

FOR IMMEDIATE RELEASE

2nd December 2023 – Signing of GreenCo’s first PPA with Ilute Solar, a partnership between Serengeti Energy and Western Solar Power, at COP 28. Pioneering a New Era for Open Access Electricity in Zambia

Africa Greenco Group, Serengeti Energy and Western Solar Power are thrilled to announce the signing of a Power Purchase Agreement (PPA) at this year’s COP 28 in Dubai for the Ilute Solar PV Project. Ilute Solar has been developed by **Western Solar Power**, a Zambian Renewable Energy Developer, and **Serengeti Energy**, an African Renewable Energy IPP owned by KfW, STOA, Proparco, Norfund, Swedfund and NDF. This follows the successful execution of a System Operations Agreement (SOA) between GreenCo, through its Zambian-based operating company **GreenCo Power Services Limited** (together **GreenCo**), and Zambian National Power Utility, **ZESCO Limited** officiated by ZESCO Managing Director, Eng. Victor Mapani and the GreenCo CEO, Ms. Ana Hajduka on 6th October 2023 in Lusaka, Zambia.

Situated in the Sesheke District of Western Province in Zambia the groundbreaking 25MWac Ilute Solar PV Project is set to make history as the first of its kind in Africa. Leveraging the competitive markets of the **Southern African Power Pool** (SAPP), the project adopts an innovative private sector and market based approach to mitigate customer default risk. Unlike the conventional practice of transferring project risk to the government, Ilute Solar will use the vast markets available through SAPP to secure project financing without the need for sovereign guarantees. The ground-breaking project will serve as a testament to the practicality and success of an open access regime within the Zambian Electricity Supply Industry (ESI), aligning with the legislative amendments of 2019 and will open up new avenues for financing renewable energy projects in Africa.

With a substantial direct foreign investment of US\$37 million, Ilute introduces distinctive financing structures aimed at diversifying Zambia's energy sources. **FMO** and the **Sustainable Energy Fund for Africa (SEFA)** are the envisaged senior lenders progressing on their due diligence. Beyond contributing to the national energy grid, the project is designed to stimulate local economic growth by creating employment opportunities during its construction phase and focusing on community involvement and skill development.

ZESCO will be paid by GreenCo for providing its sophisticated system operations services, exemplifying a collaborative effort in the renewable energy sector and thus aligning seamlessly with the legislative amendments of 2019, showcasing the feasibility of an open access regime in the Zambian Electricity Supply Industry (ESI). The SOA between GreenCo and ZESCO, further demonstrates a shared goal of enhancing Zambia's energy sector.

GreenCo's involvement in the project highlights its dedication to sustainability by agreeing to purchase power generated by the Ilute solar PV project. Additionally, the project reflects Zambia's commitment to sustainable energy solutions, a significant move in Africa's renewable energy progress and underscores SAPP's role in enabling renewable energy integration into the region.

GreenCo's strategic integration into the SAPP exemplifies effective regional cooperation, promoting renewable energy integration and fostering long-term sustainability not only in Zambia but also in the wider SADC region.

For media inquiries and further information, please contact: bd@africagreenco.com

About ZESCO

ZESCO Limited is a national power utility wholly owned by the Government of the Republic of Zambia that supplies electricity and energy solutions within Zambia and the Sub Region. ZESCO’s operations cut across the electricity value chain being generation, transmission, distribution, and supply of electricity. The Corporation owns and operates a number of hydropower stations with a combined power generating capacity of circa 2,900 Megawatts. For more information please see: www.zesco.co.zm

About Ilute

The Ilute Solar project entails the pioneering greenfield 25MW solar project located in Western Zambia. Developed through a consortium of Serengeti Energy and Western Solar Power, Ilute is a unique partnership of local and international expertise that leads the standard as the cornerstone of the nation's commitment to renewable energy. Currently finalising the remaining commercial contracts, this transformative project is planned for single-phase construction, scheduled to commence in 2024 and reach commercial operation by 2025. The power generated from the project will be sold to GreenCo under a power purchase agreement.

About Ilute Sponsors – Serengeti Energy and Western Solar Power

Serengeti Energy

Serengeti Energy is a leading renewable Independent Power Producer developing, constructing, and operating medium sized renewable energy power plants of up to 50 MW in Sub-Saharan Africa with 9 operational plants in 5 countries (7 hydro-power plants and 2 Solar-plants in South Africa, Uganda, Rwanda, Malawi and Sierra Leone). Serengeti Energy is owned by **KfW**, **STOA**, **Proparco**, **Norfund**, **Swedfund** and **NDF**. For more information please see: www.serengetienergy.com

Western Solar Power

Western Solar Power (WSP) is a Zambian renewable energy developer owned by Buffalo Energy and a consortium of local investors. A citizen empowered corporation, WSP is the landowner and developer of the 100MW Sesheke Solar Park, and founded Ilute Solar to develop the 25MW Ilute Solar project alongside Serengeti Energy. WSP is a team of local and international expertise, focusing its developments in the Western Province of Zambia and in partnership with communities and traditional authorities.

About GreenCo

GreenCo acts as a renewable energy buyer and trader purchasing power from renewable energy generators and selling that electricity to utilities and private sector offtakers (i.e. commercial and industrial users), national power trading markets and markets of the SAPP. GreenCo will mitigate the risk of purchaser default through an ability to secure alternative buyers or through short-term trading on the SAPP electricity markets. Through its activities, GreenCo will also increase the supply of, and demand for, finance for energy projects, and mobilise private sector capital more quickly towards critical and transformative capacity addition. For more information please see: www.africagreenco.com

GreenCo's innovative business model was incubated with grant funding and strategic input from **The Rockefeller Foundation**, **Convergence** and the **P4G**. GreenCo also benefited from the support of **SADC PPDF** via the **Development Bank of Southern Africa** and **USAID's Power Africa**, of which GreenCo is a private sector partner.

About IFU

IFU, the Danish Investment Fund for Developing Countries, is an independent government-owned fund offering advisory services and risk capital to companies doing business in developing countries and emerging markets. Investments are made on commercial terms with the aim of creating economic and social progress as well as supporting the Sustainable Development Goals. For more information please see: www.ifu.dk

About PIDG

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure project developer and investor which mobilises private investment in sustainable and inclusive infrastructure in sub-Saharan Africa and south and south-east Asia. PIDG investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to the Sustainable Development Goals (SDGs). PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity, and impact. Since 2002, PIDG has supported 211 infrastructure projects to financial close which provided an estimated 222 million people with access to new or improved infrastructure. PIDG is funded by the governments of the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, Germany and the IFC www.pidg.org

About InfraCo

InfraCo Africa is part of the Private Infrastructure Development Group (PIDG) and seeks to alleviate poverty by mobilising investment into sub-Saharan infrastructure projects. It does this by investing directly into early-stage projects and by providing development leadership. Through its investments arm, InfraCo Africa can also provide equity to close a financing gap and start construction or fund innovative solutions that need support to scale-up, to pilot new products or enter new markets. InfraCo Africa is funded by the governments of the United Kingdom (through FCDO), the Netherlands (through DGIS) and Switzerland (through SECO). To find out more visit: www.infracoafrica.com

