

DealMakers[®]

RENEWABLE ENERGY

2022



FOREWORD



MARYLOU GREIG

Over the next two weeks, global leaders will gather in Sharm el Sheikh, Egypt, to discuss climate-related topics, as countries address the struggle to cut greenhouse gas emissions amid a global energy crisis, war in Europe and rising inflation.

Africa is home to some 17% of the world's population, but contributes only 2% to 3% of its carbon emissions, and according to the Energy Democracy Initiative, there are three key drivers for a global energy transition away from fossil fuels. The first is the imperative for all governments and non-state actors to take urgent action to address climate change. The second is the need for energy security. The third is the massive advances made in the past few years, in terms of technology, innovation and affordability by the renewable energy sector. The key challenge for such a transition in South Africa is that the shift away from the dependence on coal is managed in a manner that addresses the most pressing socio-economic challenges, namely poverty and inequality.

Last year, South Africa, the continent's most industrialised economy, secured \$8.5 billion in loans and grants from a group of rich countries. However, President Ramaphosa told Parliament days before flying out to Egypt to attend COP27 that the money was not enough, with the release of a just transition investment plan suggesting that South Africa would need \$83bn over the next five years for its plans to cut carbon emissions, harness economic opportunities from the energy transition, and support affected communities. Earlier, the World

Bank indicated that South Africa would need around \$500bn by 2050 to achieve carbon neutrality.

The Renewable Energy Independent

Power Producer Procurement Programme (REIPPPP) was announced in August 2011, and has since allocated projects to over 92 Power Producers, injecting over 6,300MW of power into the power grid, mainly from solar and wind generation. These sources currently make up about 8% of South Africa's energy mix, but a target of 50% electricity from renewables is perfectly feasible and is the minimum that the country should aspire to.

In South Africa, companies are using M&A to accelerate shifts in their portfolios. Fluid M&A market dynamics will continue to provide a myriad of opportunities for resilient companies to transform their portfolios and reposition themselves for the great energy transition, which will involve both divestments of high-carbon assets and investments in the energy transition.

Articles carried in this feature give insightful information on this topical issue, and the "Meet the Specialists" section introduces some of those individuals who have made dealmaking in the energy space their passion. ♻️



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RMB



POWER MOVE

RMB invests alongside long-standing partner, Seriti, in acquisition of African sustainable-energy producer.

As a trusted adviser, we've partnered with Seriti to continue its just energy transition through the purchase of the Windlab Africa Platform. The deal allows Seriti to harness wind and solar assets to reduce its carbon footprint and ensure sustainability as a diversified renewable power producer.



Traditional values. Innovative ideas.

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**CORPORATE AND
INVESTMENT BANKING**

Facilitating a new generation of renewable energy



AMBER BOLLEURS AND PRANISHA SAHADEO ARE SENIOR TRANSACTORS, AND SINDISIWE MOSOEU A TRANSACTOR - INFRASTRUCTURE SECTOR SOLUTIONS | RMB (SOUTH AFRICA)

The pressure on South Africa's power grid has created the need for a larger number of corporates to come to market to procure power within a short space of time. This has been exacerbated by the gradual decommissioning of Eskom's coal fleet and increased energy requirements of an urbanised population and rapid industrialisation.

Yet there is potential beyond the worthy task of alleviating pressure on the grid. Going partially or fully off grid assists corporates to reach their decarbonisation goals and ensures a greater certainty of power supply at a stable price, which in turn leads to the stability of a corporate's bottom line and, ultimately, sustainable economic growth for South Africa.

The deregulation of the sector has spurred a wave of corporate and industrial users seeking to generate their own power or procure power from an Independent Power Producer (IPP). This can assume a number of forms.

ON-SITE GENERATION – in this case, rooftop solar or ground mounted installations have become popular solutions for the corporate and industrial (C&I) private sector. The South African Photovoltaic Industry Association (SAPVIA) estimates that there is 2GW of installed rooftop solar capacity in South Africa at the moment, 70% of which represents the C&I sector. These solutions offer an alternative energy supply which is unaffected by load-shedding. However, sizing of the facility is constrained by available space on site.

IPPs – Large corporate and industrial companies have typically opted to outsource their renewable energy procurement from IPPs. This model can either follow a behind-the-fence solution on the companies' premises, or a wheeling solution, with the latter being the most adopted solution by large C&I.

THE WHEELING SOLUTION

– where power is generated at a project site in a different location and delivered to the buyer via the Eskom transmission and distribution infrastructure – is subject to an additional wheeling charge levied by Eskom, which forms part of the overall cost of the renewable energy. Wheeling over the Eskom network is relatively well understood by the market.

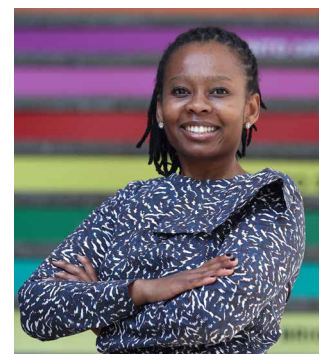
RMB has demonstrated the success of this method with clients, including closing the first project-financed wheeled renewable energy



BOLLEURS



SAHADEO



MOSOEU

transaction for Harmony Gold. Wheeling requires grid capacity from the point whereby the power is generated to the offtaker. With grid capacity constraints experienced in certain parts of South Africa, this is a key concern that could represent a major stumbling block for the quick roll-out of wheeling projects. The transmission infrastructure needs urgent upgrades in order to handle the country's growing electricity needs, provide reliable power, along with being able to facilitate the targets set in the Integrated Resource Plan of 2019, which stipulates an additional 30GW of new generation capacity by 2030. In addition, not all corporates have an Eskom connection; many are connected to municipal grids.

BATTERY STORAGE – In addition to a pure renewables solution, corporates should consider the use of battery storage in conjunction with a renewables solution in order to truly unlock the full benefit of a renewables solution. Given the variable nature of wind and solar resources, excess power generated could be reliably stored via a battery energy storage solution for use when required - usually during a period of peak demand. The cost of the battery solution is an important consideration for corporates and should be seriously considered as a key element in unlocking the provision of reliable power.

A VISION FOR EFFECTIVE POWER PRODUCTION IN SOUTH AFRICA

Fully realising the potential of diversified and renewable energy in South Africa requires an enabling market that is able to cater for the energy requirements of a variety of customers. We believe that the energy exchange model is able to further

open the market for a wider range of energy consumers by removing market constraints associated with the bilateral power generator and customer model. Allowing customers access to a wider range of technology sources enables the matching of supply and demand through the exchanges' ability

to access a pool of different energy sources, particularly with renewable energy sources that vary in effectiveness based on the time of day, season and are dependent on an unpredictable resource. These platforms also create a liquid market for the procurement of electricity on a basis that better suits the unique needs of the procuring entity, whose requirements would vary as it pertains to tenor, size and consumption profile. In this regard, energy exchanges are the catalyst for change that is needed to cater for the nuanced customer market elements together.

Internationally, there are many examples of energy exchanges, from the European Energy Exchange (EEX) to Australia's National Electricity Market (NEM), all of which are slightly different, depending on the

markets they serve. What they all have in common, however, is that they consolidate or facilitate the consolidation of multiple energy sellers and energy buyers into a single marketplace for wholesale energy trading. The Energy Exchange of Southern Africa is a local example which has evolved from these global examples to meet local needs, acting as a marketplace where independent generators can sell their surplus energy to the industrial and commercial entities.

In conclusion, corporate South Africa has multiple options when it comes to securing independent power supply, but this should be complemented by an enabling market. ♻️

Given the variable nature of wind and solar resources, excess power generated could be reliably stored via a battery energy storage solution for use when required - usually during a period of peak demand.





Amber Bolleurs
RMB



Senior Transactor:
Infrastructure Sector Solutions

AREA OF SPECIALTY

The Infrastructure Sector Solutions team of Rand Merchant Bank is a multi-disciplinary team and covers all types of infrastructure, including ports, rail, road, conventional and renewable power, water, telecommunications, and industrial and manufacturing facilities. Given the above, I have a broad range of project finance and infrastructure related transactional experience.

EXPERIENCE WITHIN THE INFRASTRUCTURE SECTOR, AND MORE SPECIFICALLY RENEWABLE ENERGY

Over the course of the last 10.5 years at RMB, I have had the privilege of closing several infrastructure transactions, across a range of sectors including telecommunications, ports, accommodation PPP's and power. Two renewable energy transactions specifically worth noting are the small renewable energy debt fund and the Harmony Gold wheeling private power transaction – both of which were unique. The first involved the development of a debt fund alongside a German DFI to fund small renewable energy transactions in South Africa – a sector which has seen rapid growth but has struggled to secure project finance funding solutions from commercial banks. This debt fund has grown to c.R800m of diversified exposures across a range of resources and credit risk. The Harmony Gold transaction was the development of 3 x 10MW solar PV projects - two behind the meter, and one in-front of the meter. This transaction was one of the first private power transactions to close under the new regulation in South Africa.

THOUGHTS ON INFRASTRUCTURE AND RENEWABLES IN SA

The South African Government has made it clear that South Africa's future energy mix includes renewable energy. Against the backdrop of the low performance of coal-fired power stations and the decommissioning of older coal-fired power stations, the contribution of renewable energy to our power supply remains a relevant input for the foreseeable future. There is ample funding available

for renewable energy transactions in South Africa. This coupled with the issue of trading licenses to entities looking to trade power and create a liquid secondary market for power will lead to greater flexibility and exponential growth of the sector.

HURDLES/CHALLENGES WITHIN THIS SECTOR

The recent deregulation of the energy sector, made possible via the amendments to the Electricity Regulation Act (2006), have gone a long way to liberalise the energy market in South Africa. Large corporates now have the option of procuring significant amounts of renewable energy generated by Independent Power Producers, in the same way that Eskom has under the Renewable Independent Power Producer Program (REIPPP). The challenges facing this sector, as it continues to grow and evolve at a rapid rate, is and will continue to be, grid capacity and availability of grid connections until further investment is made by Eskom to address this constraint. The evolution of, and sustainability of Eskom is critical as the grid owner, and baseload power supplier of our country.

In addition, wheeling projects, typical of IPP-type power procurement, require a robust wheeling framework to facilitate the transfer of power from seller to buyer, and the reconciliation of the consumption of renewable energy in the buyer's electricity invoice. The wheeling framework is established and tested in the Eskom construct—but wheeling across municipality grids remains a constraint. Many municipalities are without a wheeling framework in place, resulting in the inability of corporates with a municipal grid connection, to procure power from IPP's. ♻️





Pranisha Sahadeo
RMB

Senior Transactor:
Infrastructure Sector Solutions



AREA OF SPECIALTY

My area of specialty within the Infrastructure Sector Solutions team encompasses the structuring and funding of large infrastructure related transactions spanning renewable energy, roads, rail, ports, and general infrastructure. More recently, the renewable energy market in South Africa and the rest of Africa has been booming hence the focus on this exciting and rapidly evolving market.

EXPERIENCE WITHIN THE INFRASTRUCTURE SECTOR, AND MORE SPECIFICALLY RENEWABLE ENERGY

My career originally started off in Global Markets where I spent 5 years, I then moved on to Aviation and Structured Asset Finance which involved the funding of commercial aircraft and yellow metal equipment, and I have now for the past 6-7 years been in the Infrastructure Sector Solutions team at Rand Merchant Bank.

My experience within the infrastructure sector has been varied and interesting to say the least, having closed several deals spanning the broad spectrum of Infrastructure transactions. A notable transaction in the renewables sector specifically related to the first refinancing of a project concluded under the Renewable Energy Independent Power Producer Programme. This refinancing served to reduce the tariff paid by Eskom thereby delivering savings of ca. R800m to the consumer over the remaining tenor of the Power Purchase Agreement. In addition, the Infrastructure Sector Solutions team is currently busy with a large pipeline of private power deals for mining and other large C&I clients that are in execution phase and which we expect to reach financial close over the next few months, thereby bringing a substantial amount of megawatts onto the grid.

THOUGHTS ON INFRASTRUCTURE AND RENEWABLES IN SA

There never has been a more exciting time to be a part of a sector that directly and indirectly impacts

the lives of South Africans in such a positive way. In the renewables space, with the impact of load shedding crippling the economy, I'm proud to be a part of the solution which ultimately assists our clients with more price certainty on electricity costs, achieves their decarbonisation goals and ensures stability of supply. This has many positive knock-on effects in the economy such as job creation and sustainable economic growth driven by the private sector.

HURDLES/CHALLENGES WITHIN THIS SECTOR

Given the intricacies associated with large infrastructure and renewables deals, there is a perception that these types of deals can take slightly longer to conclude. It is however important to note that a well-structured deal is vital to the smooth operation of the deal and from which the country can reap benefits for decades to come. In the renewables sector specifically, we have seen great strides being made in corporates seeking to procure their own power in a multitude of different ways. However the available grid capacity remains a key hurdle which the public and private sector need to work together on in order to forge ahead in fulfilling the country's renewable energy goals.

INTERESTING FACTS ABOUT YOURSELF

I'm a creative soul at heart and enjoy creating and curating beautiful things, planning parties and scouring Pinterest! ♻️





Sindisiwe Mosoeu
RMB



Senior Transactor:
Infrastructure Sector Solutions

AREA OF SPECIALTY

Debt funding and equity gearing of local and cross-border greenfield and brownfield infrastructure transactions across sub-Saharan Africa.

ROLE/FOCUS:

Assessing, structuring and executing infrastructure transactions including amongst others, power generation (thermal and renewables), roads, rail, ports, pipelines and tank storage. With experience in the renewable energy independent power procurement (REIPP) programme and infrastructure procured through the private power partnership (“PPP”) and concession models.

EXPERIENCE (WITH FOCUS IN THE DE-REGULATED RENEWABLE ENERGY SECTOR)

Exploring opportunities for debt, equity funding and co-investments opportunities into the private power market through development platforms, IPPs and energy exchanges.

One such opportunity being the Seriti Green transaction that has seen RMB partner with Seriti Resources (Seriti), in a transaction to drive Seriti’s own strategy to become a diversified energy business as well as to reduce its carbon emissions. The transaction involves the acquisition of Windlab Africa’s wind and solar assets where RMB is looking to invest equity for a 14.5% shareholding in the development platform. This transaction will see Seriti Green become one of only a handful of South African black-owned Independent Power Producers (IPPs).

THOUGHTS ON THE SA POWER SECTOR

The power sector is facing a myriad of challenges with the widening gap of demand and supply and grid capacity constraints being the most prominent. This has presented the market with an opportunity to co-create a collaborative solution. The increased energy demand coincides with the increased focus of companies to decarbonise, making renewable energy solutions more attractive in this climate.

Positively, the varying sizes of the private power transactions present a unique opportunity for increased participation from local companies, and as such we are seeing an increase in South African owned, operated and maintained solutions in the corporate and investment and large Industrials market.

HOW DID YOU GET INTO THIS SPECIALTY?

I joined RMB's infrastructure sector solutions team after qualifying as a CA(SA) in December 2015 having completed my articles with FirstRand Bank, I have been financing infrastructure assets on the continent since. What drew me to the sector is the tangible impact associated with the end-product as well as the complexity associated with each transaction. I particularly enjoy funding transactions located outside of South Africa as they give me an opportunity to learn and sometimes visit new jurisdictions.

INTERESTING FACT(S) ABOUT YOURSELF/ YOUR ACHIEVEMENTS

I was born and raised in Kwazulu-Natal South Africa, in a very small town called Dannhauser, I think it is the biggest contributing factor to why I love traveling. I also have an adventurous spirit, not the jumping out of moving planes kind, but the trying something new (big or small) frequently kind. ♻️



Energy options to address Africa's electricity challenges



LIZ WILLIAMSON (HEAD, ENERGY CORPORATE FINANCE), DAN ZINMAN (HEAD, POWER – INFRASTRUCTURE SECTOR SOLUTIONS) AND JAMES CARTER (ENERGY CORPORATE FINANCE TRANSACTOR) | RAND MERCHANT BANK (UK)

Recent pan-African M&A transactions have highlighted the different energy tariffs and structures across the continent. This has prompted us to closer examine the differences in the market and the resulting variances in competitiveness. From Kenya to Nigeria, to South Africa and beyond, these markets have matured and now provide a broader array of energy options to address Africa's ongoing electricity challenges.

The evolution of utility scale renewable energy in sub-Saharan Africa is best showcased through the lens of South Africa's Renewable Independent Power Producer Procurement Programme (REIPPPP). The broadly successful government auction, which recently kicked off its seventh round (known as Bid Window 6 – there was a Bid Window 3.5) this year, has been responsible for procuring over 9GW of energy to date (excluding Bid Window 6). This has anchored the creation of numerous independent power producers (IPPs) and has facilitated the entry of many international players into the market, many of whom are now operating across the continent.

These large utility-scale projects feed directly into the grid through long-term (20-year) offtake agreements with the South African national utility, Eskom, whose obligations under the Power Purchase Agreements (PPAs) are guaranteed by the South African government. These highly competitive auctions have led to a "race to the bottom" in terms of pricing, and while a win for the consumer, it has presented a challenge for preferred bidder projects under Bid Window 5, whereby the demand for MW was heavily oversubscribed for both solar and wind. The competitiveness, coupled with the increase in

construction, commodity and shipping costs between bid date and now, has presented significant return challenges to the selected IPPs. Consequently, many of these projects are still to reach financial close. Despite the ongoing and critical demand for energy, Bid Window 6 bids are expected to be (marginally) less oversubscribed and have more conservative tariff pricing (for various reasons).

What is also evident from the SA model is that the government rounds alone have not managed to address the electricity crisis. Loadshedding continues (up to stage 6 has been implemented recently), and there is a drastic and constant undersupply of power. Despite Bid Window 6 capacity allocation being raised from 2.6GW to 4.2GW (September 2022) and the Risk Mitigation IPP Procurement Programme (where most preferred bidders have also yet to



WILLIAMSON



ZINMAN



CARTER



reach financial close), estimated power shortfalls are to remain at more than ~6GW. This shortfall is also expected to increase in the near-term, as existing coal-fired power plants' energy availability factors continue to decline, and/or reach their end of life.

The not so recent electricity emergency and the ongoing chronic power outages have led to a need for alternative energy options. This opened the floodgates for private investment in new generation capacity via corporate PPAs or Commercial and Industrial (C&I) entities. The limit on the requirement for a generation licence has been lifted from 1MW to 100MW (which limit is in the process of being eradicated), and multiple 'new' business models have been created to deliver reliable power.

The end result is that C&I growth across Africa is booming, allowing nations and companies to effectively leapfrog the burden of traditional grid development, landing in an increasingly decentralised system. C&I investment has a continued growth forecast over the next decade, as investors seek consistent returns from decarbonised generation sources.

Although capital costs for smaller C&I remain comparatively high (versus larger utility projects) due to fewer economies of scale, innovative captive power business models are providing attractive investment opportunities. Moreover, innovative financing solutions and investment platforms are allowing smaller developers and IPPs access to cheaper collectivised capital (something RMB has been successfully facilitating; one recent example combining four previously independent BEE entities to access greater capital pools), with maturing markets and increasing M&A activity generally helping to accelerate energy expansion across Africa.

The diversification away from government offtake into captive power markets can be widely seen across Africa's mines, with many mining companies choosing to decarbonise their operations through low-carbon

captive power solutions. In markets like SA, where the national transmission infrastructure is reliable and extensive, the option of 'wheeling' exists too. 'Wheeling' is when the source of private generation need not be located where the load is required and, at a fee, can be transmitted to the offtaker using Eskom's transmission network. Whether the success of this model will filter down to a mass roll-out across less energy intensive industries is yet to be seen, but the move from Africa's consumer and retail space certainly indicates that it might.

The not so recent electricity emergency and the ongoing chronic power outages have led to a need for alternative energy options.

The move has also highlighted a diversification away from traditional PPAs into more flexible business and payment models. For example, modular solar assets available on short-term leases offer a relatively unique and fresh low-carbon approach to solving energy access. It provides both the ability to give access to services that need energy fast (i.e. NGOs / humanitarian aid sites), and scalability. The lease model allows for utility-scale deployment in countries with little to no power, and with slim options for financing more fixed energy models, all while doing this with a

comparatively lower investor risk profile.

What is clear is that the African energy landscape is quickly evolving, as it tries to keep pace with the increasing power demands. At RMB, we believe in a just transition model where the scale-up in energy puts people and communities at the center of change; where technological advancements in low-carbon energy are developed alongside transition fuels, such as natural gas and hydrogen, and utilised to provide affordable and reliable power to the end consumer. The right to power, and to modernise and develop societies across Africa, cannot simply be based on idealism, but in practical steps that should enhance the socio-economic outlook of every African. RMB is committed to this vision and has the track record and expertise to support our clients and their customers along this journey. ♻️



Daniel Zinman
RMB

Infrastructure Sector Solutions:
Head – Power



AREA OF SPECIALTY

The Infrastructure Sector Solutions team at RMB covers a broad range of infrastructure including Public-Private Partnerships (PPPs), midstream oil and gas, concessions, transport and power, which includes both renewable energy and certain thermal power. From a product perspective, we provide senior project finance debt, mezzanine and subordinated funding, equity gearing and acquisition finance. We also take equity positions in pointed opportunities, and provide advisory services as well. I look after the power side of our business.

Q *For the last year or two, many South African companies are looking to source their power from providers other than Eskom. What has precipitated this change?*

A The private power sector is booming. Driven by the need for security of electricity supply, a desire for more certainty in the price of power, and net zero commitments and decarbonisation goals, large corporates and smaller clients alike are looking either to generate their own power or purchase electricity from third parties. This revolution is happening now because of the decline in renewable energy prices, especially relative to rapidly increasing Eskom electricity tariffs, changes to the regulatory environment (e.g. Eskom facilitating wheeling of power across its network and licence requirements being lifted), and the maturation of the SA renewable energy industry with more developers, IPPs and projects. Needless to say, the recent spate of loadshedding, and that it's unlikely to dissipate any time soon, has exacerbated this rapid development in the private power market, also referred to as the commercial and industrial (C&I) sector.

Q *How has the private power market developed? What have been some of the challenges?*

A As a result of the success of the Government's Renewable Energy IPP Procurement Programme (REIPPPP), there are many local and international IPPs active in South Africa, with significant experience in the local environment. In addition, there are a number of smaller IPPs who have traditionally specialised in the C&I market. We are now seeing those two groups of players converging in the C&I space, which in turn creates more competition and better tariffs for buyers.

Energy intensive resource sector clients (e.g. mining and industrial corporates) have taken the lead in this market. While some have elected to own these plants themselves, the majority have elected to procure renewable energy through formal Requests for Proposals (RfPs) seeking arm's length long-term (15 to 20-year) power purchase agreements (PPAs) with one or more independent power producers (IPPs). These deals have typically been financed on a limited recourse (or project finance) basis, where the



lenders and shareholders look only to the cash flows emanating from the project itself, for repayment and equity returns alike.

One of the challenges that this burgeoning market faced was credit risk: How can lenders take a long-term (15 – 20 year) credit view on a project that sells only to a particular corporate, when they would only lend to that same counter for 5 – 7 years? The answer lies in a project's ability to find one or more other buyers of that power, should the original offtaker be unable to meet its obligations under the PPA. As part of the liberalisation of the market, Eskom has not only facilitated, but even encouraged, the wheeling of power from the source of generation to the buyer across its transmission network. The resultant credit hypothesis is that should the original buyer under the PPA renege on its obligations, provided that the plant is connected to the Eskom network, there is a universe of alternative potential buyers who could be accessed, particularly given that the power being generated is both renewable, and cheaper than Eskom.

Q *Where to now for the private power market?*

A While the energy-intensive users have led the market, most corporates do not consume that quantity of power. Specifically, those companies that use between 1 and 10MW may need more support in assessing the most viable option/s to generate their own power and/or to purchase from IPPs. If an on-balance sheet structure is not viable, their power requirements are often too small to warrant a full project financing and cannot take advantage of economies of scale. In turn, this presents opportunities for the market to solve, and consequently we are seeing a number of different selling models emerging, including:

- emerging energy traders looking to match short-term buyers and long-term sellers;

- IPPs selling to multiple users from the same plant; and
- buyers joining with other smaller users in the same geographic area to purchase from an IPP-owned plant located elsewhere in the country or in that area.

It's clear how exciting a time it is for the electricity sector in South Africa.

Q *What then for the Government procurement programmes?*

A Government auction programmes, like the REIPPPP, continue to be highly competitive – the tariffs bid in Bid Window 5 of the REIPPPP saw a 67% average decline in electricity prices since its inception some 11 years ago. Bid window 5 of the REIPPPP featured incredibly competitive bidding between banks and sponsors. The fact that the bid was nearly four times oversubscribed points to the pent-up demand in the market. This oversubscription trend continued in the 6th Bid Window (bids were submitted early October).

This bodes well for the private power sector: there are multiple, permitted, shovel-ready projects looking for creditworthy offtakers.

In addition, on the back of the success of the REIPPPP, the Department of Mineral Resources and Energy (through the IPP Office) is looking to roll out both a Battery Storage programme and a Gas-to-Power programme.

Q *Interesting fact(s) about yourself / your achievements*

A My current goal is to run all 6 of the World Marathon Majors, and have completed 4 to-date: New York, Berlin, Boston and most recently, Chicago. I am hoping to run the London Marathon in April 2023, which will leave only Tokyo to complete the set. ♻️



Liz Williamson
RMB



Head of Energy Corporate Finance

AREA OF SPECIALTY

The Energy Team at RMB offers corporate finance advisory on Pan-African M&A transactions across the Energy value chain. We cover renewables, energy storage and oil and gas (upstream and downstream) transactions. We focus on both buy and sell side roles, equity fund raisings and specialise in cross border transactions. Part of our competitive advantage comes from having comprehensive knowledge across the energy spectrum, most notably the individual sub-sector diverse challenges and the overall investor appetite, as well as availability of finance for each energy subset.

Q *How did you come to specialise in the energy field – did your career or the needs of the market take you in this direction or was it perhaps a personal choice?*

A I am originally from Texas and grew up in a small town whose sole reason for existence was energy. My grandfather and father were pioneering geologists who took great risks to become part of the energy revolution that has enabled the US to have energy security today. This spirit of risk taking and desire for new experiences has always been central to my personality, and as we enter into what is arguably the most contentious global energy landscape since the Cold War, I find being part of the story invigorating. After I graduated from university in the U.S., I was keen to explore opportunities outside of America. I was particularly drawn to working in Africa after attending Cass Business School in London where my cultural education, primarily through the diverse student body, shifted my interests to the UK and Africa.

After focusing solely on African transactions for over eight years one of the key elements that continues to keep my passion alive is that no single transaction is the same and each one

draws on multiple historic learnings but always implemented in new ways.

Q *Which renewable energy solution do you think is best suited for SA considering the current circumstances the country finds itself in?*

A A combination of wind and solar power is essential. While wind is more efficient, solar is quicker, cheaper and more adaptable. The big game changer will be the evolution of battery technology. As the ability to store power increases and costs come down, the potential for improving the reliability of electricity is immense. We continue to see ongoing interest in the green hydrogen space and while we believe this could play a role in the future, the costs remain prohibitively high to offer an immediate solution.

Q *Do you think this area of expertise requires any special attributes and if so, what would you say they are?*

A Creativity & Patience. Cross-border transactions require one to regularly think on one's feet, pay close attention to transaction sequencing as well as regularly ensuring all stake holders are constantly being considered, whether it be the sellers, buyers, employees, governments and/or associated regulators. Often these



transactions can take the greater part of two years to complete, and it is important not to lose focus along the way.

Q *Do you find this area of expertise to be an exciting field and if so, why?*

A I firmly believe the African energy space is, and will remain, an exciting field. The potential for growth is unparalleled globally. What drives me the most is the ability to make meaningful relationships with my clients and have a significant impact on their businesses. Time and time again I find myself astounded by what my clients can achieve and the businesses they have created. By having a shared vision and delivering on mandates, many of the Energy team's clients have become friends and I am truly fortunate to be a part of such an entrepreneurial community.

Q *Did you have a mentor when you started down this journey and if so, what impact did they have on you and your career?*

A I would not say I have had a single mentor but a couple of key individuals that had a profound impact on me and my career. There have been a few pivotal moments in my life that had I not had the advice and support during those times my life, could have gone in a very different direction. In my late 20's I was faced with some mammoth challenges following the unexpected passing of my father which left me in the middle of both business and familial storms. I had to grow up overnight, I leaned on an individual who taught me that the mountain in front of me was justifiably overwhelming but I had to focus on the little wins each day in order to chip away at it. He also taught me how to

find moments of joy whilst being surrounded by unpleasantness and individuals who would have revelled in my failure. Fast forward ten years and I found myself faced with another set of choices that I wasn't entirely sure how to tackle. As a mother of two boys I was constantly feeling that I was in the wrong place. I knew that I wanted to maintain my career, I honestly never hesitated about that, but what my career looked like, took a bit of time to work out. I turned to a senior colleague who was also a working mother and had been through this fork in the road in her career. Her advice was to simply be less hard on yourself and realise that just because you have a child doesn't mean your goals and ambitions become irrelevant. Perhaps that should have been obvious but it was the perfect advice at the right time and good mentors know how to give advice when it will make the greatest impact. What I eventually realised is that, for me, it's not about finding the "right work-life balance." In the end, it is about ensuring that the time spent away from my children is enriching enough that the added joy my career brings to my life translates into being a better mother.

Q *Do you have any unusual hobbies?*

A As well as inheriting my passion for the energy business from my family, I have also inherited my father's love of wine and travel. As a dedicated oenophile who enjoys traveling to new places, I love nothing more than exploring new countries and then experiencing how the local climate, topography and people come together and are uniquely expressed in the local wine.

KEY TRENDS IN THE AFRICAN RENEWABLE SPACE:

Over the last 12 months we are starting to see greater consolidation in the renewable energy landscape as well as a desire to recycle asset positions from more developed operational assets to pure development and pipeline opportunities. As both financial players and corporates seek to diversify portfolios in both geographies and technologies, the discussion focuses on regional competitiveness and ability to scale up in-country. The other main trend is the rise of private power partnerships with corporates and institutions. Whilst these partnerships can make meaningful progress on the road to Net Zero, the ability to secure reliable power is certainly a key near term driver. ♻️