

AFRICA GREENCO/GREENCO POWER SERVICES LTD.

SUPPLY OF RENEWABLE POWER Invitation for Expression of Interest





Disclaimer

*The objective of this Invitation for Expression of Interest is to gather information on potential consumers of renewable power from GreenCo Power Services Limited (**GreenCo**).*

*This Invitation is targeted at consumers and utilities (**Prospective Purchasers**) interested in procuring power in excess of 5,000 MWh / yr from GreenCo. The information and ideas contained in this Invitation or subsequently provided to the Prospective Purchasers, whether orally or in documentary form by or on behalf of GreenCo, or any of their respective representatives, employees, consultants, agents or advisors, are the intellectual property of GreenCo and are provided to Prospective Purchasers on the terms and conditions set out in this Invitation and any other terms and conditions subject to which such information is provided.*

This Invitation is not an agreement, nor an offer by GreenCo or any of their representatives for Prospective Purchasers to contract with GreenCo, nor does it create any obligation, whether express or implied, to supply power to the Prospective Purchasers. This Invitation does not entail or imply any commitment, either financial or otherwise, on the part of GreenCo.



Acronyms

ERB	Zambia's Energy Regulation Board
ESI	Energy Supply Industry
IPP	Independent Power Producer
MW	Megawatt
PPA	Power Purchase Agreement
PV	Photovoltaic
RE	Renewable Energy
RFP	Request for Proposals
SAPP	Southern African Power Pool
TSO	Transmission System Operator

1. Introduction

Following its significant engagement with all relevant energy sector stakeholders since 2017, the Government of Zambia (**GRZ**) approved the National Energy Policy 2019 which aims (amongst others) to facilitate the development and deployment of renewable and alternative energy and to promote security of supply through diversification of energy sources at cost reflective pricing which will promote new investment in the sector. Importantly, the National Energy Policy 2019 encourages the multiplicity of players in the energy market through appropriate institutional and legal frameworks whilst supporting the overall objective to achieve an optimal energy resource utilisation to meet Zambia's own domestic and southern African regional needs at the lowest total economic, financial, social, environmental and opportunity cost and to establish Zambia as a net exporter of energy.

The approval of the National Energy Policy 2019 was followed by the Electricity Act 2019 and the Energy Regulation Act 2019 (together, the **New Legislation**), which will re-allocate some of the risk currently taken by ZESCO to other participants by shifting the sector from a single buyer market to a multi buyer market.

In line with such GRZ initiatives and seeking to address similar energy sector requirements in other southern African countries, Africa GreenCo was established as a Southern Africa focused intermediary renewable energy power off-taker and supplier. Africa GreenCo operates in Zambia through its subsidiary GreenCo Power Services Ltd (**GreenCo**).

GreenCo's first project will be a 10 – 40MW solar PV plant (**Pilot Project**), for which it launched a competitive tender process on 1st of March 2021. The Pilot Project will be the first project in GreenCo's initial 80-90MW portfolio. GreenCo expects the Pilot Project to commence construction in the second half of 2021, with the procurement of subsequent projects commencing shortly thereafter. Following extensive engagement with ZESCO, ERB and other stakeholders, GreenCo is also in the process of agreeing wheeling arrangements and use of system arrangements covering supply of power from projects in its portfolio. GreenCo intends to give priority to large consumers and utilities in Zambia in the allocation of such power and will be able to meet a wide range of demand profiles through a growing and diversified portfolio of generation sources.

The purpose of this Invitation for Expression of Interest is to facilitate further engagement with large consumers and utilities ("**Prospective Purchasers**") interested in procuring renewable energy from GreenCo. Direct interaction with the market will assist us in understanding the nature and quantum of demand profiles and in devising models for the supply of renewable power.

2. GreenCo Power Services Ltd.

GreenCo was established in Zambia in 2018 and is a subsidiary of Africa GreenCo Group, Mauritius. Recognising the challenges faced by national utilities across Southern Africa and the unsustainable burden placed on national governments in providing guarantees in respect of their national utility's obligations to IPPs, GreenCo aims to facilitate the evolution of power markets in Southern Africa into a dynamic multi-seller, multi-buyer model.

GreenCo acts as an independent intermediary with the system integration and financial structures to comprehensively collateralise its off take agreements with IPPs resulting in the de-risking of supply which will translate into lower project funding costs for IPPs and ultimately lower resultant tariffs. GreenCo's current investors are Private Infrastructure Development Group's InfraCo Africa and the Danish Government's Investment Fund for Developing Countries.

3. Prospective Purchasers

This invitation is targeted at large commercial and industrial customers and utilities:

- Located in Zambia;
- Having satisfactory business, social and environmental performance and capable of demonstrating certainty of payment to GreenCo;
- Desirous of procuring renewable power;
- Desirous of procuring at least 5,000 MWh / yr on a long-term basis; and
- Having existing demand or near-to-medium term expansion plans for which they need to procure power.

4. Programme Overview and Timelines

(A) Expression of Interest (EoI)

Participants should submit their EoIs in the template provided below (**EoI Template**) by email in pdf format to consumers@afriagreenco.com with the subject line *"EOI for Supply of Renewable Power"*.

Any Participants requiring a Non-Disclosure & Confidentiality Agreement (**NDA**) before submission of the EoI Template can request GreenCo's standard NDA by emailing us at: consumers@afriagreenco.com with the subject line *"EOI: NDA for Disclosure of Information"*. GreenCo will then send back a signed NDA, enabling exchange of further information.

(B) Activity Timelines

Activity	Estimated Timing
Submit EoIs	Any time from the date of this invitation.
Initiation of Bilateral Engagements with EoI Participants	Q2 2021

(C) Data Confidentiality

Any data and documents submitted by Prospective Purchasers alongside their EoIs will be treated confidentially by GreenCo and will not be shared with any third party without the express written consent of the relevant Prospective Purchaser.

(D) Key Contacts

Any queries/ requests for information may be directed to consumers@afriagreenco.com, or to either of the following:

Wezi Gondwe, Business Development Manager – wezi.gondwe@afriagreenco.com

Template for Expression of Interest

Item	Information
General	
Company Name and Company Registration Number	
Contact Details	<i>Name, email, telephone, mobile of key contact at company</i>
Location of Business Operations	<i>Full physical address of business operations, including GPS coordinates</i>
Description of Business Activities	<i>Participants can additionally or instead provide their Annual Reports / corporate presentation.</i>
Power Consumption & Connection	
Details of Current Connection	<i>Whether directly connected to transmission network at a substation (and name, location thereof)</i>
Connected Load	<i>___ KVA/ KW</i>
Voltage of Connection	<i>___ KV</i>
Current Annual Power Consumption	<i>___ MWh</i>
Projected Annual Consumption (avg) for the next 3 Years	<i>___ MWh</i>
Projected Daily, Weekly and Monthly Load Profiles	<i>In your preferred format</i>
Power Backup arrangements in place / proposed	<i>Diesel Gensets of ___ KVA / Other Arrangement (Please specify)</i>
Others	
Others	<i>Any other relevant information and / or document(s) you would like to provide GreenCo at this stage.</i>

Please note that this template for Expression of Interest is also available for download in MS Word format on www.africagreenco.com/consumers