

## Investec both 'lender and investor' in farm

Construction of West Coast One, a 94MW wind farm near Cape Town, is expected to start as soon as the project's developers reach financial closure.



West Coast One is among the successful bidders of the second round of the Department of Energy's independent power producer (IPP) procurement programme. Round two has seen more than 1GW of power generation projects given the green light as part of the department's goal to generate 3.7GW of electricity from renewable sources including wind, solar and hydro.

The wind farm is 130km north of Cape Town.

More than 300 jobs will be created during the construction phase of the project, while 30 permanent jobs will be available once the plant is operating.

It is a partnership between global energy firm GDF Suez, which holds 43%, Investec, which holds 34.5%, black-owned investment group Kagiso Tiso Holdings, which owns 20%, with the the remaining shareholding owned by a community trust.

First power is expected to be generated in 2015.

Investec announced on Tuesday (11 June) that it would act both as investor and lender in the project. The company will underwrite the R1.5bn debt that will be required to complete the project in partnership with Nedbank.

### Financing requirements

"Given the unprecedented debt and equity financing requirements of the renewable programme, Investec will continue to use its capacity to provide debt and equity financing in support of this initiative," Investec head of project and infrastructure finance Fazel Moosa said.

RustMo1 solar plant in North West is the first project, from the inaugural round of the procurement programme, that is expected to be commissioned later this year.

Last month, Eskom obtained the energy regulator's approval to build a R2.4bn wind farm in the Western Cape, that will

generate about 100MW of electricity by next year.

Industrial group Siemens will build and install the wind turbine generators and it will in turn hand them over to Eskom to run.

The first power will be generated during the first half of next year, and will be well ahead of the 4.8GW Kusile coal-fired power station that Eskom is building at an estimated cost of R170bn in Mpumalanga.

SA's renewable energy drive has drawn the attention of many multinational companies and local entities, with both rounds of the IPP procurement programme being over-subscribed. The third leg of the bidding process for the remaining 1,300MW is expected to open in August.

Opening the request for proposals last month, Energy Minister Dipuo Peters said preferred bidders would have to keep to the commitments made about pricing, and ensure local procurement and black economic empowerment.

Source: Business Day via I-Net Bridge

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