

Nigeria's Nova Scotia solar project gets new investors

Scatec Solar, Africa50 and Norfund have signed a joint development agreement (JDA) into the investment of the 100MW (DC) Nova Scotia power plant in northern Nigeria.



(Left to right) Alain Ebobisse, CEO, Africa50, Ibrahim Hassan Hadejia, deputy governor of Jigawa State, Terje Fliskog, executive vice president, Scatec Solar, Børge Brende, the Norwegian foreign minister and Mark Davis, investment director, Norfund.

The project has the potential to significantly contribute to the state of Jigawa's authorities' plan to attract \$2bn worth of investments into the region and implement Nigerian president Muhammadu Buhari's plans to provide jobs and economic opportunities especially for the country's youth.

The JDA signing ceremony was held in the presence of Børge Brende, the visiting Norwegian foreign minister, barrister Ibrahim Hassan Hadejia, the Jigawa deputy governor as well as officials from the Nigerian Bulk Electricity Trading (NBET) among others.

Clean energy generation in Nigeria

"New local power generation capacity is a key element to attract sizeable investment into the state and region, especially into new industries such as light manufacturing and agricultural processing," said the deputy governor.

"The formation of this consortium is a strong symbol of the Norwegian and Nigerian commitment to invest in clean energy in Nigeria. With the Norwegian government taking a direct investment role through Norfund, significant regional and Nigerian

ownership through Africa50, and the track-record of Scatec Solar, this offers one of the most solid partnerships for solar PV projects globally,” said Scatec Solar executive vice president, Terje Pilskog.

“I am pleased that Africa50 is already making its first investment, which fits in squarely with our priority to light up and power Africa,” said Dr. Akinwumi Adesina, president of the African Development Bank (AfDB) and chairman of Africa50’s board of directors. Africa50 has been created by African governments, including Nigeria, the African Development Bank and institutional investors to mobilise the private sector for funding infrastructure projects on the continent.

Alain Ebobisse, Africa50’s CEO noted: “Access to reliable energy is one of the most critical needs in Africa, including in Nigeria, where it is a government priority. I look forward to deepening the relationship with the authorities of Nigeria, one of our key shareholder countries, and to supporting more projects in this and other infrastructure sectors.”

Apart from the three equity investors, the American Overseas Private Investment Corporation (OPIC), Islamic Development Bank and the African Development Bank are expected to be senior debt providers for the project. International finance institutions say the key to successful investment is the Nigerian state’s issue of project documents that provides necessary investor confidence and the formulation of a clear roadmap to sustainability in the energy sector.

Improving energy generation, reducing effects on climate change

With an estimated investment of \$150m, a production of 200,000MWh of electricity per year and 120,000 tons of CO₂ emissions avoided annually, the Nova Scotia solar plant will help Nigeria rapidly increase its generation capacity, provide economic opportunities, fight desertification caused by climate change, and contribute to fulfilling Nigerian President Muhammadu Buhari’s commitments to develop renewable energy as part of the Paris Climate Change Agreement.

In July, the Nova Scotia project signed a 20-year PPA with the NBET. Located on 200 hectares of land, the project has strong fundamentals with high solar resources and direct access to the transmission grid through a simple connection route. The consortium will continue to work with CDIL, a Canadian renewable energy development company focused on Africa, and BPS, a Nigerian strategic consulting, to move the project from 'pipeline' and achieve financial close in 2017 and commercial operations in 2018.

With Nigeria’s per capita electricity consumption at 155kwh, one of the lowest in the world, there is a huge need to increase power production in order to expand and diversify the Nigerian economy.

For more, visit: <https://www.bizcommunity.com>