PROGRAM OVERVIEW

ISLANDS ENERGY PROGRAM

Accelerating the transition of island economies from a heavy dependence on fossil fuels to a diverse platform of clean energy and energy efficiency while establishing a blueprint for other island economies.

SITUATION

Islands are on the front lines of climate change. Residents are already experiencing rising sea levels, climbing temperatures, and frequent natural disasters. This severely impacts residents' livelihoods. Building resilience and adapting to these increasingly major events are daunting tasks. Local energy leaders are taking action by committing to ambitious energy targets and by moving to decentralized energy systems—including their first large-scale, distributed clean energy projects. While very promising, more work needs to be done—*today.*

OPPORTUNITY

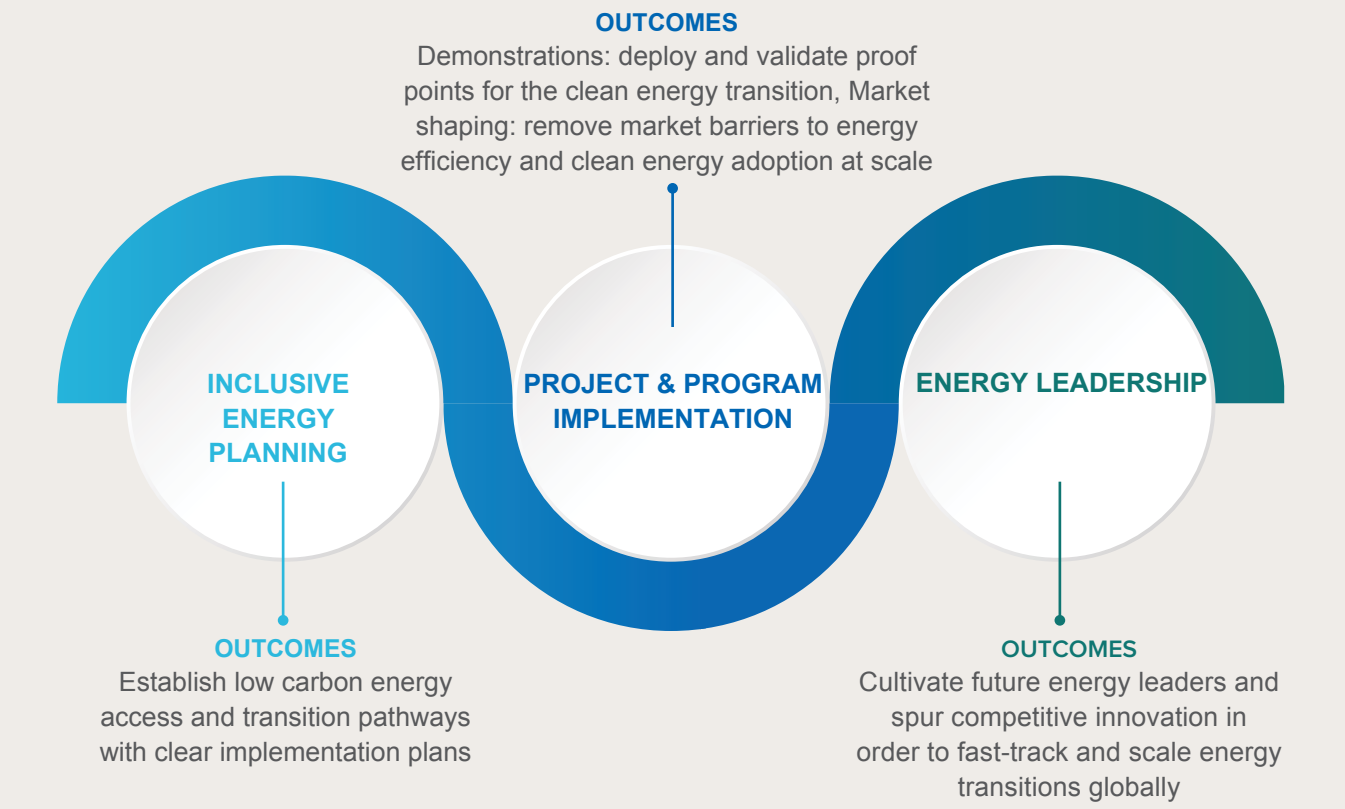
Island nations possess abundant local and natural resources, such as wind, sun, and geothermal resources, which can be harnessed to provide low-cost, clean, resilient, local energy. High electricity costs, volatile global oil prices, and a reliance on imported diesel create a clear business case for clean energy. By using local resources, entire countries can be powered by clean energy. Incorporating resilient, clean energy solutions into existing energy infrastructure benefits utilities, governments, and communities.

By accelerating the transition to clean energy, islands can accomplish the following:

- Stabilize the cost of electricity for households and businesses
- Reduce dependence on foreign oil
- Enhance resilience to natural disasters
- Create on-island investment opportunities and returns
- Diversify the local job market with high-skilled, better-paying jobs

During the energy transition process, island nations serve as lighthouses by creating a blueprint that can be replicated in other isolated economies and that can provide insight into continental-scale clean energy transitions. This positions island energy experts as global leaders, able to help other countries navigate through the complex nature of transitioning energy systems in the future.

EXHIBIT 1
Theory of Change



APPROACH

With an independent, objective, and fact-based approach, Rocky Mountain Institute's (RMI's) Islands Energy Program brings experience from engagements with island governments and utilities to solve the toughest energy challenges. The program supports island partners by turning clean energy plans into projects that will reduce emissions. Other program measures include:

- Creating **six** country-specific clean energy capital investment plans
- Leveraging **US$300 million** in clean energy investment and **reducing emissions by 40 percent** in partner islands
- Increasing the number of certified energy professionals by **30 percent** by providing internationally recognized clean energy certifications

To meet these ambitious goals, we follow an approach with three mutually reinforcing components:

1. INCLUSIVE ENERGY PLANNING

We support island nations seeking to transition from imported diesel-fueled electricity and vehicles to clean energy and electric vehicles with our resilient energy/transportation planning services, and, in particular, with exploring and designing new business models and regulatory frameworks to accelerate action. Sample service offerings include integrated transportation and energy planning, stakeholder facilitation, and resilient energy planning. Through our planning services we have addressed macro- and micro-level barriers, unlocking dozens of clean energy projects across the region—including several that are under construction. Following the tremendous and growing devastation from natural disasters, many islands list increased energy system resilience as a key objective. We work with partner islands to integrate this priority into their broader energy planning efforts.

2.PROJECT & PROGRAM IMPLEMENTATION

Developers, energy practitioners, and decision makers share similar challenges when transitioning from diesel-generated electricity to clean energy. To facilitate the success of these complex transitions, the program focuses on sourcing project funding,

EXHIBIT 2
Where We Currently Work

We work with the following islands: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Belize, Bermuda, British Virgin Islands, Colombia (San Andrés and Providencia), Grenada, Guyana, Montserrat, Puerto Rico, Saint Lucia, Saint Vincent and the Grenadines, and Turks and Caicos Islands.

de-risking identified projects, and facilitating a competitive procurement process. Projects create inertia, build trust, and ultimately lower the financial —and sometimes political—risk of the sector, as well as the country investment risk profile as a whole. To date, our team has been involved with developing or installing 76 megawatts of clean energy projects throughout the Caribbean, which has leveraged over US$160 million in investment capital.

3. ENERGY LEADERSHIP

Sharing experiences, resources, and training enables technical professionals to reduce the uncertainty and cost of a clean energy transition. At the local level, we educate the public on the energy transition by holding public meetings and conducting awareness campaigns. To extend our reach, we create timely and topical thought leadership. To target energy stakeholders we partnered with the Caribbean Electric Utilities Services Corporation (CARILEC)
to support the Renewable Energy Community of Practice platform (**community.carilec.org**), which fosters continuous knowledge exchange among island energy practitioners. The platform currently has more than 1,000 members and offers technical learning opportunities on an ongoing basis.

Islands Energy Program Supporters

RMI's Islands Energy Program is made possible by generous support from the Dutch Postcode Lottery, Global Environment Facility, Virgin Unite, Open Society Foundations, Ray and Tye Noorda Foundation, Energy Foundation, Builders Initiative, Sally Mead Hands Foundation, Virginia G. Piper Charitable Trust, Eldred Foundation Inc., Kinesis Foundation, and numerous individual donors.

About Rocky Mountain Institute

Rocky Mountain Institute (RMI) — an independent nonprofit founded in 1982—transforms global energy use to create a clean, prosperous, and secure low-carbon future. It engages businesses, communities, institutions, and entrepreneurs to accelerate the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewables. RMI has offices in Basalt and Boulder, Colorado; New York City; Washington, D.C.; and Beijing.