

# Powering Ghana's Future

## Fast Facts

**Cenpower Generation Company Limited ('Cenpower') is a Special Purpose Vehicle created to develop its Kpone Independent Power Plant ('KIPP') near the Tema industrial zone, close to Accra, Ghana's capital.**



The Cenpower KIPP presents a **number of financing firsts:**

- First licensed IPP in Ghana
- First greenfield project finance IPP in Ghana
- Sumitomo's first thermal IPP investment in Africa

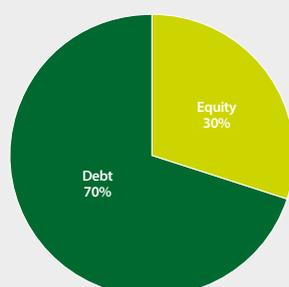
### About Cenpower

Samuel Brew-Butler founded Cenpower Holdings in 2001 in response to Ghana's pressing need for additional electricity generation capacity, caused by spiralling energy consumption, which frequently led to power outages across the country. In 2003, he teamed up with fellow experienced Ghanaian entrepreneurs and investors, Dr. Jimmy Heymann, Michael Wilson and Kweku Awotwi, to establish Cenpower Ltd, a wholly-owned Ghanaian special purpose vehicle created to develop the KIPP.

Having secured the necessary finance from predominantly African institutions, Cenpower's vision now is to become Ghana's leading private sector power company by working with world-class partners. A proudly Ghanaian business, Cenpower will focus on supplying fuel-efficient, reliable and sustainable electricity, whilst developing local capacity via a training and skills transfer programme.

### Financing Highlights

#### Transaction Structure



- **Total project cost for the generation plant, transmission substation and fuel supply assets is circa US\$900 million**
- **Total debt: circa US\$650 million**
- **Total equity: circa US\$250 million**
- It is a largely African deal, with international partners:
  - The founding shareholders are Ghanaian
  - 67% of equity is held by African entities
  - The construction company, Group Five, is African
  - 83% of the senior debt is issued by African lenders
  - Provides a template for future project finance IPPs in Africa

## Debt Financing

Debt finance for the project is being provided by a consortium of South African commercial banks (under export credit cover), together with a number of leading international Development Finance Institutions (DFIs).

**Rand Merchant Bank** acted as the Global Lead Bank and Mandated Lead Arranger for the commercial banking tranche. Other South African banks involved in the transaction as Mandated Lead Arrangers are Nedbank and Standard Bank.

**The Export Credit Insurance Corporation** ('ECIC') of South Africa, is providing the export credit cover for the South African commercial tranche.

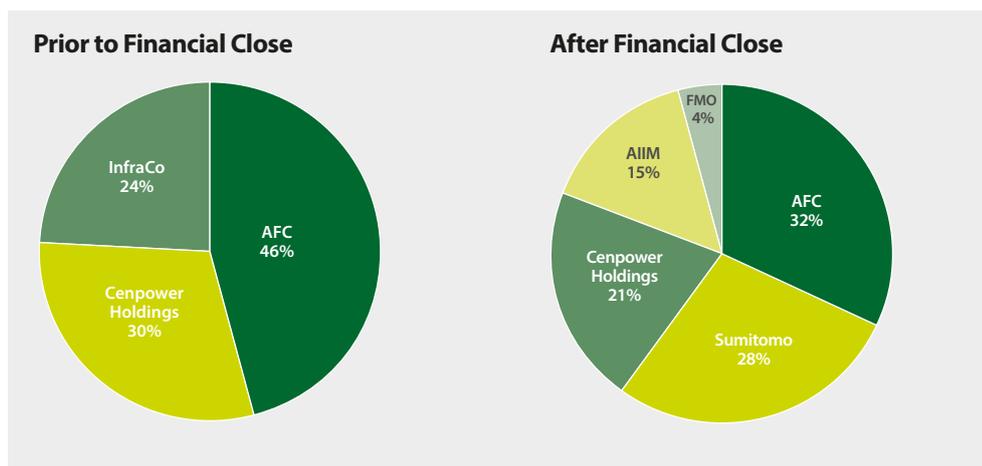
**FMO** (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V), the Dutch Development Bank, is the Mandated Lead Arranger for the DFI tranche.

Other DFI lenders include:

- Deutsche Investitions-und Entwicklungsgesellschaft mbH – **DEG**
- OPEC Fund for International Development – **OFID**
- Industrial Development Corporation – **IDC**
- Emerging Africa Infrastructure Fund – **EAIF**
- Development Bank of South Africa – **DBSA**

## Equity Financing

Via the equity raising, three leading investment groups joined the equity consortium in September 2014, whilst InfraCo, a project co-developer since 2005, exited the project.



The new investors are Sumitomo Corporation of Japan, African Infrastructure Investment Managers ('AIIM') and FMO.

## More about the Project

The Cenpower Kpone Independent Power Plant will be situated at Kpone near the heavy industrial area of Tema, 24 km to the east of Accra. This is an ideal location, close to all main logistical interconnections; adjacent to the West African Gas Pipeline landing point in Tema, approximately 600 meters from the Atlantic Ocean enabling the use of sea water for direct cooling and adjacent to the planned substation for power transmission.



## Technical Specifications

The Cenpower KIPP will be a Combined Cycle Gas Turbine (‘CCGT’) plant with a planned capacity of 350MW. The facilities will also include:

- A 161kV collector substation for power transmission
- On-site liquid fuel storage tanks with a capacity of 18,000 cubic metres

Power plant components include:

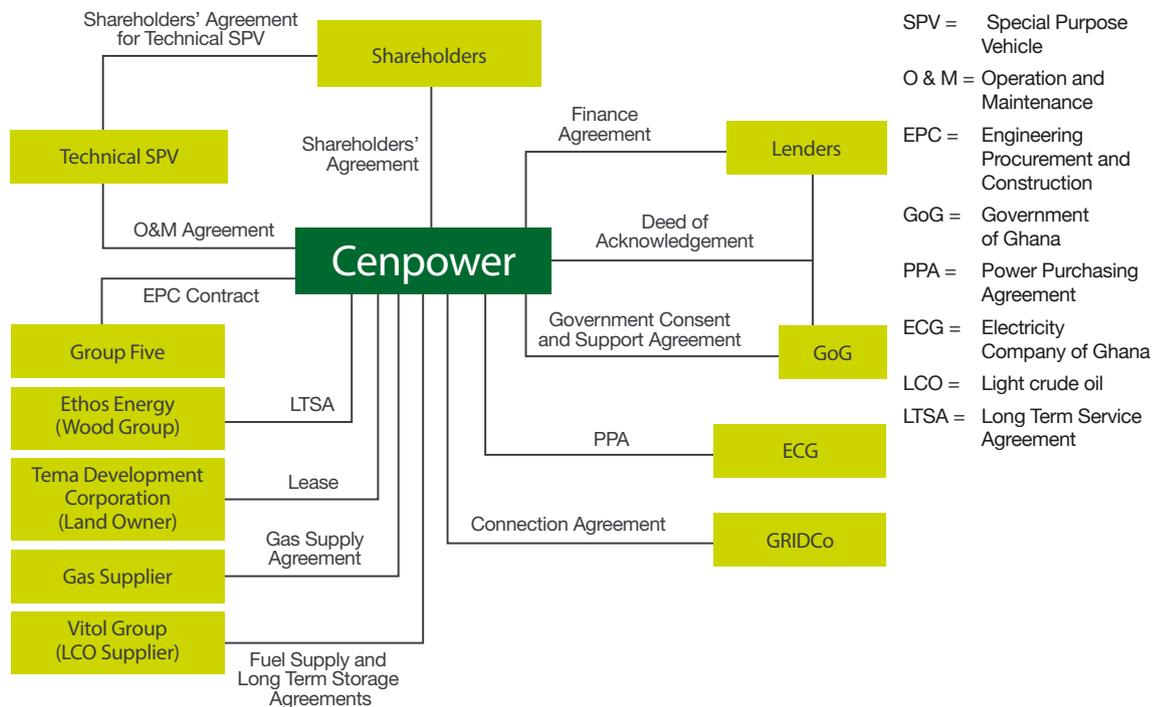
- GE Gas turbines in a combined cycle tri-fuel plant (crude oil, diesel, gas). Cenpower is planned to operate using crude oil initially before switching to gas when supply becomes available.
- Heat Recovery Steam Generators (HRSG) from NEM, Netherlands; and
- Steam turbines from Siemens, Germany.

Construction will take 32 months and operation is due to commence in 2017.

## Other Socio-economic Benefits

The Cenpower Kpone IPP will:

- Improve Ghana’s security of electricity supply, increasing the country’s dependable installed generation capacity by around 13% when operational.
- Provide approximately 600 jobs during the peak of construction, most of which will be for Ghanaians.
- Employ at least 70 people full time during operation.
- Have a minimal social impact as no resettlement will be required as the site is located in an industrial area, free of human habitation.



## Development History

- The project was initiated by the founding Ghanaian shareholders, Cenpower Holdings ('CHL) in 2003.
- CHL partnered with eleQtra in 2005 and jointly developed the project with them until 2010.
- In 2010, AFC acquired a controlling interest in the project and took on the role of lead developer.
- Each of the development partners was essential to the success of the project.

Key activities performed:

- **CHL** was the project founder. CHL acquired the site and rights of way, secured the generation licence, carried out initial environmental studies, secured the environmental permit, secured and re-negotiated the PPA, secured Government consent and support, and provided an invaluable local presence.
- **eleQtra**, principal developer of Infracore, was responsible for the EPC, fuel supply, ESIA and insurance, negotiated the initial PPA, participated in sourcing a strategic investor and secured the O&M and Long Term Services Agreements.
- **AFC**, as lead developer, played a key role in the project development from 2010, including the re-negotiation of the PPA to ensure bankability, the negotiation of the Government Consent and Support Agreement, the finalisation of the Interconnection Agreement and coordinating the Debt Fund Raising as well as the day-to-day management and operation of the project company from 2010 to Financial Close.

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or email [cenpowermedia@brandcommsgroup.com](mailto:cenpowermedia@brandcommsgroup.com)