GETFiT results, achievements and challenges in an Africa perspective

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Africa is short of power and too few have access

**Generation capacity**
(MW per million population)

**Electrification rate**
(Percentage of households)

**Electricity consumption**
(kWh per capita per year)

**Power prices**
(US$ per kilowatt-hour)

Source: Africa Infrastructure Country Diagnostic
Reliance on back-up generators an indication of the inadequacies of grid-power

Power requirements in SSA will double by 2030 and treble by 2040 to meet suppressed demand, power economic growth and widen access.

Source: IEA, 2015
But investment in new power capacity in Sub-Saharan Africa has been slow, however is now picking up
China and IPPs fastest growing source of investment in SSA

5 year rolling average
IPP capacity added in SSA (ex-RSA) MW
DFI contribution to IPP investments

Investment Mn $
Countries with the most IPP capacity in SSA (ex RSA) MW

- Togo: 100 MW
- Rwanda: 100 MW
- Zambia: 170 MW
- Mauritius: 271.8 MW
- Cameroon: 304 MW
- Senegal: 351 MW
- Tanzania: 427 MW
- Uganda: 445.9 MW
- Ghana: 656 MW
- Côte d'Ivoire: 866 MW
- Kenya: 1065.5 MW
- Nigeria: 1521 MW
Number of IPPs per country

- Kenya
- Uganda
- Mauritius
- Senegal
- Tanzania
- Nigeria
- Ghana
- Côte d'Ivoire
- Cameroon
- Angola
- Zambia
- Togo
- Cape Verde
- Madagascar
- Sierra Leone
- Rwanda
- Gambia
In four years, South Africa’s Renewable Energy IPP Programme has attracted more investment and added more MWs than the rest of SSA over past 25 years

+- US$19 bn  92 projects  6327 MW
In 4 years, wind energy prices in South Africa have fallen 48% and solar PV 71% (ZAR c/kWh)
Globally, solar PV auction prices are falling sharply.
Competitive tenders yield better price outcomes than directly negotiated projects or feed-in tariffs (Solar PV in Sub-Saharan Africa)
GETFiT biomass and hydro outcomes

• 18 projects selected: 152 MW or 816 GWh/ p.a. of clean, renewable energy
• Total GET FiT commitment: € 94 m, private investment of € 442 m (leverage of more than 1:4.5)
• First bagasse project started commercial operations Q 1 2015; GET FiT payment September 2015
• First hydro project has reached financial close, several have started construction
• 3 projects on reserve list, awaiting additional funding
GETFiT solar facility outcomes

- Tender launched January 2014; projects selected end of October – less than 10 months
- Reverse auction principle to determine solar prices in Uganda
- 4*5 MWp or 34 GWh selected for support
- Total GET FiT commitment: US$ 18 m, private investment of US$ 59 m (leverage of 1:3)
- Implementation timeline about 1 year
Overall achievements of GETFiT

• Increased investment in small renewable energy projects
• Developed a pipeline of bankable projects
• Lowered transaction costs
• Developed standardized bankable documents and contracts (RfQ, RfP, PPA, IA, DA)
• Helped to de-risk projects
• Assisted developers to secure finance and lenders with due diligence
How can Uganda build on the GETFiT experience?

• Need to continue on path of competitive tenders for new power
  – better investment & price outcomes than directly negotiated deals or FiTs
  – builds a pipeline of bankable projects
  – more transparent
  – recent international RE auctions reinforce potential benefits

• Can use GETFiT RfP and standardised contracts (PPA, IA, DA) as basis for future auctions

• But can tweak and improve process and documents and learn from best practice internationally

• Need to build and sustain capacity to run effective auctions

• Key challenge is to de-risk projects to maximise international investor interest
Thank you for your attention

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