

HOW TO PREPARE PROPOSALS FOR SOLAR ENERGY FDI PROJECTS IN KENYA?

PROJECT PROPOSAL TEMPLATE



Xavier VALLVÉ

xavier.vallve@tta.com.es

I. Project General Information

Project Title

Project Objectives

Plant/System Capacity, Yield

Projected Investment

Location: City/Town/Region; Latitude; Longitude; Elevation;

Project Developers (if already selected)

Project Partners (if relevant e.g. Administrations, PPP...)

I. Project General Information (continued)

Expected Year & Month for the Start of Project Development

Previewed Span for the Project Execution

Key components and equipment

Estimated investment costs range

CAPEX split

II. Site

Ownership

Land Availability (in ha./acres/m²)

Land use costs (lease)

Terrain Description

Road accesses

Nearest port, distance

How far is the nearest transformer (in km)?

Is it MV or HV?

Solar Resource (GHI in kWh/m²/day)

Potential for local employment

III. Target Market

Expected and potential Customers

Market Size Estimation

Potential market evolution

Revenues (FiT? PPA? Savings?)

Currency of payments

Adjustments for inflation? Currency depreciation?

If off-taker is not a utility (e.g. Self-consumption):

- types and seasonality of loads
- financial history
- expected growth
- current power sources
- current emissions

Other Market Information

IV. Policy Pre-Clearance

Has there been a pre-feasibility study carried out?

Has an Expression of Interest been submitted to the Ministry of Energy and Petroleum?

Has an Environmental Impact Assessment (EIA) been carried out?

V. Government Supports or Incentives

Fiscal or Financial Supports

FiT conditions

Taxation regime

- Import duties on panels / inverters / key equipment
- Expected days for custom clearance
- VAT applicable to materials? (Y/N) + VAT rate if yes
- Corporate tax, Dividend taxation, Payout restrictions

Other National Supports or Incentives

County Government Supports or Incentives

Capital Supports

Committed Capital Participation by already identified developers, partners

Potential Debt Funding

Other Potential Sources of Capital (e.g. ODA...)

V. Government Supports or Incentives (continued)

Services or Supports Provided by KenInvest

Site Acquisition or lease facilitation

Licensing

Negotiation of PPAs

Securing National or County government Incentives

Legal counseling

Other Pre- and Post-Establishment Services or Support

THANK YOU FOR YOUR ATTENTION!

xavier.vallve@tta.com.es



www.tta.com.es

PROJECTS PREPARATION – PV PLANTS DEVELOPMENT (I)

PV plant development step	Key indicators to assess at pre-feasibility level
1. Understanding the regulatory framework	• Present and future power sector policies for solar generation • Regulated tariffs for electricity sale to the grid • Administrative procedures • Define operational regime: self-consumption, Power Purchase Agreement (PPA) or concession for an Independent Power Producer (IPP), including provisions on: ○ Capacity and electricity selling terms ○ Charges for available capacity and electrical output ○ Possible changes of policies ○ Technology local requirements

PROJECTS PREPARATION – PV PLANTS DEVELOPMENT (II)

PV plant development step	Key indicators to assess at pre-feasibility level
2. Site assessment	● Solar resource assessment ● Site area conditions (space availability): ○ Orientation and tilt (PV modules) ○ Shading ○ Mounting options, building integration ● Grid interconnection conditions ● Land/property ownership ● Road accesses ● Communications ● Potential environmental concerns and health and safety

PROJECTS PREPARATION – PV PLANTS DEVELOPMENT (III)

PV plant development steps	Key indicators to assess at pre-feasibility level
3. Definition of the business model	• Nature of potential investor, expectations on returns • Long term estimates of electricity production yields • Clear financial outline • Financing options (e.g. access to soft loans) • Clear institutional set-up (incorporation of ad-hoc companies, joint ventures (JVs), or public-private partnerships (PPPs), etc.)

PROJECTS PREPARATION – PV PLANTS DEVELOPMENT (IV)

PV plant development steps	Key indicators to assess at pre-feasibility level
4. Project configuration at project conceptualization stage	● Prerequisites for commercial viability ● Plant sizing ● PV module and component selection ● PV module mounting and structures ● Key financial indicators: CapEx, OpEx and life cycle cost breakdown