



FOR IMMEDIATE RELEASE

6th November 2023 – ZESCO and GreenCo Execute System Operations Agreement (SOA): Fostering a New Era for Open Access Electricity in Zambia

Lusaka, Zambia - Africa GreenCo Group, through its Zambian-based operating company **GreenCo Power Services Limited** (together **GreenCo**), is thrilled to announce the successful execution of a System Operations Agreement (SOA) with the Zambian National Power Utility, **ZESCO Limited**. The SOA was officially signed by the ZESCO Managing Director, Engineer Victor Benjamin Mapani and the CEO of GreenCo, Ms. Ana Hajduka on 6th October 2023. This milestone SOA defines the operational parameters for GreenCo's supply of electricity from the 25MW Ilute Solar PV plant to be constructed in Western Province of Zambia into ZESCO's power grid system and subsequently sold into the Southern Africa Power Pool (SAPP). The collaboration between ZESCO and GreenCo on this groundbreaking project further demonstrates the viability of an open access regime in the Zambian Electricity Supply Industry (ESI) in line with the legislative amendments of 2019.

Situated in Sesheke District of Western Province, the 25MW Ilute Solar Power Project shall be the first of its kind in Africa, using the competitive markets of the SAPP to mitigate customer default risk by leveraging the diversified customer base in contrast with the traditional practice of transferring project risk to the national treasury. ZESCO will be compensated by GreenCo for providing system operations services. The Ilute Solar project is being developed by a consortium comprising Western Solar Power, a Zambian developer and Serengeti Energy.

This significant achievement harmoniously aligns with the objective articulated by His Excellency, President Hakainde Hichilema, during his inaugural speech at the opening of the National Assembly, where he emphasized the government's dedication to promoting competition and non-discriminatory access to electricity transmission and distribution infrastructure. President Hichilema reiterated, **"To promote competition and allow for non-discriminatory access to electricity transmission and distribution infrastructure by the private sector, the government is in the process of implementing an open access regime. Private sector players will be able to wheel power to their customers and will also help remove ZESCO from entering into unsustainable power purchase agreements."**

During his speech, President Hichilema also commended ZESCO for hastening the execution process of power purchase agreements with independent power producers since 2021, a catalytic enabler to attracting private and public investment in the Zambian electricity supply industry.

ZESCO's Managing Director, Engineer Victor Benjamin Mapani welcomed the execution of the SOA and stated that: **"ZESCO is determined to allow for more private participants onto the Electricity Supply Industry in an amenable manner because Zambia is open for business."**

The execution of the SOA signifies a ground-breaking development for the nation's energy landscape and highlights Zambia's commitment to fostering a competitive, equitable and sustainable power sector.

CEO of GreenCo, Ms. Ana Hajduka expressed gratitude to ZESCO and the Government of the Republic of Zambia for its continued support of GreenCo's business stating that: **"The successful execution of the System Operations Agreement with ZESCO is a significant milestone on the road to implementing a ground-breaking project. More importantly, it contributes to the development of a market framework that facilitates greater private investment and operational integration with the national utility in a synergistic manner and bodes well for the future-readiness of Zambia's electricity sector."**

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: <https://www.zesco.co.zm/>

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: <https://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: <https://www.ifu.dk/en/about-ifu/>

About PIDG

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 157 infrastructure projects to financial close and provided 209 million people with access to new or improved infrastructure. PIDG is funded by six governments (the UK, the Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC. For more information please see: www.pidg.org

About InfraCo

InfraCo Africa is part of the Private Infrastructure Development Group (PIDG). InfraCo Africa seeks to alleviate poverty by mobilising private investment into high-quality infrastructure projects in sub-Saharan Africa's poorest countries. It addresses the risks and costs of early-stage project development: funding teams of experienced developers and providing risk capital to those projects which need the financial commitment and leverage that InfraCo Africa can bring. InfraCo Africa is funded by the governments of the United Kingdom (through FCDO), the Netherlands (through DGIS) and Switzerland (through SECO). For more information please see: www.infracoafrica.com

About EDFI ElectriFi

EDFI ElectriFi (The Electrification Financing Initiative) is a blended facility funded by the European Union and managed by the EDFI Management Company. ElectriFi is an impact investment facility, that finances early-stage private companies and projects, focusing on new and/or improved electricity connections as well as on generation capacity from sustainable energy sources in emerging markets. It has a global scope, with a particular focus on sub-Saharan Africa. The facility is managed by FMO and the EDFI Management Company on behalf of the 15 European Development Finance Institutions (DFIs). For more information please see: <https://www.edfi.eu/>

