

IPP Peaking Projects scoop top honours

Investec secures second African Power Deal of the Year award for 2013

Another South African energy deal took the limelight this year at the Euromoney Project Finance Magazine awards held in London on 20 February as the Department of Energy's large scale independent power producer (IPP) Peaking Projects were named the winner of the Africa Power Deal of the Year for 2013. The Power and Infrastructure Finance team within Investec Corporate and Institutional Banking ("ICIB") was honoured for their role in facilitating the IPP Peaking Projects, valued at R9.7 billion, as a coordinating mandated lead arranger on the transaction.

This is the second global deal of the year award for a power project financed by Investec during 2013. Thomson Reuters' Project Finance International (PFI) awarded the title "Renewable Deal of the Year for the Middle East and Africa region" to the 50MW Bokpoort concentrated solar power (CSP) project developed by the ACWA Power consortium. The R5 billion project is currently under construction and is located in the Northern Cape. Investec acted as coordinating bank, mandated lead arranger and underwriter for the Bokpoort transaction which has the largest thermal storage for a closed solar plant in South Africa. It is expected to generate at record-high level of roughly 200GWh per year to South African homes.

The IPP Peaking Projects are the country's first two independent large scale power plants. The construction of the two plants commenced in 2013. The power plants, Avon (670 MW) in KwaZulu Natal and Dedisa (335 MW) in the Eastern Cape, are expected to come online in 2015 and 2016 respectively. Once operational, the facilities will sell electricity to power utility Eskom for 15 years, as part of the South African government's Integrated Resource Plan 2010, which aims to double South Africa's electricity generation capacity from 44 GW and 80 GW by 2030.

On receiving the award, Robert Gecelter of Investec Power and Infrastructure Finance said, *'It is an honour to receive the Euromoney African Power Deal of the Year award for the Peakers Projects. This recognises the scale, complexity and extended timeline of the transaction and especially the role Investec played on the deal, having been originally mandated by the lead sponsor, GDF Suez, back in 2007. Investec is pleased to be able to support the expansion of the national grid with these peaking power plants, which is critical for the stability of the South African economy.'*

Gecelter added that Investec's focus, as a leading player in the power sector, continues to be on creating innovative energy projects not only in South Africa, but across the continent.