company (SPC) for the project. CWEC is comprised of Chodai, Shizen Energy, EPHC, and Twinpeak Hydro Resources Corporation (THRC).

In addition to the initial feasibility studies² through two selected projects conducted with the support of the Ministry of Economy, Trade and Industry, the business viability of This Project was also verified by conducting wind observations, wind simulations, and other activities over the course of two years. The wind conditions in the area where the project is planned were found to be favorable at a year-round average of 7.1 meters per second (m/s), and the project was thus determined to be feasible.

Installing wind observation equipment



While the overall business plan calls for a scale of around 150 MW, This Project will develop 33 MW as the first phase, and detailed designs and equipment selection for installation will now proceed. Working together with the other partners in the consortium, Shizen Energy will leverage its technical expertise gained from experience building wind farms in Japan in handling technological management throughout the project, from planning and design to construction oversight and maintenance.

Shizen Energy has made the company's purpose to "take action for the blue planet." In doing so, Shizen Energy aims to spread the use of safe and sustainable energy through the global development of renewable energy power plants, in order for more people to live happily on Earth. Through the development, construction, operations, and maintenance of renewable energy power

plants that are both high in quality, as well as rooted in the community, Shizen Energy will continue to accelerate towards the realization of a “100% renewable-powered planet.”

■ Overview of This Project

Location	Caraga Region, Mindanao, Philippines
Project name	33 MW Wind Power Project in the Caraga Region, Mindanao
Rated output	Approximately 33 MW (Eight 4.2 MW-class wind turbines)

[Reference]

*1: Emissions reduction for this project was calculated based on 0.459 tons of CO₂/ according to Annex 5 on p. 28 of the Guidelines for Submitting Proposals for the Financing Programme for Joint Crediting Mechanism (JCM) Model Projects in FY2019 through FY2021 MWh (Global Environment Centre Foundation).

<http://gec.jp/jcm/kobo/mp190405/>

*2: Related press release on September 16, 2016: “Launch of Study on Wind Power Energy Generation in the Caraga Region of the Island of Mindanao, Republic of the Philippines, and Selection of Joint Proposal in the Call for Proposals by the Ministry of Economy, Trade and Industry” (in Japanese)

[Overview of Consortium Partners]

- Chodai Co., Ltd.
 - Business activities: Consulting, operating as a service provider, products
- Equi-Parco Construction Company (EPCC)
 - Business activities: Construction
- Equi-Parco Holdings Corporation (EPHC)
 - Business activities: Business management, investing in infrastructure projects
- Caraga Wind Energy Corporation (CWEC)
 - Business activities: Electric power operations
- Twinpeak Hydro Resources Corporation (THRC)
 - Business activities: Business planning and development, investment
- Shizen Energy Inc.
 - Business activities: Operating wind power generation projects in Japan (in Karatsu, Saga Prefecture and Kitakyushu, Fukuoka Prefecture), power generation at solar and small hydroelectric power plants, etc., business development and fundraising, asset management, retail sales of electric power to individuals and corporations, etc.
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