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Renewable Energy IPP Market in Mozambique

Market Insight Package – 6th Dec 2022

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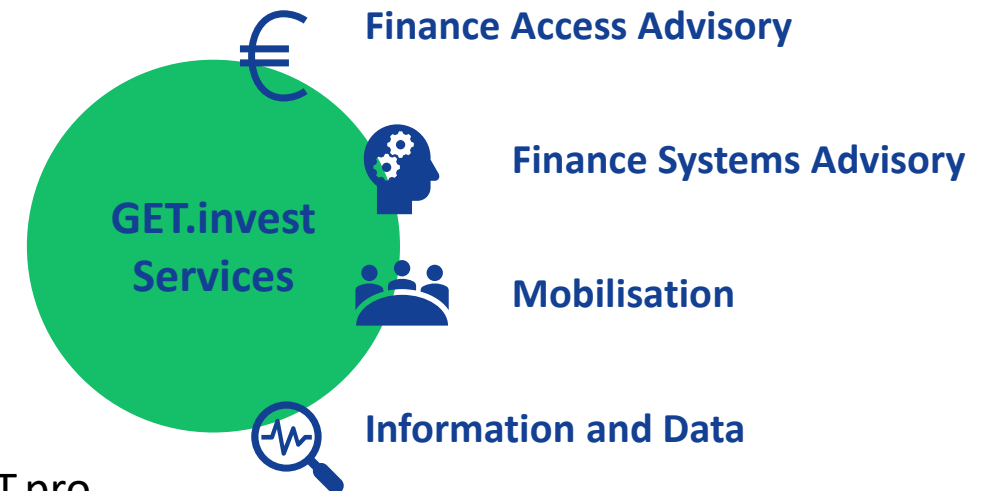


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GET.invest: Overview

- **Leading European** programme **mobilising investment** in renewable energy, **building a pipeline** of investment-ready projects
- **Team Europe One Stop Shop** for Green Energy Investments
- **Supports all relevant delivery models**, incl. on- and off-grid electricity, clean cooking, productive use
- **Broad partner network** incl. financiers and associations
- **Active in Sub-Sahara Africa, the Caribbean & the Pacific**
- Implemented by **GIZ**, hosted on the multi-donor platform GET.pro, and supported by the **European Union, Germany, Sweden, the Netherlands, and Austria.**



Market Insights Package: Mozambique



Renewable Energy Independent Power Producer (IPP) Projects

The Developer Guide:

A **manual** for the private sector to set up a business.

- Breakdown of Opportunities, Assessment Indicators, review of Successful Projects and Independent Power Producer profiles across sub-Saharan Africa
- Potential IPP demand in Mozambique based on
 - a. Sectors: **Hydropower, Solar, Wind**
 - b. Type: **Solicited versus unsolicited**
- Route-to-Market leveraging this market research to start up a renewable energy business in Mozambique
 - Exploring: **Addressable Market by Sector, Business Registration, Regulations and Financing Landscape**

Market Insights Package: Mozambique



Renewable Energy Independent Power Producer (IPP) Projects

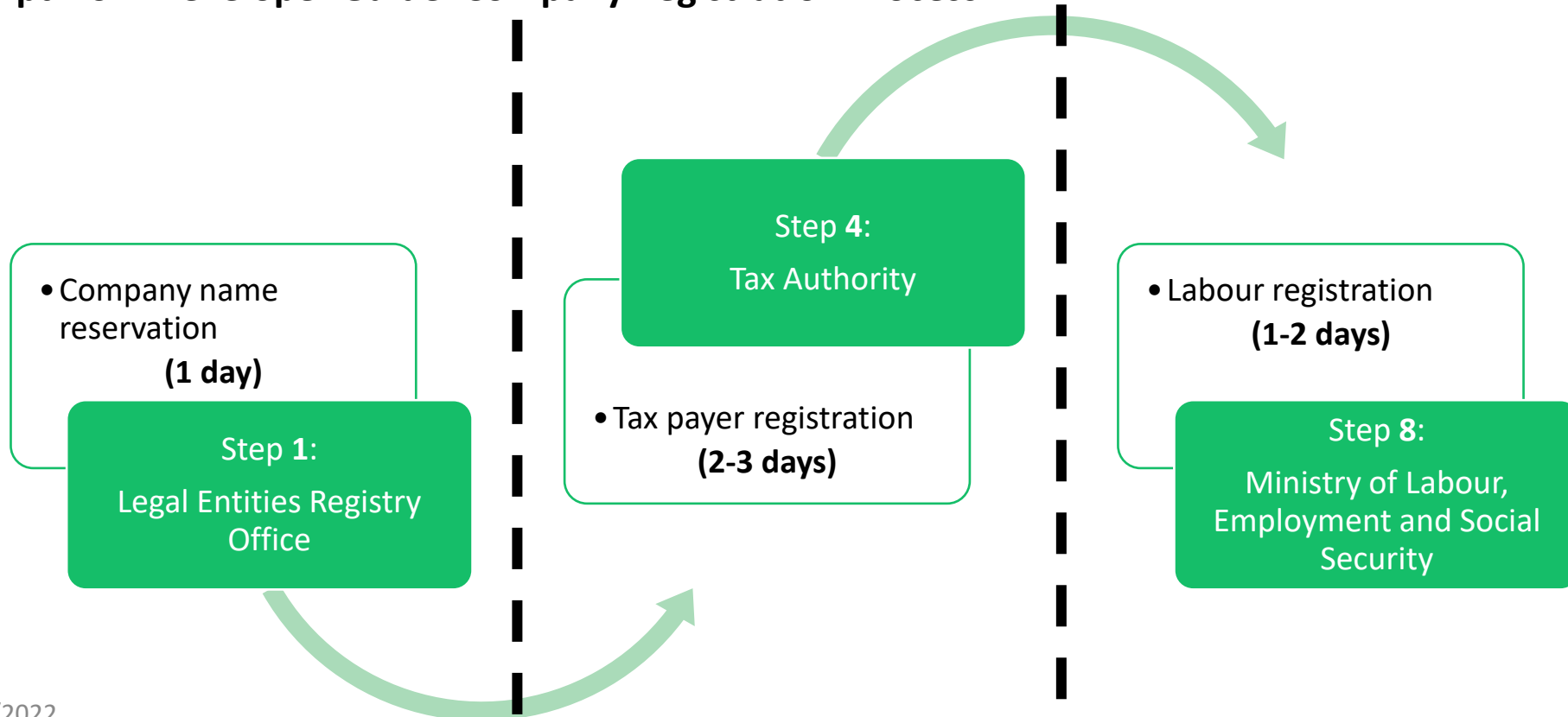
The Research Methodology:

- Desk Review
 - Regulatory framework
 - Institutional assessment
 - Analysis of procurement mechanisms (PROLER, GET FiT, Unsolicited Bids)
 - Energy Sector Strategies and Masterplan Review
- Stakeholder interviews
 - Key government stakeholders (MIREME, ARENE, EDM)
 - Questionnaire to developers via AMER and ALER
- Case Studies
 - Assessment of existing IPPs

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Renewable Energy Independent Power Producer (IPP) Projects

Excerpt from Developer Guide: Company Registration Process



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Renewable Energy Independent Power Producer (IPP) Projects

Model Business Cases:

- A techno-economic and financial analysis on the viability of the below businesses:

1. 20 MWp IPP Solar Farm (with battery storage)

A solar PV IPP with battery storage that sells power to EDM under a 25-year PPA.

2. 40 MWp IPP Solar Farm (without batteries)

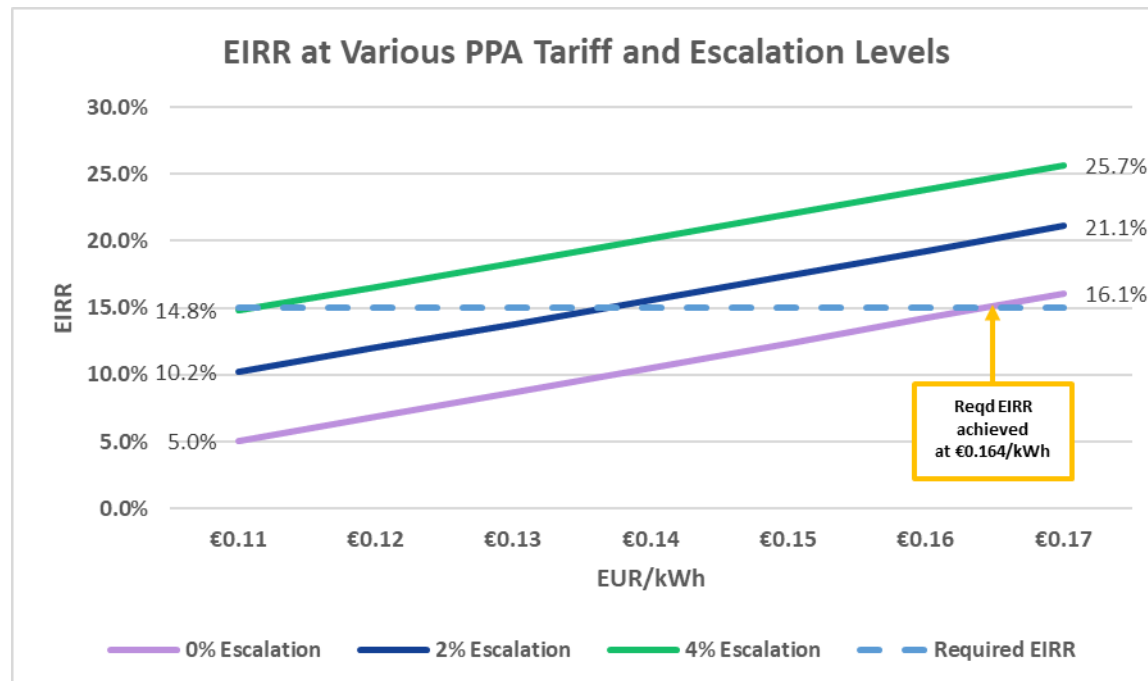
A solar PV IPP that sells power to EDM under a 25-year take-or-pay PPA.

- The Financial analysis compares MZN and EUR denominated debt for project development, CAPEX and OPEX, arriving at IRR, payback, NPV, DSCR, etc.
- Sensitivity analysis presents scenarios by varying CAPEX/OPEX, Debt Interest Rates, Sale price, Local Currency Depreciation / Inflation, etc.

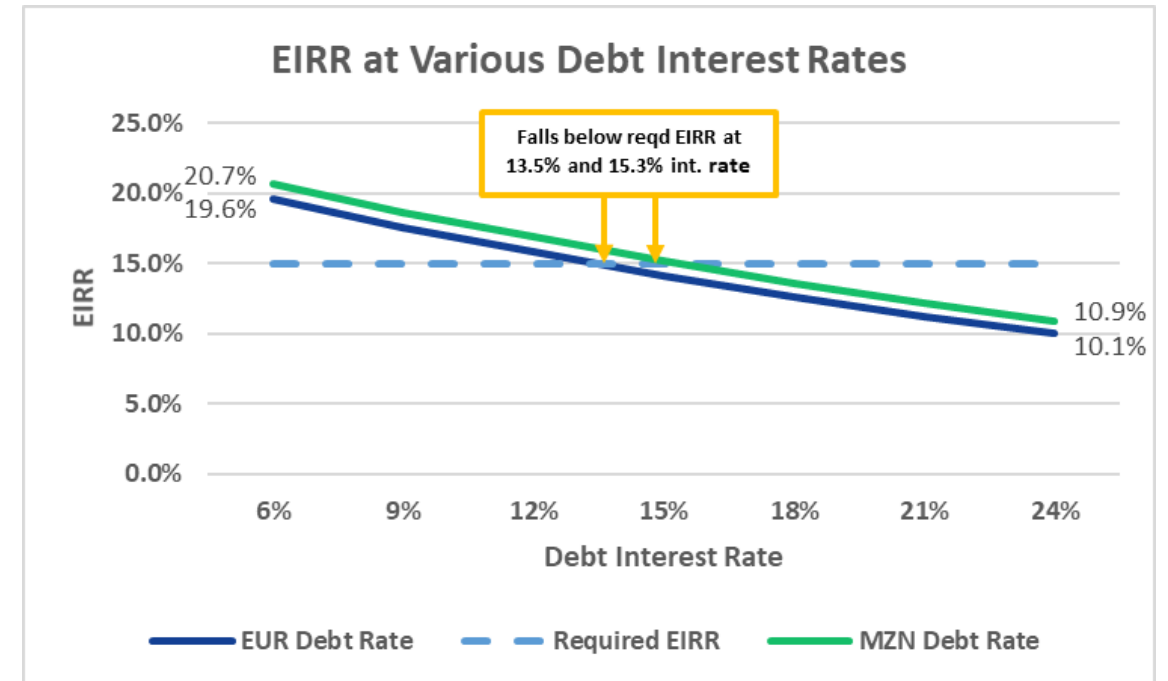
Market Insights Package:

Renewable Energy Independent Power Producer (IPP) Projects in Mozambique

Example graph: IPP Solar Farm (with battery storage)



Example graph: IPP Solar Farm (without battery storage)



Thank You For Your Attention!



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