

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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Simbah Mutasa

BofA

Managing Director



BofA SECURITIES

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 My career journey to date has not been linear; looking back I am grateful for that. My unconventional journey includes stints doing in-house M&A for one of the largest cable companies as well as heading up Southern Africa for a leading DFI. This forced and taught me to always prioritise growth through continuous learning. Like my career, the route I have taken to specialising in renewable energy has also not followed a traditional trajectory. As an individual I have always been driven by the desire to make a lasting impact. I have always focused my career on sectors that I believe can play a significant role in the development and progression of people like TMT, Education, Healthcare and Renewable Energy. It's this development and impact focus that led me to renewable energy. Initially, I was driven purely by interest, but that interest then grew into a passion for the sector. From there I started covering renewable energy clients and during my time in development finance, covered clients investing in renewable energy businesses across Southern Africa.

Q *What is the biggest energy deal you have worked on?*

A I am going to exercise some poetic license here. I say this because I will touch briefly on the transaction I feel had the most impact versus defining it purely based on size. During my time working in development finance, I

worked on an investment in a renewable energy platform. This transaction was a great case study of the broader impact the space can have besides just securing a country's energy supply. It was rewarding to see first-hand the benefits of, and ability for local entrepreneurs and communities to partake in owning these assets whilst being a platform for mobilising local and international capital. Such nuances are often overlooked on bigger deals.

Q *Do you have any unusual hobbies?*

A I am an avid collector of whiskeys and wines. The reason I classify this as an "unusual" hobby is because I have never been a drinker and it does make it challenging to collect wines and whiskey when you don't have a sense of what a good wine or whiskey tastes like. I started collecting about 7 years ago and have slowly managed to build up a "decent" collection. Needless to say, my family and friends do seem to like visiting!

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

A It is imperative to seek alignment between one's personal interest and areas of career focus. I believe when there is overlap between the two it creates a solid foundation that can be built upon. The building blocks, or should I say special attributes I would then add on to that foundation are, firstly "intellectual curiosity" – there are a lot of technical aspects



and technological changes which require a lot of reading to stay up to speed on. Secondly, constantly taking initiative and being engaged is very important. Lastly, I would say an abundance of patience and commitment. This is a sector that has grown significantly but it takes time for projects to be developed and the sector / projects are susceptible to regulatory and policy changes. Furthermore, unlike other sectors the true benefits are only seen much further down the line.

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

A I could approach this question from several angles, but ultimately what excites me the most about this field is that, as a young and proud African, I am contributing to growing a sector that will go a very long way in securing our future and that of generations to come in a sustainable manner. The role I play, no matter how small, is something that not only excites me but also inspires me and gives me a strong sense of purpose in what I do. I often think of the quote by Nelson Henderson, "the true meaning of life is to plant trees; under whose shade you do not expect to sit" and how similar sentiments are applicable to the broader renewable energy space. Those that will truly benefit from what we do now in the space are those of the generations that follow – like the way we are currently reliant on power plants that were built 40-50 years ago.

Q *What advice would you give young people starting their career?*

A I presently occupy an enviable position in life, where on the one hand, elders

view me as a "youngster" and look to impart an abundant amount of knowledge upon me. While, on the other hand, the younger generation have some mistaken impression that I have amassed some yoda-esque wisdom and experience. I believe this mistaken impression is the result of my rapidly greying hair. Regardless, this position allows me to enjoy a period in my

life when I am both a mentor and a mentee and as such, I can share a few key lessons I have learnt and have been taught during my career which I believe could be beneficial to people starting their careers:

- Have a genuine interest in what you do
 - Always surround yourself with people who genuinely believe in you and are committed to seeing you fulfil your truest potential
 - Nothing ever goes according to plan so invest in ensuring that you have the mentality to always adapt to changing scenarios
 - Luck plays an important role so always be ready to capitalise on every opportunity that lady luck presents
- Continually find ways to differentiate yourself
 - Treat all people with respect and be genuinely grateful for the help you get along the way
 - Know your goal and what you are solving for and don't be afraid to walk the path less travelled
 - Lastly, most important of all RUN YOUR OWN RACE! ♻️

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