



Renewable Energy Performance Platform

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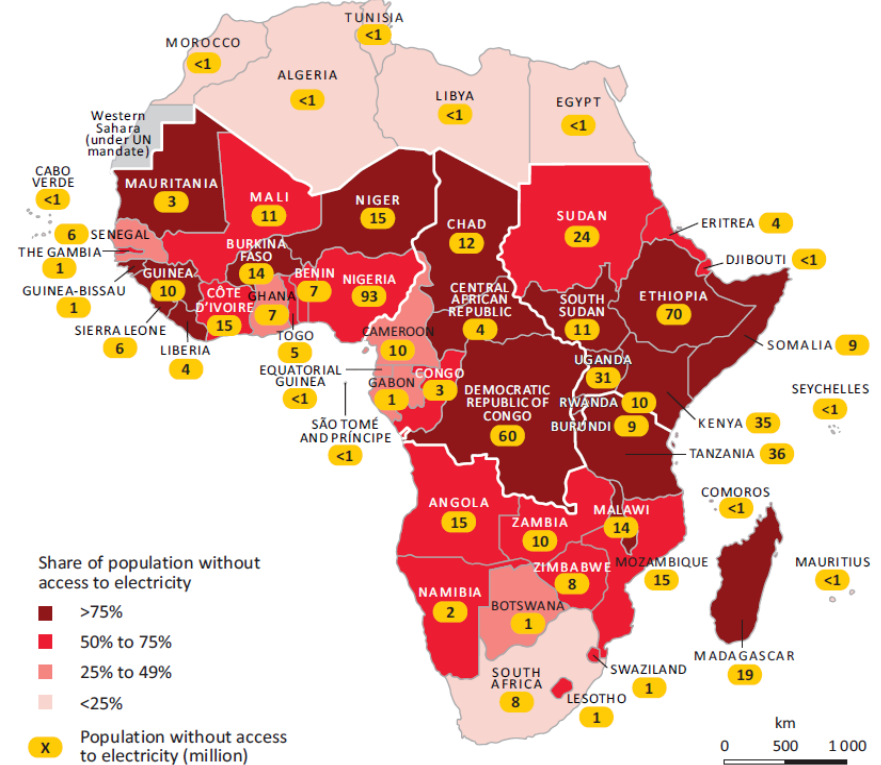
Overview



The African energy challenge

Huge potential

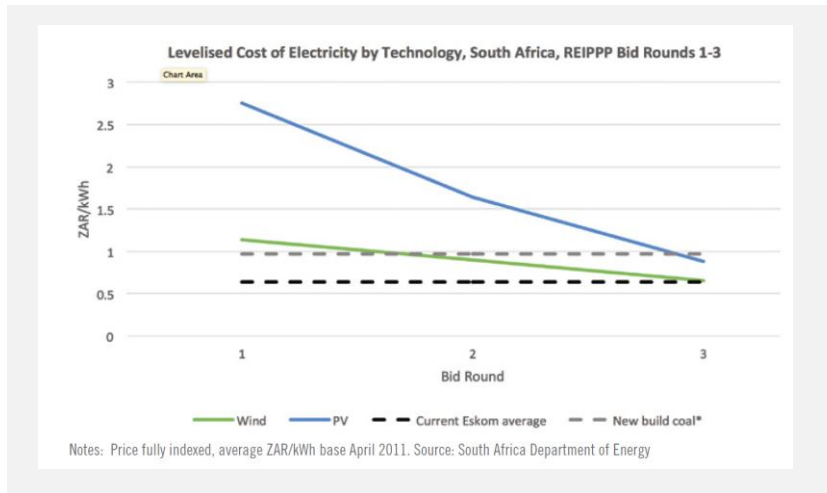
- Africa is the only continent where both the number of people without access to electricity and the number of people in extreme poverty are rising. There is huge potential demand.
- A significant proportion of Africa's power generation is already renewable – mainly large hydro – but unfulfilled demand is often met with biomass, diesel and other expensive alternatives.
- Renewable energy can stack up on a standalone basis. It is isolated from the cost, risk and logistical challenge of long-term fuel supply requirements. As technology costs drop, however, project activity has remained limited except in South Africa



Share of population without access to electricity

- >75%
- 50% to 75%
- 25% to 49%
- <25%
- Population without access to electricity (million)

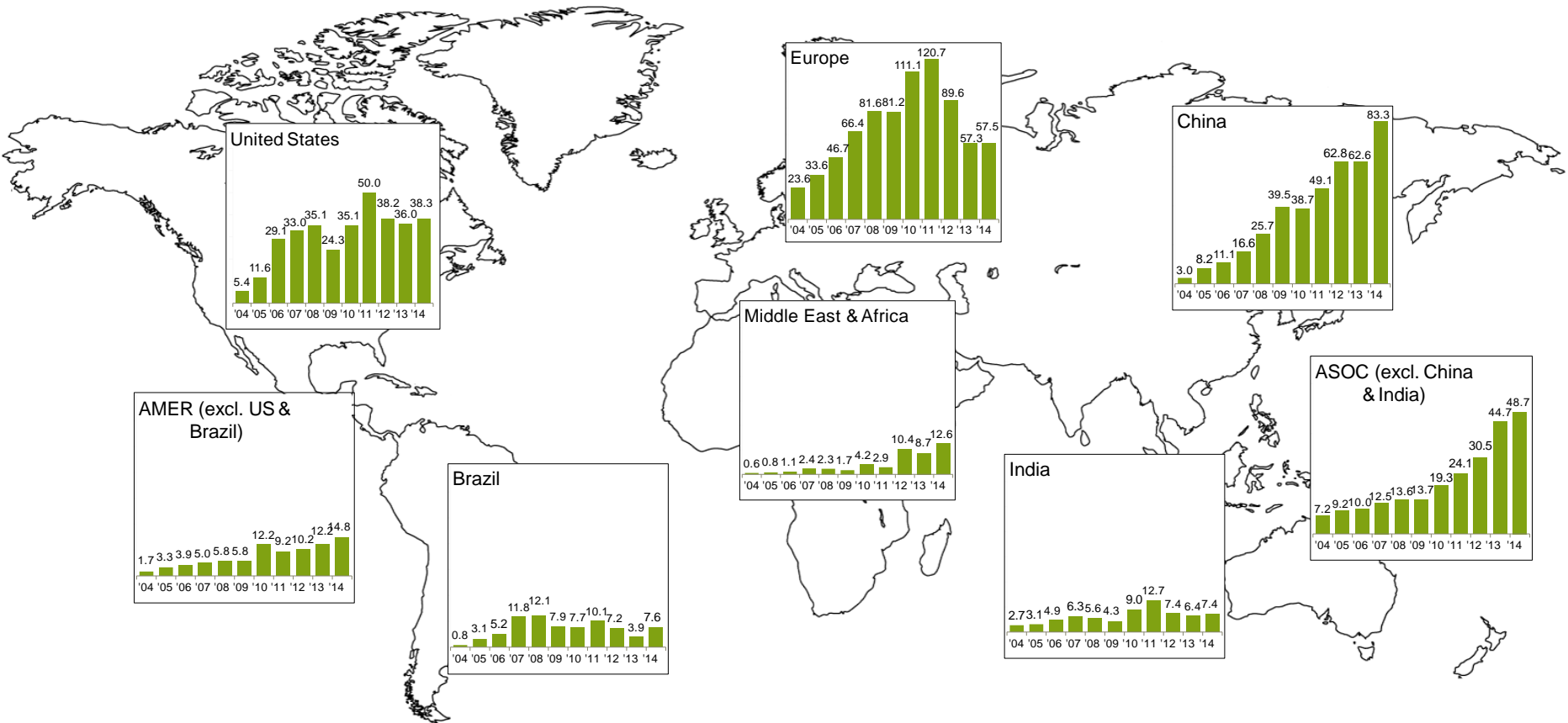
Source: International Energy Agency Africa Energy Outlook 2014



Notes: Price fully indexed, average ZAR/kWh base April 2011. Source: South Africa Department of Energy

But investment lags

Global new investment in renewable energy, 2004-2014, USD billion



Source: Bloomberg New Energy Finance, UNEP

Smaller projects make sense but face barriers

The logic for smaller projects

- Traditional centralised electric systems have, with a few exceptions, failed to meet needs
 - Grids often not extensive enough or creditworthy
 - Insufficient generation to meet load
- Large generation projects are slow and difficult to develop
- There is a strong logic for smaller, more distributed projects
 - Reduced reliance on centralised grid
 - Easier to achieve in difficult development conditions
 - More able to respond to needs of population
 - Often displaces expensive, local solutions such as diesel, kerosene and charcoal

Barriers

- Funding is plentiful for large, bankable projects, but there aren't many of them
- Key barriers for smaller projects include the lack of:
 - Development capital and expertise
 - Access to and expertise in financial structuring
 - Access to cheaper funding (including long term debt) and risk mitigation instruments
- In many cases, getting the first projects going will be expensive, resulting in higher tariff requirements

In development since 2014

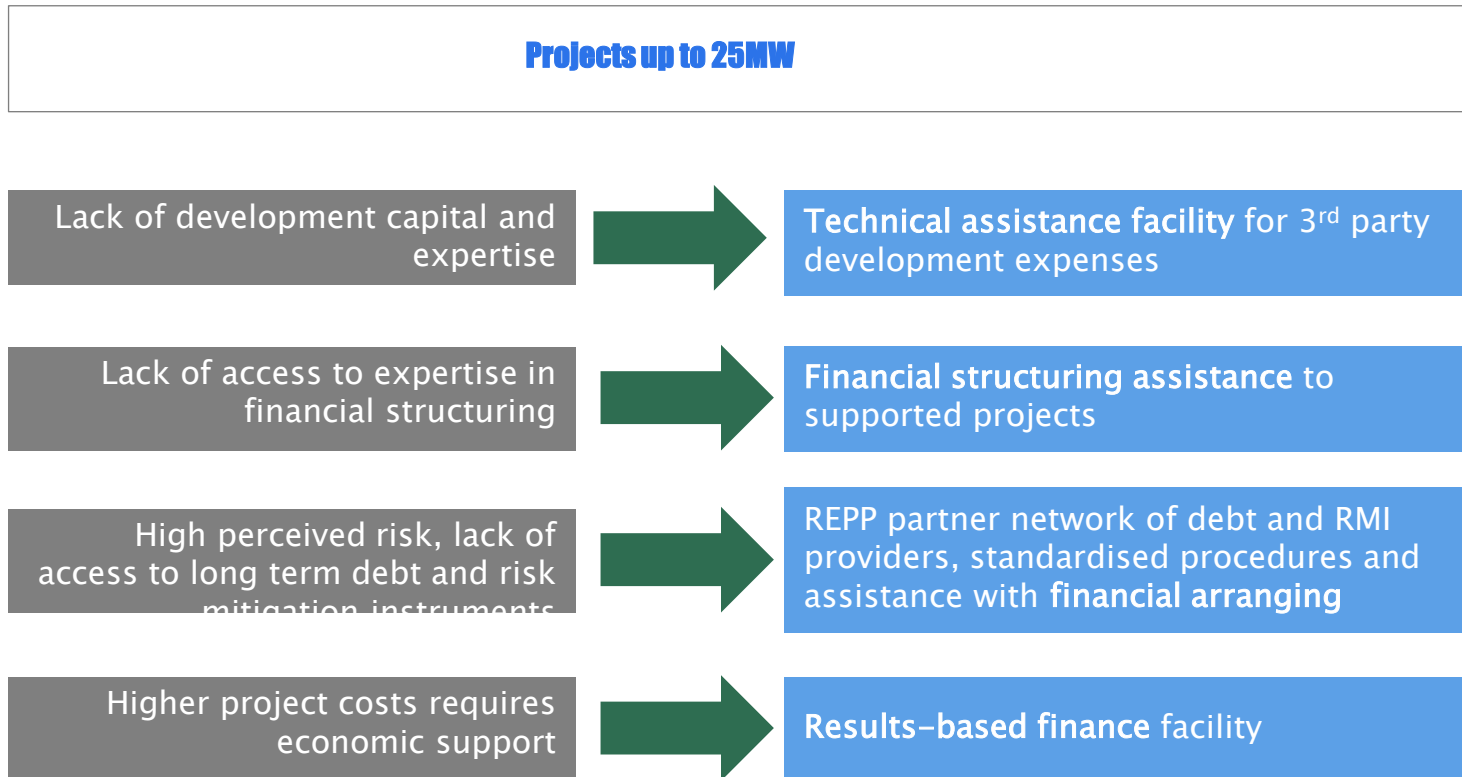
Initiated by	 
Funded by	 
Managed by	 

Initial target countries*



*Other non-DAC 4 countries may be considered

REPP is designed to overcome barriers and stimulate sustainable small renewables sector



Designed to make a tangible difference

5 year targets

150MW

4.7m tonnes CO2e avoided

1.8m new connections

Transformational aims

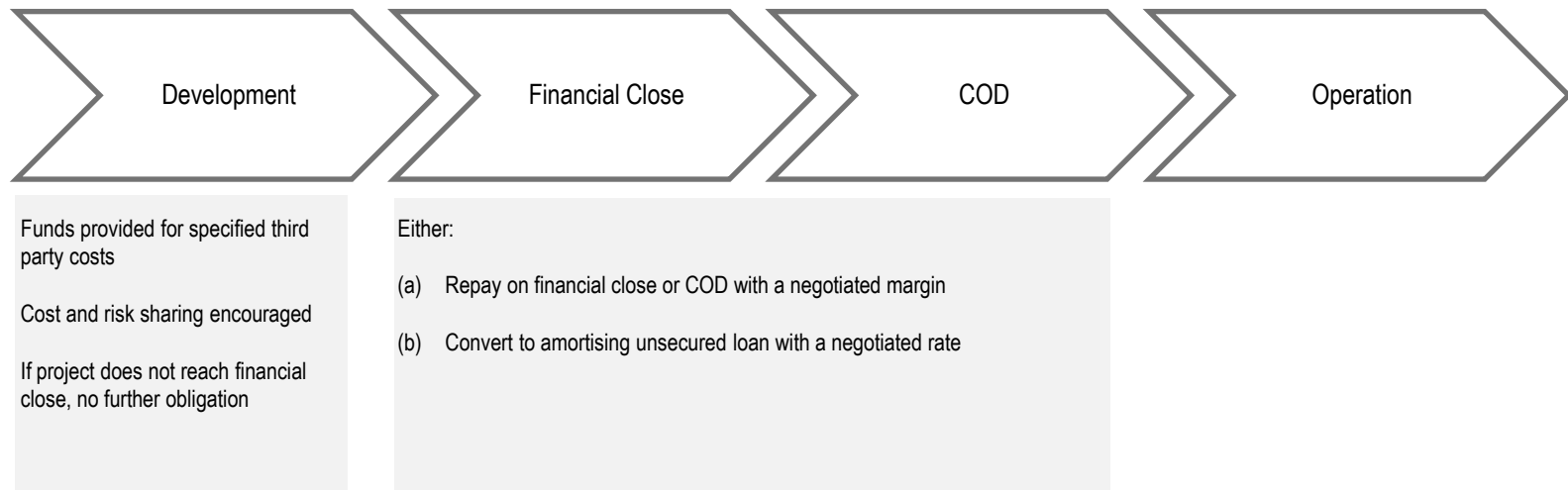
Increased capacity in development of smaller projects

Financing models

Simplified access to long-term debt and risk mitigation instruments

Development cost assistance

- Technical assistance funding available for selected third-party development costs
- Funding is structured as reimbursable grants to minimise market distortion
- Typical ticket size \$200k – \$500k



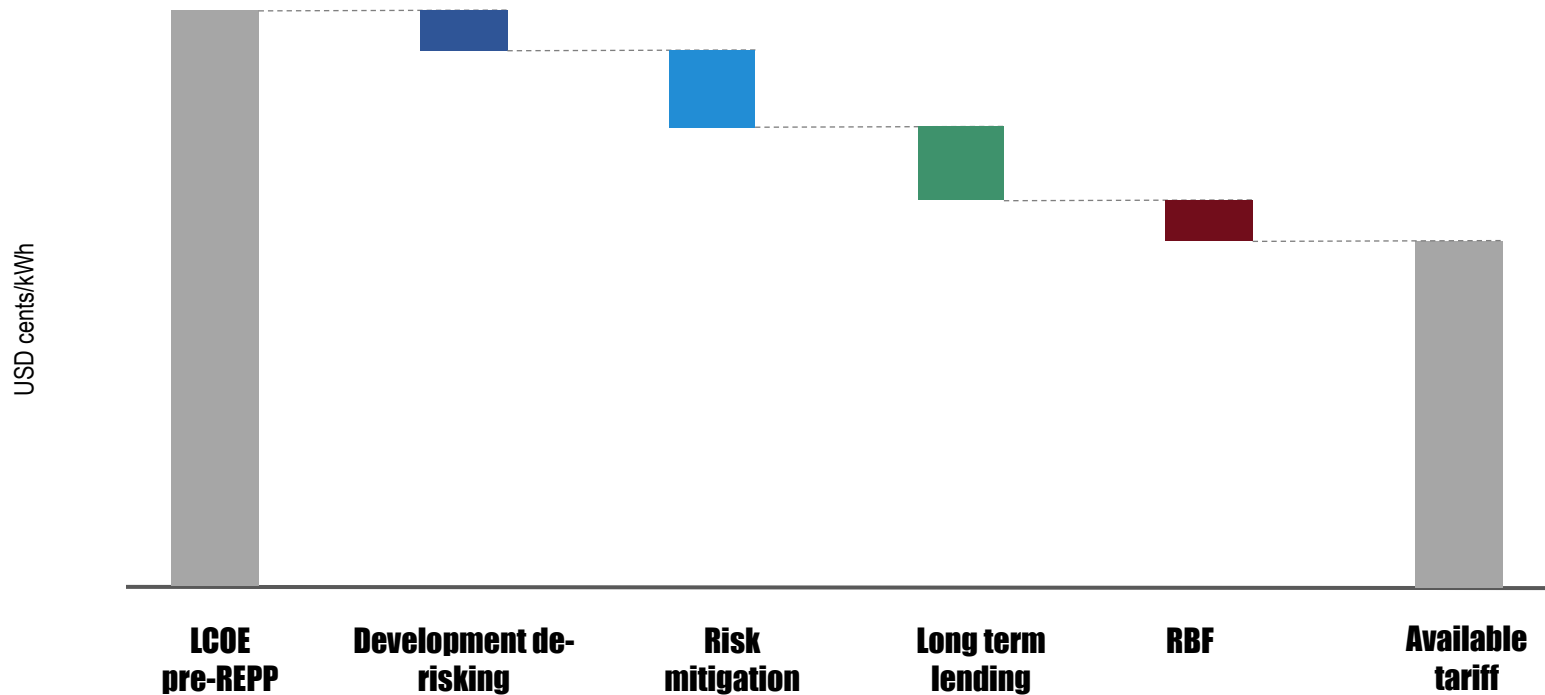
Structuring + Partner Platform

- Many smaller project struggle to access key risk mitigation instruments and long-tenor debt
 - Lack of access to appropriate structuring expertise
 - “Too small” to get providers’ attention
 - High cost of dealing with DD and approval requirements
- REPP:
 - Provides expert structuring assistance to supported projects
 - Is forming a partner network with key providers of debt and risk mitigation instruments
- Through the partner network, REPP will:
 - Help supported projects to ensure that they meet providers’ requirements
 - Encourage providers to coordinate their approval and DD requirements so that projects only have to do work once
 - Work with developers and partners to help projects access an optimal mix of debt and risk mitigation instruments

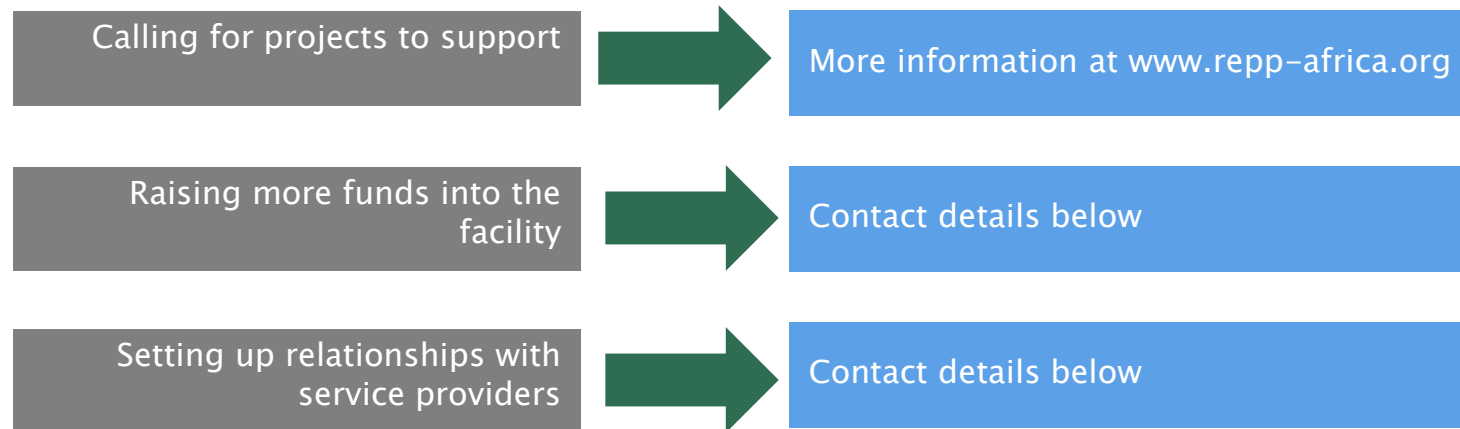


Results based finance facility

- After application of structuring and risk mitigation, selected projects may still be unable to reach adequate equity returns. Results-based finance is available from REPP for selected projects
- REPP has a lot of flexibility about how it structures the RBF. Below is an example for a 10MW grid-connected hydro project in Tanzania with a TZS 152/kWh FIT



REPP is currently:



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