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.

CONTENTS

Foreword	1
Snippets	3
BofA Securities	4
Cliffe Dekker Hofmeyr	6
CMS	10
Fasken	12
Investec	17
Nedbank	19
Tronox solar generation deal	*20*
PKF	24
Rand Merchant Bank	25
Facilitating a new generation	*26*
Energy options for Africa	*31*
Standard Bank	37
The carbon conundrum	*40*
Verdant Capital	54
Seismic shifts create new opportunities	
Webber Wentzel	56
Appropriate regulation needed	*57*

The magazine is available for download - www.dealmakersdigital.co.za

Editor:
Marylou Greig

Sub-editor:
Lee Robinson

Research:
Vanessa Aitken

Marketing:
Cathy Coyle

Design & Layout:
Suzie Assenmacher

DealMakers ENERGY is published by the proprietor Gleason Publications (Pty) Ltd, reg no: 1996/010505/07 from its offices at 31 Tudor Park, 61 Hillcrest Avenue, Blairgowrie, Randburg 2194.
Tel: +27 (0)11 886 6446
e-mail: marylou@gleason.co.za
www.dealmakerssouthafrica.com

Gleason Publications

SNIPPETS

ENERGISED FOR RENEWABLE ENERGY

As South African companies seek to reduce their environmental footprint through renewable energy sources, other benefits are coming to light:

> *Reduction in production losses from loadshedding*

> *job creation*

> *community investment*

This is a snippet of recent activity from various sectors which illustrates the extent to which companies are planning ahead to keep the lights on.

MOBILE COMMUNICATIONS

Vodacom is turning its Midrand campus into a solar energy provider by covering the rooftop and carports at the campus in photovoltaic panels. This is expected to generate around 10.8 gigawatt-hours of energy every year, reducing the campus's energy consumption by 21%. Vodacom's rival, MTN South Africa, said it planned to install green-energy solutions at its head office in Johannesburg and issued a request for proposals that will see its headquarters become a "completely green office", it said.

POWERING WITH PLATINUM

In a recent release, the World Platinum Investment Council stated that "innovations are demonstrating the potential for a new era of sustainable offshore green hydrogen production to help deliver cost-competitive green hydrogen." By combining wind power with platinum-based PEM electrolysers we can produce green hydrogen in an off-grid solution. The use of platinum group metals (PGMs) by proton exchange membrane (PEM) electrolysers offers a great opportunity for South Africa, which accounts for more than 60% of the world's PGM production.

GREEN HYDROGEN

Generated from renewable energy, green hydrogen is based on the generation of hydrogen through a chemical process known as electrolysis. This method uses an electrical current to separate the hydrogen from the oxygen in water. If this electricity is obtained from renewable sources we will be able to produce energy without emitting carbon dioxide into the atmosphere.

With some of the best onshore and offshore wind conditions, Southern Africa is well situated for renewable energy for green hydrogen production. Local demand is not expected so Southern Africa could be a key exporter of green hydrogen to centres in Europe and Asia. This opportunity would be profitable, create new jobs, and bring environmental sustainability to the region.

The signing of an MoU between Sasol and the Freeport Saldanha Industrial Development Zone lays the foundation for the development of a green hydrogen hub in the Western Cape. This has the potential to attract investment and create much needed jobs in the province.

Boegoebaai, situated 60km north of Port Nolloth in the Namaqualand region has been the subject of a study of the strategic potential of the green hydrogen hub.

Part of the planning being done is for 9 GW of renewable sun and wind energy to be generated, 400 000 t of green hydrogen a year to be produced, and 6 000 jobs to be created. The initial concession is for a 5 GW electrolyser to be deployed.

FINANCING: A development in the financing sector is the issuing of green bonds to finance green projects. A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects. These bonds are typically asset-linked and backed by the issuing entity's balance sheet, so they usually carry the same credit rating as their issuers' other debt obligations.

RETAIL

The Shoprite Group has saved R16 million by switching to renewable energy. The firm reports that it has installed a total of 143 674m² in solar panels at its 62 sites. Enough to fill 20 football fields. The company aims to have 25 percent of its operations running on renewable energy by 2027. Food Lover's Market recently opened its new R100 million flagship store in Bothasig, Cape Town. The site is focused on energy efficiencies and includes features such as remote cabinet monitoring capability, ice storage systems for air-conditioning and solar panels that will generate 360 kWp DC of renewable electricity annually.

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.

> "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."

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!

Tessa Brewis

CDH

Director: Projects & Energy sector

CLIFFE DEKKER HOFMEYR

INCORPORATING KIETI LAW LLP, KENYA

Q *What is your area of specialty?*

A I am a director in the Corporate and Commercial Practice at CDH. My areas of specialty include the transactional and project development aspects of power and energy projects, and mergers and acquisitions in the energy sector. In particular I have extensive experience in the secondary market for renewable energy projects. I advise on a range of transactional and general corporate matters, including local and cross-border mergers and acquisitions, private equity, joint ventures and the formation, structuring and restructuring of business entities and large due diligence investigations.

Q *Highlight your experience, especially in the deal making space?*

A Highlights include representing numerous sponsors and equity participants in all the rounds of the Renewable Energy Independent Power Producer Procurement Programme in South Africa (REIPPPP). Structuring and negotiating the first exits from operational renewable energy projects required complex negotiations with regulators and coming up with innovative solutions in fairly unchartered waters.

Q *Thoughts on Energy/ESG as a whole in SA?*

A We are impacted daily by the energy shortages in South Africa and it is one of the greatest threats to growing our economy. Large numbers of South Africans still do not have access to reliable sources of electricity in their homes. South Africa needs to focus on increasing its power generation capacity, while also moving to cleaner and more sustainable sources of energy.

Q *What are some of the hurdles/ challenges in this sector?*

A There is a lot of policy uncertainty in the energy sector in South Africa, which deters investment. The South African government should strive to make the investment in energy infrastructure as attractive as possible, by ensuring certainty and providing appropriate tax incentives.

Q *How did you get into this specialty?*

A I am also a notary public and a year or two before the first REIPPPP programme was announced, I was asked to advise a client regarding a notarial lease of property on which they wanted to develop a solar plant. That sparked my interest in renewable energy, and everything progressed from there.

Q *Interesting fact/s about yourself and your achievements.*

A I love travelling through exchange programmes. With the University of Stellenbosch I was able to do the last semester of my LLB at the University of Antwerp in Belgium and my LLM at the University of Aberdeen in Scotland.

Megan Rodgers

CDH

Sector Head: Oil & Gas sector

CLIFFE DEKKER HOFMEYR

INCORPORATING KIETI LAW LLP, KENYA

What is your area of specialty?

Mergers and acquisitions in the upstream oil and gas sector and project development in the upstream, midstream and downstream oil and gas sectors.

Highlight your experience, especially in the deal making space?

I have advised on acquisitions of exploration assets in sub-Saharan Africa and East Africa and acquisitions of oil producing assets in West Africa. Over the course of my career I have advised on the F-A Gas Field Development and Ibhubesi Gas Field Development in South Africa as well as the Kudu Gas Field Development project in Namibia. I am part of the team awarded the 2010 Oil and Gas Deal of the Year Award, the 2014 Oil and Gas Legal Advisor of Year Award by African Investor and was named as an IFLR1000 Women Leader in 2021 and 2022.

I led the CDH team that advised Africa Energy Corp (TSX Venture: AFE) (Nasdaq First North: AEC), an oil and gas company with exploration assets offshore South Africa and Namibia, on its transfer of operatorship and a dual sale of an aggregate 62.5% participating interest in Block 2B South Africa. In transaction one, Africa Energy farmed-out a 50% participating interest and transferred operatorship in Block 2B to Azinam Limited ("Azinam"), a wholly owned subsidiary Eco (Atlantic) Oil and Gas a TSX-V and AIM-quoted Atlantic Margin-focused oil & gas exploration company with offshore license interests in Guyana, Namibia, and South Africa. In transaction two, Africa Energy farmed-out a further 12.5% participating interest in Block 2B to Panoro Energy ASA (Panoro), an Africa-focused independent oil and gas exploration and production company listed on the Oslo Stock Exchange. We successfully negotiated the commercial terms (well carry and cash considerations) and successfully negotiated the acquisition agreements (farm-out agreements, the escrow agreement and joint operating agreement). We achieved simultaneous close on these transactions which paved the way for the Gazania-1 exploration well to be spud in Block 2B this year. The Gazania-1 well is a drill up-dip of a previous oil discovery in Block 2B, with the well targeting 349 million barrels of oil (Best Estimate Gross Prospective Resources). Block 2B is regarded as having the potential to provide the first major oil production offshore South Africa and if successful would be the first oil production in the Orange Basin South Africa. Post the transaction phase we were appointed by the new operator Eco (Atlantic) Oil and Gas on behalf of Azinam to advise on the drilling operations of the Gazania-1 well which spud this month. I am also the external legal advisor to the National Oil Company of Namibia (NAMCOR) and recently advised on its acquisition of oil producing assets from Sonangol in Angola which, once completed, will immediately transform the National Oil Company into an oil-producing NOC.

Thoughts on Energy/ESG as a whole in SA?

Energy in South Africa should be viewed from an Africa perspective. It should never be viewed separately or isolated from regional developments. Africa has great energy potential, both in hydrocarbons and renewable energy resources. Regional integration through shared infrastructure domestics the use of natural resources, it promotes bankability and changes the value proposition for investors by providing access to a larger market. Through a just transition, the continent must be allowed to optimise value from its hydrocarbon endowments to support sustainable development of a green energy base. Africa, requires a combination of energy sources in order to meet its energy consumption needs. Although the urgency for action to mitigate the risks of climate change is no longer debatable, the need to eradicate energy poverty on the continent and the recognition that developed and developing countries have different socioeconomic challenges and have, as a result, contributed disproportionately to GHG emissions is equally not debatable. The solutions for developing and developed nations are by no means one size fits all. The landscape for each country is diverse and there is no single strategic response that will make sense for all. In the International Energy Agency's SDS and the Shell Sky Scenario, aggressive decarbonization forecasts, there remains an ongoing, long-term role for oil and gas, particularly gas. The environmental credential of gas differs significantly depending on the country, whether the resource is in current usage and the time frame being considered. In South Africa, the use of indigenous gas as base load, is a critical path toward achieving a reduction in our emissions. Now is not the time for African governments to disincentivise investment into hydrocarbon exploration and production. The nations which have already developed their economies on the back of hydrocarbon endowments will do that for us. To balance this, African governments will need to incentivise investment into hydrocarbon exploration and production whilst simultaneously incentivising investment into renewables and the delivery of low carbon fuels, power and technology.

Q *What are some of the hurdles/ challenges in this sector?*

A The oil and gas resources sector in South Africa and Africa cannot mature without foreign investment. The legal framework that embodies the fiscal regime under which energy companies operate, together with geological, geographical and political factors, make a country or region more or less attractive for investors. There is the caution that African countries must, when developing their domestic legal framework and fiscal regime, consider the deal being offered by neighbouring countries. These neighbouring countries are its competitors to attracting the foreign investment required to develop its domestic oil and gas sector. The question is then, how can we enhance South Africa's legal framework whilst competing with neighbouring countries for foreign investment and how do we compete in the race for investment in an era of climate change which will see such investments decline over time? Have we done enough to ensure our competitiveness on our path to energy sovereignty and energy security for future generations? How have we balanced these needs against the recognition of climate change and the need to reduce emissions? In South Africa, the Upstream Petroleum Resources Development Bill which will see a separation of oil and gas from the mining sector, will move the sector into unchartered waters. The Upstream Petroleum Resources Development Bill aims to promote sustainable development of our oil and gas resources. It is currently before Parliament and whilst this parliamentary process is underway, regulatory uncertainty is a challenge for the sector.

Q *How did you get into this specialty?*

A I completed my LLB and LLM degrees at the University of the Western Cape. Whilst completing my LLM degree I took up a graduate lecturing assistant position at the University of the Western Cape. I trained as an upstream M&A lawyer and for the past decade I have been fortunate enough to have a fulfilling fast-paced career in a unique area of law. The M&A processes in the upstream oil and gas sector are unique, technically complex and highly specialised. As an oil and gas lawyer in the upstream oil and gas sector, I work with frontier energy companies, major and supermajor energy companies and have developed a skill set that is cross-border and translatable. I have had the opportunity to work on transactions and oil and gas development projects in over thirteen countries across four continents.

From KZN to the hustle and bustle of Sandton with flare, and leading ground-breaking financing deals in South Africa.

BRIDGETT MAJOLA - DIRECTOR | BANKING & FINANCE | CMS

Bridgett Majola is one of the lead banking and finance lawyers that facilitated the equity financing of the ground-breaking two 100 MW solar private power purchase deal announced earlier this year. She was raised in Pinetown, KwaZulu-Natal and grew up surrounded by a dedicated support system made up of her immediate family, teachers, and friends. "To my mind, it was these people that were my very first mentors. My teachers spent a lot of time on my development. I can say that confidently! They would spend time after school assisting me with debating, public speaking, mathematics, science, or whatever discipline I needed support in", says Majola, adding that it was in fact a family member that inspired her initial career desire, which was to become a maritime lawyer.

"I wanted to do something that kept me close to the ocean from a career perspective, something that would keep me close to home but also something that I thought would have a real impact."

After she graduated from the University of KwaZulu-Natal in 2006 where she also held various leadership roles, Majola began a career as a corporate mergers and acquisitions lawyer, and competition lawyer, for six years. Backed by the strong belief that one must confidently go in the direction of one's dreams, she set out on a path to chase opportunities of growth and self-fulfilment and that is when she took the leap to become a banking and finance lawyer.

"Today, I am a director at CMS South Africa with my practice focusing on various forms of debt finance. Now I have business mentors and life coaches, while some of my colleagues and in some rare instances, some of my clients are my mentors. I am always trying to learn, grow, introspect, teach, and adapt to our ever-changing environment. I see our careers as things that need to keep evolving and growing. We need to keep refining our skills and trying to find more efficient ways to give our clients the best, affordable, and efficient service. This also requires an honest conversation, constant reflection, constant learning and changing the culture slowly", she says.


MAJOLA

NOTABLE CAREER MOMENTS

Majola's career comprises numerous highlights, and she remains buoyantly working on achieving more. A most notable career highlight has to be her very first instruction from a leading bank to act as lenders counsel – it was a small transaction (in the context of the transactions that she now deals with) that opened a plethora of opportunities for her. Thereafter, her practice has continued to grow with the most recent highlight being an advisor to one of the leading development financing institutions in Southern Africa as an equity financier into a first of its kind, non-Eskom offtake energy deal in South Africa.

"I am a firm believer in development and growth, I am proud to have honed my skills and received legal awards, however these accolades do not define the complex transactional work I have done for my clients nor my commitment to the industry and growing young Black talent at the same time", adds Majola.

On the participation of women in the energy sector as the country fights the power crisis and as it transitions to renewables, Majola says "It's such a complicated topic because I think the same could be said for Black people, LGBTQ2+ individuals as well as any other marginalised minorities. I am not sure that there is a simple way to speak about this ", says Majola, adding that there have been some reforms making efforts to promote gender diversity in this sector and that there has been an increase in the number of female legal counsel (albeit more junior). Majola also mentions that some of the industry bodies have recently appointed women as leaders and are diversifying the constitution of some of their boards to be reflective of this. "This is good!"

Whilst these reforms are helpful, it remains difficult to meet the minimum threshold for many companies and organisations, and of course others simply end up fronting transformation. "For these reasons I therefore do not see it realistically possible right now for this to be achieved as effectively as we wish. However, I do believe that women themselves, especially those who are industry leaders or part of committees, may have opportunities to bring other women along, to pull up other women and share those spaces with them. For men in the industry there exists the opportunity to become allies through training, teaching, and uplifting other women on how to navigate through this field and gain expertise and be mentors, and be 'women sponsors' in rooms and conversations where women aren't present", she says.

"We must be dynamic at problem solving and harness our diversity and creativity to our advantage. The leaders of today must play their role in carving out and shaping the leaders of tomorrow."

"We must be dynamic at problem solving and harness our diversity and creativity to our advantage. The leaders of today must play their role in carving out and shaping the leaders of tomorrow."

On the recent Tronox deal and as a senior lawyer that helped the process, Majola says that she is proud to have had the opportunity to assist her client with getting a deal of this nature across the line, being the first of its kind, involving multiple parties and substantial amounts: "In this deal in particular, it was exciting to be surrounded by a group of young and resilient transactional lawyers who are enthusiastic about their work and who in fact were mostly female on the sponsor and equity side at least."

"I am immensely proud to have assisted, alongside my team, in this landmark transaction and look forward to working on more dynamic and ground-breaking deals in the energy sector", Majola adds.

Majola is indeed one of the inspiring leaders in this country and one that many girls can look up to. She also invited us into her personal space, sharing with us some of the things that complete her. Majola appreciates a balanced and healthy lifestyle. She believes that this is important for self-growth and for one's mental health.

"I think as a female leader in my business inspiring young future leaders, it is important that they see me live what I preach. There is a way to find some kind of balance as a busy transactional lawyer. If the working environment that one is in doesn't allow that, then I don't think that environment is one that will sustain good growing lawyers who are aspirational and curious about life and their careers, locally and globally", she said, in closing.

Majola does boxing as one of her healthy hobbies. She is a gym fanatic, spending a few days a week at the gym in the mornings. And on weekends, she walks and spends her time outdoors, and this includes doing a bit of gardening too.

Lara Bezuidenhoudt

FASKEN

Partner

FASKEN

What are the biggest energy deals you have worked on?

Within the field of energy finance, I was the co-lead partner, acting as lender's legal advisor, on the project financing of the IPP Peaking Power Plants at Avon and Dedisa from the early 2000's to 2014. These two projects were ground-breaking, first of kind IPP's in South Africa and this set the path to our team advising on IPP's in the Renewable Energy industry. I have advised lenders in numerous projects on successive rounds of the South African REIPPPP (Renewable Energy Independent Power Producer Procurement Programme) and on other energy projects.

The skill and know-how brought to these energy projects was informed by the core principles of project finance in the infrastructure and PPA space that the Fasken, Johannesburg team has been building over the past 25 years. This all formed the perfect basis from which to launch the ground-breaking work our team did, acting for the Lenders on all aspects relating to the financing of two 100 MW solar PV wheeled energy projects, situated in the North West Province, developed by vertically integrated independent power producer, SOLA Group. These two projects were the first renewable energy projects to reach financial close pursuant to the regulatory change in August 2021 to raise the licensing limit for distributed generation projects from 1 MW to 100 MW. There have been and continue to be, many important and exciting legal developments in the energy space in South Africa, especially as we are seeing the market liberalise.

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

Advising on Energy Project Finance transactions requires an uncommon mix of attention to detail and an ability to appreciate and understand the 'big picture', and to always keep in mind the many pieces of the puzzle. It requires an attentive but practical approach. Having an open mindset and believing in the impossible helps too.

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

It is very exciting to be playing a part in creating solutions for future access to electricity in South Africa, often in new and creative ways.

What are notable changes in your practice, the energy industry and South Africa and Africa worth highlighting?

Deregulation and de-carbonisation of the electricity sector.

Can you share any experience of working on projects in Africa and navigating the unknown?

In the end it is always about our clients and assisting them with solving problems and accomplishing their goals, and that is the best part for me.

What is your leadership style?

Respectful, intentional, collegial.

What advice would you give others who are growing in their careers?

Set your sights on where you want to be but be realistic and be kind to yourself. Be persistent - things that are worthwhile take time and they take some flexibility. Embrace learning and read widely – from novels to journals and textbooks to the news and current affairs.

Do you have any hobbies?

I spend as much time as I am able to with my family. I read and I garden.

Ashen Jugoo

FASKEN

Partner

What are the biggest energy deals you have worked on?

A highlight is the portfolio financing of five wind farms (of 140MW each) projects developed by Enel Green Power in bid window 4 of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). I led the Fasken team that advised the Lenders on the structure of the financing and security, and was responsible for the negotiation and drafting of the financing agreements. This financing is considered to be one of the largest single renewable energy financings in Africa.

Another renewable energy project highlight I have been involved in is the Bokpoort refinancing for a concentrated solar power plant (CSP), the first-ever refinancing under REIPPPP in South Africa.

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

There are a few that come to mind; (1) being agile because the energy sector is constantly changing, so I have found it important to challenge traditional approaches to financing, especially in project finance; the energy sector is very dynamic. (2) Having "big match temperament" and ready to show up for match day every day. (3) A strength in handling pressure because the need for power in South Africa, as well as the need to transition to cleaner energies, are so prevalent hence it is important to get these renewable energy projects online as soon as possible.

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

The energy sector is interesting, it's evolving it's about changing lives on a daily basis as well as for future generations and it is about creating a better society for everyone by having cleaner energy and access to sustainable energy.

Can you share any experience of working on projects in Africa and navigating the unknown?

We are seeing across Africa more and more deregulation and with this there are many more private power plants coming online than we've seen before. It is also exciting to see a general shift in African jurisdictions to move to renewable energy sources.

What advice would you give others who are growing in their careers?

I encourage others to be a sponge, absorbing information, with a willing and keen attitude to do as much as they can and learn as much as they can. Energy projects can be very complicated, from technical, financial and legal perspectives. When it comes to absorbing as much as you can, it should be in each of those spaces, irrespective of whether you're a lawyer or on the financial side or the technical side. The people that we see being most successful in this space are those who understand all aspects of a project.

What is your mentorship style especially when it comes to supporting others in their growth?

My goal is always to empower others. I strongly believe in the upliftment of others. I support others in their career growth by encouraging them to grow in their own space, and find their feet while ensuring they know I am there to support them. I believe it is very important to mentor junior professionals in order to transform this space.

Do you have any hobbies?

I am an avid gardener, particularly growing vegetables.

Nathisha Maharaj
FASKEN

Partner

FASKEN

What are the biggest energy deals you have worked on?

My banking and finance legal experience is wide and varied across multiple sectors. Recently, however, given the current state of affairs in South Africa, there is an even greater shift and focus on the energy sector. To this extent I have been fortunate to be part of the Fasken team advising the Lenders on all aspects relating to the financing of two 100 MW solar PV wheeled energy projects, situated in the North West Province, developed by vertically integrated independent power producer, SOLA Group. These two projects were the first renewable energy projects to reach financial close pursuant to the regulatory change in August 2021 to raise the licensing limit for distributed generation projects from 1 MW to 100 MW.

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

From a practising lawyer's perspective I think it is so important to not only see things with a legal hat on, but to keep abreast of everything going on around you – you also need to have sight of and understand the commercial, environmental, social and legal spheres in order to get the job done efficiently and correctly.

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

Absolutely, I get to see the fruits of my work at a larger scale; for instance seeing the renewable energy projects that have been completed when traveling around South Africa is incredible. Although at times the legal aspect on a project is just one puzzle piece the impact of the commissioned renewable energy projects has a far greater and positive impact on society.

What are notable changes in recent years?

There has been a lot of regulatory changes to streamline various aspects of a transaction, and as a result of these regulatory changes we adapt our approach as legal advisors.

The world is a lot smaller and as a result we are very comfortable doing cross-border work from South Africa given the way that technology has advanced and especially due to how techno savvy the world has become.

Can you share any experience of working on projects in Africa and navigating the unknown?

I believe that building a strong and wide network is important particularly in the African country where the transaction is taking place. Across the different African jurisdictions there are different specialists, and ultimately I always keep in mind the best interests of clients when seeking the best local advisors on the ground.

What advice would you give others who are growing in their careers?

Always keep abreast of current affairs. Personally I would encourage others, especially women, to have perseverance, but more importantly to keep sight of personal and professional goals, and maintain a balanced life.

Do you have any hobbies?

Nothing unusual but I do love to cook, especially my chocolate cake! Whenever there is a function I am called upon to bake my chocolate cake!

Simone Bryson

FASKEN

Partner

FASKEN

What are the biggest energy deals you have worked on?

I was lucky enough to start my career in project finance working on the peaking power station projects. That experience set me on a path and journey of working on some exciting and interesting energy projects. This includes, thus far, working on some of the bigger renewable deals including Enel Green Power, which is the largest portfolio financing in Africa to date.

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

For me, it always comes down to finding the best solutions for all parties involved in the transaction. This includes always being adaptive as there are so many unique situations, as every renewable energy deal is unique. From a team perspective the Fasken team is dynamic, this is a strength of the team despite there being flux in the market. The team is a consistent, stable, strong and collegial team. This is true to Fasken's values and I see these values being lived daily.

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

Every deal is different, and with this comes problem solving. This is why I find this field so exciting. I enjoy problem solving and navigating deal complexities for clients. I enjoy using my drafting and writing skills to help solve problems.

What are notable changes in your work and the industry?

From an energy side what we are seeing is that across the industry there is a surge in the private PPA/energy market. And from a workplace perspective there is less face-to-face time with clients and more engagement virtually through the use of various technology platforms.

Can you share any experience of working on projects in Africa and navigating the unknown?

I have had the opportunity to work for The Gambia National Utility regarding the procurement of renewable energy from an IPP. I had the opportunity to visit The Gambia, and I gained a better understanding of the environment and got a feel from a boots-on-the-ground perspective. I got a real understanding of the challenges of a project getting off the ground and the face-time with the client was very valuable. The Gambia is an example of a country in dire need of a sustainable energy source and renewable energy is a viable solution. But to keep things in perspective it took me 27 hours to fly there and I stopped five times passing through Gabon, Nigeria, Togo, Ghana and Guinea.

What advice would you give others who are growing in their careers?

I would encourage others to have perseverance, it is a marathon not a race, and always work with consistency.

Do you have any hobbies?

I do enjoy dabbling in art and of course spending time in nature, especially off-roading. Although Johannesburg is not known as an outdoor city, if you travel one-hour outside of the city in any direction, there are some fantastic places to get outdoors.

Craig Whitley

FASKEN

Partner

FASKEN

What are the biggest energy deals you have worked on?

Earlier in my career I was privileged to have advised on the 140MW Dorper Wind Farm which won African Wind Deal of the Year 2012. It was part of REIPPPP Round I and set a positive path forward for future renewable energy projects in South Africa.

I have also had the opportunity to work on a number of projects spanning a wide variety of renewable energy sources and technologies, including geothermal power in East Africa. The need for access to sustainable energy sources on the African continent is profound and of ever increasing signficance.

Most recently I was part of the Fasken team and co-leader on advising the Lenders on all aspects relating to the financing of two 100 MW solar PV wheeled energy projects, situated in the North West Province, developed by vertically integrated independent power producer, SOLA Group. These two projects were the first renewable energy projects to reach financial close pursuant to the regulatory change in August 2021 to raise the licensing limit for distributed generation projects from 1 MW to 100 MW.

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

I believe the strengths that one requires are (1) the ability to understand the risks associated with each project and to try ensure a fair allocation of those risks between the parties; (2) an ability to succintly and accurately record the commercial agreement and intention of the parties as the drafting can tend to become very technical; and (3) remaining calm under pressure.

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

With my science background (I graduated with a Bachelor of Science from the University of the Witwatersrand), a passion for new technologies and, in the case of energy, the new technological developments of harnessing power in new and different ways, I find the energy sector extremely interesting and always evolving. Combined with my specialisation in finance law, being able to at times work in this science-related industry, with my legal hat on is exciting. Added to this I grew up with a fantastic role model, my father, who was a structural and civil engineer prior to his retirement, and so from a young age I was exposed to new ideas and hearing "engineering-speak".

What are notable changes in the industry?

In the South African context, the raising of the licensing limit for distributed generation projects to 100 MW has enabled large corporates and energy consumers to develop or contract their own dedicated energy producers on a scale that now allows for meaningful levels of power production. The South African government's efforts to create teams focussed on facilitating the private sector's development of independent producers of renewable energy and the implementation of geographical 'corridors' aimed at reducing certain of the regulatory compliance burden of projects will be of great assistance in accelerating the development of future energy projects.

Do you have any hobbies?

I have played the bagpipes since high school and continue to play today. I have had the opportunity to travel the world playing at international competitions and live shows/tattoos such as the Royal Edinburgh Military Tattoo, the Royal Tournament in London, the Kremlin Zoria (on the Red Square, Moscow) and the Basel Tattoo (Switzerland). It is a hobby that I'm incredibly passionate about, I find it immensely rewarding and a great way to balance out the career pressures and intensity.


Investec
If it's Just Energy,
it's more than
just energy.

Investec partners with Pele Green Energy in a unique refinancing of the Touwsrivier CPV1 power plant

Investec's role

Investec Power and Infrastructure Finance, as mandated lead arranger, partnered with Pele Green Energy (Pele) in the refinancing of its 44MWp concentrated photovoltaic (CPV) solar project in Touwsrivier in the Western Cape.

In addition to the debt, Investec's Treasury Sales and Structuring Interest Rates team provided interest rate hedges for the senior term loan, thus providing protection in this rising interest rate environment.

PELE GREEN ENERGY

CPV Power Plant No.1 (Pty) Ltd

Sector: Power - Renewable Energy

Investec role: Mandated lead arranger

Asset financed: CPV Power Plant No.1 (Pty) Ltd

Type of funding: Refinancing of JSE-listed project bond

Amount: R1.2bn

Investec

About CPV Power Plant No 1:

CPV Power Plant No.1 (Pty) Ltd is a 44MWp CPV solar plant in Touwsrivier in the Western Cape. It was built as part of Round 1 of the South African Renewable Energy Independent Power Producers Procurement Programme (REIPPPP) and has been in operation for seven and a half years. Its main shareholders are Pele Green Energy (Pty) Ltd (majority shareholder), the Public Investment Corporation (PIC) and the Touwsrivier Solar Community Trust (TSCT).

It is one of the largest solar CPV plants in the world and the only one in Africa.

The plant consists of 1,500 dual-axis solar tracking systems with a total of 18,000 modules over 190 hectares. It powers roughly 26,000 homes and has achieved an average reduction of 69 tonnes of CO_2 a year when compared to coal-fired power plants in South Africa.

About Pele Energy Group

Pele Energy Group is a sustainability business and independent power producer that develops, owns, procures, builds and operates power projects in South Africa and other sub-Saharan Africa countries. Pele Energy Group has an established track record in the REIPPP, operating in key power generating sectors, with over 1.3GW in energy projects at various stages of development.

HIGHLIGHTS AND KEY FEATURES:

> The transaction is unique in that it involved the refinancing of a JSE-listed project bond, the only REIPPP project to have been funded in this way. The refinancing will help reduce the tariff of the electricity sold to Eskom under the Power Purchase Agreement, ultimately benefitting the South African consumer.

> Investec provided grant funding to partly fund the development of a commercial hydroponic farm jointly owned by Pele and the Touwsrivier Community Trust (also a shareholder in the CPV1 Project) located at the project site.

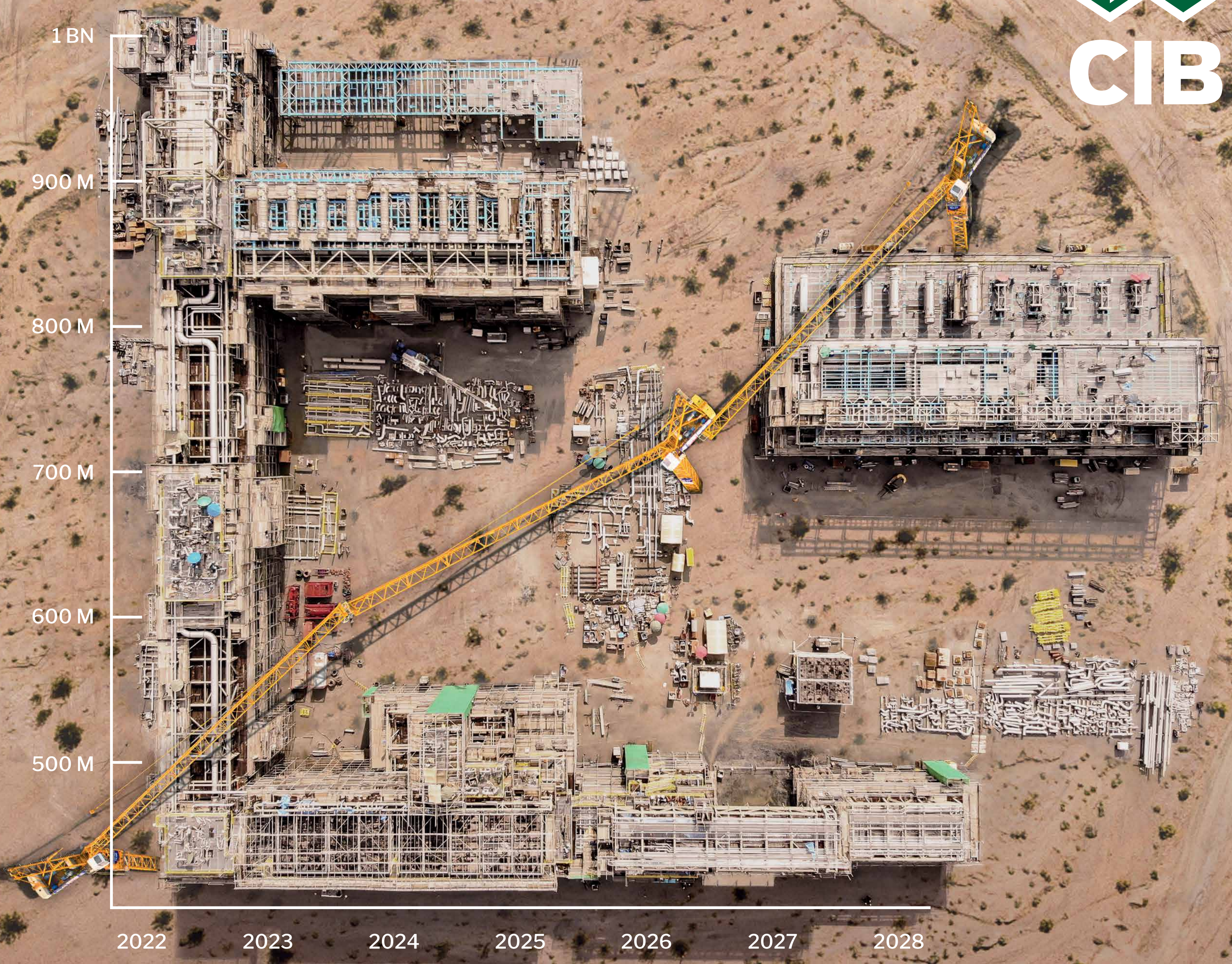
> The Touwsrivier plant has helped with job creation in the area, including 733 jobs during its construction phase and 44 permanent staff retained to date.

> Pele group's socio-economic development team has assisted the Touwsrivier community by contributing to 55 bursaries and 59 internships, developing 63 start-up enterprises, as well as the mentoring of 38 SMEs and the installation of three solar PV systems at schools in the community.

> The project has also made an investment into the development of a community resource centre called the 4-Rooms of Freedom.

Joe Public 30397

CIB



Tronox solar generation deal shows the way for private sector generation in SA

AMITH SINGH, HEAD OF ENERGY FINANCE AT NEDBANK CIB

The increase in the licensing threshold for embedded energy generation projects in South Africa, from 1 MW to 100 MW, unlocked significant opportunities for investment into private sector generation capacity. Not only will such investment enable private sector organisations to secure their own energy supply, or at least supplement their grid-based energy offtake, it has the potential to significantly augment the renewable energy contribution anticipated from the country's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP).

Given the potential of renewables to contribute to South Africa's energy security and energy transition, and the success of the REIPPPP, this new wave of large-scale utility renewable energy projects supplying power to corporate offtakers is welcomed.

But a year after the announcement of the licensing threshold increase, we are encouraged by the progress of corporate South Africa in purchasing renewable energy directly from independent Power Producers (IPP). As a Bank, we have seen numerous Renewable Energy Projects coming to the market.

A case in point is the recent successful financial close of an investment transaction by world-leading titanium dioxide pigment producer, Tronox, which will see the construction of two 100MW solar PV plants in the North West Province. Nedbank CIB acted as joint mandated lead arranger of the deals, and also contributed R827m of the R3,1bn debt portion of the total funding. As the first utility scale renewable energy captive power projects in South Africa, the Tronox deal is a significant step forward for private sector energy generation in the country.


SINGH

The projects comprise a total of 387,000 solar panels, mounted on trackers that change position as the sun moves. Tronox will be the sole energy offtaker, and it is projected that the two plants will deliver up to 40 percent of the company's South African power requirements via a wheeling arrangement with Eskom. The projects will also be amongst the first to feed directly into Eskom's high-voltage transmission network.

Like many mining and production operations, Tronox's processes are energy intensive. At the same time, the firm has significant sustainability commitments, and these renewable energy projects will not only underpin the group's security and affordability of energy supply, but it will also reduce Tronox's global carbon emissions by an estimated 13 percent, compared to its 2019 baseline. Tronox has also secured a competitive energy tariff trough the offtake signed, and this will contribute significantly towards their energy cost savings.

The solar PV projects were developed by the SOLA Group and African Rainbow Energy and Power (AREP). They are 100 percent South African-owned and financed. Given the benefits that will accrue to Tronox as the end user, the hope is that these projects set an example of what can be achieved in terms of unlocking the value of corporate and industrial (C&I) generation, not only for the businesses that invest in it, but also for the country and its energy transition ambitions.

Arvana Singh
NEDBANK CIB

Head sustainable finance solutions

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

A My career started off in 2009 as a credit analyst in investment banking. After gaining a good grounding, I subsequently moved into a front line structured solutions role and then into a debt capital markets environment where I spent a vast majority of my career. During my time in debt capital markets I was exposed to, and was at the forefront of, macro development factors (of which climate change was quickly evolving as one), capital flows and investor trends and had the platform to develop financial instruments. Combining this knowledge and platform with an innovation mindset, structuring expertise and strong collaboration with key stakeholders enabled the creation of the green bond instruments which found huge deal success in the market and importantly achieves positive impact. Building on this momentum I was provided the opportunity to create a Sustainable Finance Solutions business within the Corporate and Investment Bank in November 2020, with a focus on developing and delivering innovative sustainability focused products covering lending, arranging, co-ordinating and advisory services. Since establishing the business we have concluded a number of significant deals which includes having structured a R1bn sustainability linked debt financing facility for Imperial Logistics, which represents a first for the company, and having structured and co-ordinated a R10bn currency equivalent debt financing package for Harmony Gold consisting of a green loan and multi-currency sustainability linked loan facilities, marking one of the largest sustainable finance transactions to have been concluded in South Africa.

Q *Do you have any unusual hobbies / do you participate in any leisure activities?*

A I enjoy yoga practice during down time. My favourite yoga pose is "birds of paradise pose" as it is a challenging pose, which tests both physical and mental strength requiring focus, strength and balance, it provides a feeling that anything is possible and symbolises aspiring to a higher level. This resonates with me and the desire that I have to be challenged, to rise above and to remain curious about possibilities.

I also enjoy different genres of music, reading motivational books, spending time in nature and spending quality time with family and friends.

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

A Yes. Ability to employ systems value thinking, perform qualitative and quantitative value assessments, be able to employ an opportunities and risk mindset and be able to identify levers to enhance value creation across various dimensions. In addition you should be able to think creatively and structure robust solutions and, have the courage and tenacity to lead, pioneer, develop, test and land solutions in the market.

You need to maintain a good read of the market, foster networks and relationships, and be able to effectively collaborate with key players in the ecosystem to develop and execute on ideas.

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

A Yes, sustainable finance is transforming the way that mainstream finance is being offered to clients. This area of finance has valuable attributes attached to it which aim to make positive impacts in the environmental, social and governance dimensions. These are desperately needed to assist in mitigating against systematic and unsystematic risks and to be able to support societal and economic resilience and growth.

Bruce Stewart
NEDBANK CIB

Head of Debt Capital Markets Advisory

What is the biggest energy deal you have worked on?

Nedbank's Debt Capital Markets Team has raised R2,662 billion senior unsecured debt, specifically for funding the development of four renewable-energy projects ,namely a wind and three solar projects. We have also raised R910 million of green tier 1 capital for Nedbank, with the proceeds of the issue being allocated to additional renewable-energy projects.

How did you come to specialise in your field? Was it a personal choice or have market needs led you in this direction?

As a specialist debt capital markets transactor, and not restricted to capital raising in any specific sector, I am able to direct the allocation of capital to where it best delivers a commercial return and contributes positively to sustainability.

Do you have any hobbies or participate in certain sports activities?

I enjoy extreme multi-stage mountain biking…along beaches and through game reserves.

I think every person has an inherent desire to contribute to the longevity and sustainability of society and raising capital for the investment and development of renewable energy creates an opportunity to do so.

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

Raising capital for renewable-energy projects requires a passion for using one's financial expertise to do good. In addition to having a comprehensive understanding of the Sustainable Development Goals in the context of the environmental, sustainability and governance frameworks, you must be able to structure and deliver use of proceeds or sustainability-linked, fixed-income bond assets of unquestionable integrity to investors, as they provide the investment capital.

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

It is indeed exciting to be involved in the re-allocation of capital to sectors and projects that will contribute to the reduction of greenhouse gas emissions. I think every person has an inherent desire to contribute to the longevity and sustainability of society. Raising capital for the investment and development of renewable energy creates an opportunity to do so.

Roy Richardson

NEDBANK CIB

Principal - Advisory

NEDBANK CIB

What are the biggest energy deals you have worked on?

I acted as Corporate Advisor to Patrice Motsepe's Renewable Energy investment company, African Rainbow Energy and Power (AREP) for its investment in 9 REIPPPP Round 4 projects totalling 740MW which also included raising the requisite acquisition funding for such investment. Total deal size was R1.1bn. The deal was a landmark deal for the entity and represented its first investment into the renewable energy sector.

I also acted as Corporate advisor to Reatile Group on the take private of Hulisani Limited. Originated by Nedbank, the deal represented a significant investment into the renewable energy sector by a 100% black-owned and operated entity, embodying the important role that historically disadvantaged South Africans must play in supporting government's economic transformation and green economy agenda.

Power is arguably the single most critical sector in South Africa and is currently the topic of concern for all South Africans.

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?

I think it was both my career and a personal choice. I joined Nedbank in 2015 and was very quickly exposed to the enormous opportunity that the Renewable Energy sector presented, particularly for Nedbank who has and continues to play a leading role in funding the vast amounts of capital required by our country to solve its energy requirements in a sustainable manner.

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

Aside from the obvious investment banking skills, I think patience and resilience are probably the two biggest attributes needed as a corporate advisor in the South African energy sector.

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

There is no more exciting sector in South Africa than Renewable Energy.

Power is arguably the single most critical sector in South Africa and is currently the topic of concern for all South Africans. Playing a role in finding a solution to this problem is very rewarding, particularly in light of the fact that a transition to renewable energy sources is a global imperative for the long term sustainability of our planet.

Werner Fuls
PKF

Partner, PKF Family Office (Seychelles), PKF Africa Corporate Finance member, M&A dealmaker

How long have you been working in the renewable energy sector?

I have been involved with this sector for over 8 years. I started at an operational level, then worked within it from an investor perspective, after which I started managing the PKF Family Office in the Seychelles. In this position, I consult to various energy companies and or customers requiring energy solutions. Consulting will include the finance options available to both off takers and energy providers, structures best suitable to both and various other related services including development of projects. I am also a member of the Corporate Finance committee at PKF Africa.

What are the biggest energy deals which you have worked on?

I have been privileged to work on a number of large energy deals. My role in a few of these deals is listed below;

- I fully developed and submitted 330MW of compliant projects in Round 2/3 of the REIPPP Programme.
- We developed about 140MW of normal commercial projects, presented this to the respective Boards and some are now in implementation phase.
- I have led a team to perform due diligences on over 500MW of projects in order to purchase into investment portfolios. These projects were all successful bidders and/or completed projects.
- I am currently involved in a 600MW deal between various family offices and am responsible for the equity investors' implementation.

What has been your most challenging energy deal and why?

In the early days of 2011/2012, the renewable sector was breaking into new territory with many people in Eskom and similar positions not even understanding what renewable energy was about, and how it would fit into the larger energy generation picture of South Africa.

It was then that we developed and implemented the first commercial Power Purchase Agreement, with a listed group, in South Africa. Although very small, it was a reference for us, but it took blood, sweat and patience to convince the customer, authorities and even the initial investors, and eventually get all the authorisations and implementation completed.

We, as a company wanted to purchase some of the Round 1 successful projects. It was new territory for most people with no reference points. Logistical and project uncertainties, along with greed and lack of implementation/ operation experience created a space where pricing and due diligence were done without any foundational information/data in South Africa. This has subsequently changed and there are now real experiences, data and information available.


RMB
SERITI Green
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.
RMB a division of FirstRand Bank Limited, is an Authorised Financial Services and Credit Provider NCRCP20.
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 mounded 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.

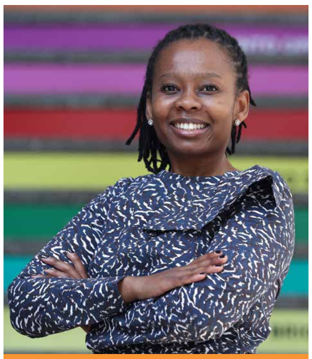
IPPs – Large corporate and industrial companies have typically opted to outsource their renewable energy procurement from IPPs. This model can either follow a behind-the-fence solution on the companies' premises, or a wheeling solution, with the latter being the most adopted solution by large C&I.

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.

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.

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.

Amber Bolleurs
RMB

Senior Transactor:
Infrastructure Sector Solutions

RMB

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

RMB

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

RMB

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)

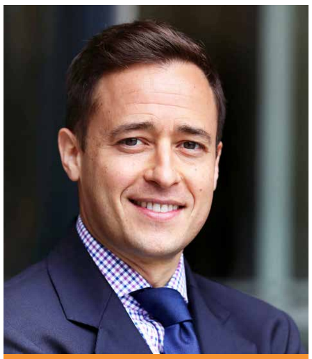
Recent pan-African M&A transactions have highlighted the different energy tariffs and structures across the continent. This has prompted us to closer examine the differences in the market and the resulting variances in competitiveness. From Kenya to Nigeria, to South Africa and beyond, these markets 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 not so recent electricity emergency and the ongoing chronic power outages have led to a need for alternative energy options.

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 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 though 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 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.

Seriti Green acquires 100% shareholding in Windlab Africa's wind and solar-powered projects

Standard Bank's involvement

Standard Bank was appointed as Sole M&A Advisor to Seriti Green.

This Transaction is noteworthy as it was originated by the Standard Bank Power & Infrastructure sector team with Standard Bank's role extending beyond advisory. The Bank's other roles included:

Equity partner to Seriti alongside a group of other strong strategic partners, including management.

Bridge funding provider to supplement equity contributed by shareholders.

SERITI Green

Sep-22 USD55 million

Seriti Green acquires 100% shareholding in Windlab Africa's wind and solar-powered projects

Sole Financial Advisor

Standard Bank

These transactions highlighted Standard Bank's ability to effectively execute co-advisory mandates and facilitate complex negotiations between the client and potential buyers

SERITI OVERVIEW

Seriti is a broad based, 91% black-owned and controlled South African mining company co-owned by four black anchor shareholders, Masimong Group, Thebe Investments, Zungu Investments (Zico) and Community Investment Holdings (CIH).

The company is directed by a board and management team who collectively have significant and relevant experience in the acquisition, operation and development of large-scale coal operations in the country.

Seriti is currently Eskom's largest black-controlled coal supplier, with a clear focus on providing Eskom with secure, long-term coal supply solutions to fuel its power station fleet.

As a company they also believe in establishing a sustainable legacy for the communities in which they operate, and the mining industry as a whole. To support this philosophy, 10% of their equity has been ring-fenced equally for the benefit of employees and communities through employee and community trusts.

Acquiror	Seriti Green (Pty) Ltd
Asset	Windlab Africa's wind and solar-powered projects
Standard Bank Role	Sole Financial Advisor, Equity Partner, Funding Provider and Bridge Funding Provider
Transaction Values	R 892 million (USD 55 million)
Country	South Africa

- The Transaction shows Standard Bank's ability to execute solutions that achieve the realisation of renewable energy in Africa.
- Commitment and ability to partner with clients by bringing to bear a full bank offering across multiple products and sector expertise.
- This deal was ideated and originated by the Standard Bank sector team, advised on, and invested in and funded by Standard Bank.
- The idea generation process and matching of suitable counterparties in the form of Seriti and Windlab demonstrates Standard Bank's market leading insights into the sector and needs of their clients.
- Standard Banks's sector expertise and understanding of client needs allows them to bring forth innovative and effective solutions.

Investing in Africa energy - the carbon conundrum

KENNY FIHLA – CHIEF EXECUTIVE OF CORPORATE AND INVESTMENT BANKING, STANDARD BANK GROUP

The recent severe floods in Nigeria, as well as record high temperatures in various parts of the world have placed the spotlight on the growing threat posed by climate change and the urgent need to ramp up investments in green energy solutions.

The world's attention has also been fixated on the Ukrainian invasion – a human crisis that has thrown into stark reality Europe's dependence on Russian hydrocarbons and the pipeline infrastructure that delivers oil and gas to the region's consumers.

Energy prices have skyrocketed since early 2022, highlighting the strategic and moral dilemma facing Europe's most industrialised economies. Germany, due to its own limited natural resources, is heavily reliant on Russia for more than half of its gas, almost half of its coal, and about a third of its oil, according to Bloomberg. While already one of the world's most advanced economies, in terms of greener energy usage, Germany has found that its renewables are nowhere near enough to sustain its population's demands for electricity and fuel, while also powering its economy.

Like most of Europe, Germany is balancing its need for energy security and economic growth, even as it embarks on a decades-long transition to greener fuels and greater energy independence.

African Opportunity

The need for Africa to follow a just transition to greener energy and advance the development of its people is imperative. The developed world has a significant head-start. Compare Germany and Uganda. According to the World Bank, GDP per capita in Germany was $46,208 in 2020, while for Uganda it was a paltry $822. In the same year, German life expectancy at birth was 81.4, while in Uganda, it was 63.7. Likewise, in 2018, Germany emitted 8.22 metric tons (tonnes) of CO_2 per person, while Uganda's carbon footprint was just 0.143 tonnes per person. There are many statistics that reference this, and Uganda, like most other African countries, still has a long path ahead to catch up with the developed nations of the world.

It is against these disparities that Africa needs a multi-stakeholder and multinational approach to curb the climate crisis. The latest United Nations Intergovernmental Panel on Climate Change (PCC) report warns that limiting global warming to 1.5°C is looking ever more unlikely without urgent global action on drastic reductions in greenhouse gas (GHG) emissions.


KENNY FIHLA

Even though Africa is a minor contributor to global GHG emissions (3.8%), the climate risks for our continent are real and ominous. Not only are African countries most vulnerable to the effects of climate change, despite contributing significantly less to global carbon emissions, they face greater dilemmas than their European counterparts in meeting the legitimate needs of their people today, while transitioning to a greener, more just society.

Historically, renewables were criticised as being too expensive. However, we have seen a significant decline in their cost, due in large part, to advancements in technology, making renewables more efficient and affordable. Technological advances have increased the possibility of achieving a transition away from non-renewable energy sources, with Africa being rich in untapped renewables – solar, wind, hydropower and geothermal.

In the medium to long-term, there is an immense opportunity for Africa to produce and export green energy solutions to sunshine-poor northern climates. There are innovative opportunities with vast potential that aim to re-tool economies to run on hydrogen produced from African sunshine and wind.

Earlier this year, Anglo American unveiled the world's biggest green hydrogen-powered truck at a platinum mine in Limpopo, South Africa. The mining giant intends to replace its existing diesel-fuelled fleet, which uses an estimated 40 million litres of carbon-based fuel a year, with green hydrogen-powered trucks. This early-stage development shows the innovative work underway on our continent, and creates room for us to be world leaders in the green hydrogen economy. President Ramaphosa called the initiative, "a gigantic leap for South Africa's hydrogen future economy", representing "the genesis of an entire ecosystem powered by hydrogen."

Funding a Just Energy Transition

The International Labour Organisation and United Nations Framework Convention on Climate Change defines a just transition as, "greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind."

While Africa must join the global drive towards limiting GHG emissions, this action must be considered within the context of Africa's just transition towards a low-carbon economy, and in a manner that recognises and addresses the deep energy deficit across African economies. The transition away from non-renewable energy will necessarily be a gradual and measured process, given widespread energy poverty across sub-Saharan Africa, where less than 50 percent of the population have access to electricity.

As the World Bank has argued, Africa's recovery from the COVID-19 pandemic, and its medium-term development, both require a degree of openness to further investment in 'brown' activities. Many argue that a refusal to accept this would amount to denying Africa's right to sustainable development. A total or immediate ban on further transitional projects in Africa to help reduce environmental pressure in much richer regions is simply unjust.

Energy, in general, underpins economic growth in emerging markets, specifically in Africa, where affordable and reliable energy access is fundamental to development. Therefore, non-renewable energy will likely remain key to ensuring energy security in many African regions requiring broad access to electricity, as well as transportation.

Africa's growing urban populations will require a reliable and sustainable energy supply to power industrial production, electrify more households, and expand the use of transport to drive socio-economic development. Certain countries – Nigeria, Angola, Ghana and Mozambique – produce oil and gas for international markets, thus providing foreign currency and tax revenues to develop their respective economies. It is important to objectively acknowledge the pressing need to balance all these realities as part of ensuring a just energy transition.

Having said that, Standard Bank Group's long-term goal is clear. We will achieve a portfolio mix that is net zero by 2050. That will entail reducing our financed emissions and simultaneously scaling up our financing of renewables, reforestation, climate-smart agriculture, decarbonisation and transition technologies, and supporting the development of credible carbon offset programmes. We are already a major funder of renewable energy projects in Africa. Since 2012, 86 percent of our new energy lending has been to renewable energy, and we have not financed any new coal-fired power stations since 2009.

Responsible investment means following globally accepted environmental, social and governance (ESG) best practices like those embodied in the Equator Principles (EP) and the International Finance Corporations (IFC's) best practice standards, both of which underpin Standard Bank's investment portfolio. Here, responsible investors can not only support development, but can work with carefully selected clients to ensure that carbon-based energy projects are responsibly developed with the lowest possible carbon footprint. This is how Standard Bank intends to play our role in Africa.

We will finance initiatives that drive economic growth and human development across Africa. Much of this will be investments in renewable energy infrastructure and transitioning to a new sustainable economy, even as we unlock opportunities from Africa's existing natural endowment. Every major investment must be done according to the highest ethical and governance standards.

Ultimately, just as Europe doesn't "un-develop" itself by switching off gas, Africa cannot keep itself under-developed by forgoing all carbon-based fuel investment opportunities at the same pace as the developed global north. This would be at great social cost for the continent. Both need to transition to something better – and Standard Bank will support Africa's just energy transition.

Brian Marshall

Standard Bank

Head of Investment Banking

How would you say the world of Investment Banking has changed since you began your career, given that integrating environmental, social and governance (ESG) considerations into transactions is growing in importance?

Since I started my career in Investment Banking, bankers have increasingly become more aware of the 'transmission' nature of their jobs – the capital they arrange and the advice they provide has an impact far beyond the immediate fulfilment of a transaction. The current focus on ESG is the next phase of that development and will increasingly determine stakeholder perceptions, investor interest and business outcomes.

To what extent are bankers taking ESG factors into account when considering potential deals?

Bankers are increasingly approaching transactions by taking ESG factors into account – from both positive and negative perspectives. From a positive perspective, they are looking at the benefits a particular situation can unlock for capital structure efficiency. From a downside perspective they are looking at what ESG risks are present in terms of stranded assets and the impact this may have on portfolio policy and obligations.

How do you believe the shift away from fossil fuels will shape mergers and acquisitions (M&A) activity over the coming years?

We are seeing increased M&A activity and the raising of capital in multiple areas and this will happen in phases – the immediate focus will be in renewable and decentralised energy as well as gas as a transition fuel. An example of this would be Seriti's acquisition of Windlab's South African and East African businesses to create Seriti Green.

Beyond this initial phase, we think there will be opportunity in green hydrogen, the mining of critical minerals and the revolution in transport.

ESG and responsible investment considerations are profoundly reshaping business models, how does Standard Bank use its Sustainable Bond Framework to help clients to integrate ESG into their financing?

At Standard Bank, we support our clients by using our own capital to assist clients with arranging financing that will further a company's ESG objectives. We also arrange primary capital market issuances that connect clients and investors to achieve the same objectives.

We have witnessed a rise in ESG dealmaking, with Standard Bank closing some key deals this year, do you predict this trajectory to continue over the next 5 years?

Yes, and in my view, this is only the start of a sustained transition. We might see certain starts and the build-up of hype followed by periods of cooling, but the longer-term trajectory is undeniable. ESG will eventually become embedded in the way arrangers, issuers and lenders think about structuring all transactions – it will not have a separate 'category' so to speak.

How does Standard Bank Investment Banking plan to boost its sustainability profile – what are some of your short-medium- and long-term targets?

Standard Bank Group's purpose is to drive Africa's growth and we are committed to do so in an inclusive and sustainable manner. We plan to mobilise a cumulative amount of between R250 billion and R300 billion for sustainable finance by the end of 2026. This target includes an additional R50 billion of financing for renewable energy and underwriting of a further R15 billion of renewable energy by the end of 2024.

Given the continents massive funding needs, what role will sustainable finance play in bolstering capital for high-impact projects and how much appetite is there for green financing in Africa?

In Africa priority should be given to energy security. Due to energy poverty in Africa where more than 40% of the population don't have reliable access to electricity, we have the unique opportunity to bypass the burden of legacy infrastructure more so than the developed world. However, this will take time and until then, Africa needs to do all it can to modernise its economies. Green financing will play a key role in transitioning legacy infrastructure and also establishing new power generation from sustainable sources.

Standard Bank Group's purpose is to drive Africa's growth and we are committed to do so in an inclusive and sustainable manner

In closing, ESG, Sustainable Finance and Green Investments have become the biggest buzz words in the last few years. What used to be a niche topic has now taken centre stage – so this begs the question- what's next?

What comes next is the implementation – carbon emissions remain a serious global threat for which Africa is not the leading contributor. The financing commitments from the developed world is a move in the right direction – now we all need to get involved on both sides to ensure the implementation of a just energy transition.

What does your current role entail, and tell us about your journey to this position?

I am Head of Investment Banking and have been at Standard Bank for 16 years. I also led the Debt Solutions business which is responsible for all arranging and underwriting of term lending. I started my banking career at RBS, London where I was part of the Leverage Finance team supporting Private Equity led financing. I also spent seven years with Deloitte culminating in the Private Equity Transaction Services team in London.

What is the biggest / most complex transaction you have worked on so far in your career?

I have been privileged to work on many big transactions in my career including large leverage and acquisition financing activities, and I have always enjoyed assisting clients to fulfil on their strategic objectives.

What words of advice do you have to the next generation of bankers?

My advice to the next generation of bankers is not to underestimate the importance of the role of bankers to the economy and society – don't approach matters with a short-term outlook. Understand the role finance can play in unlocking sustained growth for the benefit of all, especially in a continent such as Africa.

Aadil Cajee
Standard Bank

Head of Global Energy and Infrastructure

Standard Bank
Also trading as Stanbic Bank

In your opinion, why is it considered difficult to fund infrastructure development in Africa?

Infrastructure development is generally driven by governments and sovereigns. Investment, progress and efficient deployment of infrastructure projects are intrinsically linked to a countries macro-economic circumstance as well as its Government's decision making.

The main things impeding infrastructure development are:

1. Lack of long-term planning frameworks. In South Africa, once we instituted the Independent Power Producer Programmes and created a framework around what the energy mix would look like, international investors were more confident as they could see the longer-term plan for projects to come to market.
2. Government and government institutions are insufficiently capacitated and there is a skills deficiency on the continent when it comes to packaging, developing and bringing projects to market. The private sector can support governments to build the capacity to help bring bankable projects to market.
3. The G in ESG - Governance – very often the regulatory frameworks in Africa are not clear enough for investors to understand how procurement should look. This then delays projects coming to market as procurement and governance processes need to be cleared up first.

According to a recent study by the IMF – it was cited that "to attract private investors and transform the way Africa finances its development, improvements in the business environment seem critical." What in your experience has proven to dominate 'international investors' minds about investing in African infrastructure projects?

In my opinion, two of the most important things investors want are long-term political stability in the country and a regulatory framework that allows ease of doing business. Most people know that red tape often gets in the way of progress on projects. We need to create an environment that is enabling for private sector participation on a large-scale.

According to research, there is need and available funding, together with a large pipeline of potential projects—but not enough money is being spent on infrastructure projects – do you agree with this finding and why?

Africa has no shortage of opportunity because the reality is that we have 600 million people who don't have access to reliable electricity. We have the most youthful population on the planet and we are experiencing rapid urbanisation, but we don't necessarily have the right infrastructure to maintain larger urban populations.

Long term visibility and stability allows for long term investment decisions being made. These decisions are made across the spectrum of investors and over time allows the inclusion of multiple sources of capital, the development of local markets and the ability for foreign institutional capital to participate in the development of assets that would typically offer better yields in developing economies.

It is believed that Africa does not suffer from a shortage in infrastructure projects (both physical and social) but a shortage of bankable ones – what do you believe causes this misalignment?

It is very clear that there is no shortage of infrastructure projects across Africa and governments are prioritising infrastructure investment. The transport and energy sector take the bulk of the budgetary allocation from governments, but the question is "why are we not seeing projects hit the ground" and that primarily comes back to project preparation.

Bringing projects to market in a format that is bankable and attractive to investors in terms of ticking all regulatory boxes needs to be prioritised.

With the growth of ESG across Africa, how do you expect this will shape the infrastructure finance landscape in the next 5 years?

As much as ESG has become a catchphrase, it was always inherent in any infrastructure investment because of the scale of the projects and their impact on the environment and people. The fact that it is more regulated now is fantastic and will accelerate social development on the continent.

The energy transition is an overarching theme globally but in the context of 600 million people in Africa not having access to electricity, is energy security a bigger priority? This is a question we need to ask. As an African bank, we need to be thinking about this and balancing these issues with our purpose to drive Africa's growth.

What does your current role entail, and tell us about your journey to this position?

I head up Global Energy and Infrastructure Investment Banking at Standard Bank. My journey to this position was an unplanned one and I started my career in leverage finance and the BEE finance space. In 2008, just before the market crash, I moved to investment banking.

I've never left the sector as I'm a strong believer that we need to have purpose in what we do, and it's rare to find a place where you feel you are making a real contribution to the lives of people and to the continent. I now head up a team that is really contributing to a purpose.

When you are not doing E&I what are you doing?

I love our continent and I fully identify as African. When I'm not working on energy and infrastructure transactions, I am overlanding in my 4x4 somewhere in Africa. I have just come back from a trip with my kids to Zimbabwe and it was heart-warming to tell my family that we were part of the Zimbabwe/South Africa border project, one of the busiest borders in the North-South corridor of the continent. What used to take 7-hours took us 30-minutes!

What words of advice do you have to the next generation of bankers?

My advice to the next generation of bankers is that you need to think about your purpose first and that you have a contribution to make. Generational gaps are real and what was important to us when we started our careers may not be as important to the next generation of bankers. We are a very small part of the population on the continent that has been privileged enough to get the right education and opportunities and we are in a position to make a difference.

Before you think about making money, think about where your passion lies, and where you can give back to our continent.

Alex Davidson

Standard Bank

Head of the Client South Africa Business, Global Markets

Standard Bank

Also trading as Stanbic Bank

What impact has COVID-19 had on the South African market and how have you responded as Standard Bank Global Markets in supporting your clients?

Covid reinforced how important it is to have the right mind-set, people and skills that are able to embrace complex situations. The COVID-19 pandemic was thrust upon us and created a completely new and uncertain environment and with it the ability to realise that "complexity is a privilege" and an incredible opportunity to co-create solutions with our clients.

We've worked hard to develop and hire the right skills and also cultivate the mindset that allows us to really own and embrace complexity. Over many years our teams have built strong relationships with clients and with this ever present mindset of "complexity being a privilege" we've been able to deliver highly focused solutions.

Are there any other market themes in the last 12-18 months that have had a material impact on client needs? How have you responded to these?

When we look back now the pre-COVID period was really a very benign time: a stable geopolitical environment, low inflation, plentiful liquidity, relatively low volatility and very manageable yield curves. Since the COVID-19 pandemic we've seen so much change. Every one of the points I mentioned above no longer exists or is in a state of flux.

In response, we've been incredibly deliberate about understanding how the world has changed, what these changes mean and then looked to use our unique skills to provide our clients with the relevant solutions needed.

What impact has the recent focus on ESG had from a global markets perspective, especially as we've seen Standard Bank GM advise on transactions with the likes of Scatec?

In the last few years there has been increased focus on the ESG impacts of companies from their investors, regulators and consumers. As a bank we are responding to this by ensuring that all our divisions are mindful of their impact and do the right business in the right way.

Funding renewable projects is a key element of our ESG strategy. However, these projects have long lead times and long tenors and are often not rand based which adds significant risk and complexity. As a leader in the renewables space we not only provide the finance but also hedging and risk mitigation strategies that ensure the financial viability of these crucial projects.

Earlier this year, we partnered with Scatec to successfully reach financial close on the first sizable battery energy storage and photovoltaic (PV) solar project in South Africa. The project is a great example of how, alongside our significant funding we delivered effective risk mitigation by hedging $10bn of exposure and creating certainty in the transaction.

How can carbon market vehicles, like carbon trading, be used as a mechanism to channel new investment into energy security in South Africa?

Given that the two dominant carbon credit standard-setting organisations (Verra and GoldStandard) changed their rules in 2020, no longer allowing registration of grid tied renewable energy projects in countries other than Least Developed Countries, there is limited scope for carbon credit revenues to fund meaningful expansions in South Africa's renewable energy generation capacity.

Where carbon markets can play a role is as a conduit for finance that can be applied to alleviate energy insecurity and energy poverty. 90% of carbon credits are bought in the global north while 90% of potential natural climate solutions are in the global south and the carbon markets can provide a mechanism for this potential flow of capital.

Research indicates that using the available land and natural capital sub-Saharan Africa has the potential to sequester 1,200 million tCO_2e per year relatively cost-effectively. If these emission reductions could be monetised into carbon credits, they would represent an African export market worth 10s of billions of USD annually.

This stream of carbon finance could offer a vital source of financing for developing countries that can be applied for mitigation and adaptation.

What are the biggest risks facing SA clients and what opportunities are clients and investors seeing in the country?

South Africa has immense opportunities and great risks. The impact of the potential gray-listing and its effect on capital flows is one of the top risks facing South Africa. The country also has political uncertainty around the upcoming ANC electoral conference, and the current power and infrastructure issues.

Investors see that South Africa has an incredibly healthy banking and savings industry and a young upwardly mobile population. South Africans are energetic, innovative and entrepreneurs, however our country is in desperate need of infrastructure spend.

There are great opportunities in renewable energy and digitisation.

25 renewable energy projects have been selected for development in the fifth bid window of the country's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) – aiming to secure more than 2,500MW of renewable energy primarily from onshore wind farms and solar photovoltaic plants.

We also project that South Africa's technology, media, and telecommunication sectors are expected to see the most M&A activity in the foreseeable future, with investments in non-traditional sectors harnessed on digital infrastructure and ESG values.

There are great opportunities in renewable energy and digitisation.

What does your current role entail, and tell us about your journey to this position?

I am the Head of the Client South Africa Business for Global Markets. My job is to ensure that we leverage the full Standard Bank franchise to deliver an impactful set of solutions to our clients.

I started my career as a commodities trader at Glencore, and later worked on the interest trading desk at the Royal Bank of Scotland in London. Thereafter, I joined Investec Johannesburg as a currency trader. Finally, I joined Standard Bank in 2006 on the Sales & Structuring Desk. Prior to my current role, I was responsible for the Client Solutions team within Global Markets.

What words of advice do you have to the next generation of bankers?

There will come a time that you will need to be comfortable with the fact that you must make decisions without all the information you require - few leaders know absolutely everything about their business, but make sure you understand the important pieces, how these come together and most importantly, where to find the information you don't know!

Rentia van Tonder

Standard Bank

Head: Power, CIB

Africa (and South Africa) is often considered a lagger when it comes to many things, in your opinion, where are we as a continent in comparison to other markets, in particular emerging markets, when it comes to the uptake and implementation of renewable energy projects?

The development and implementation of Renewable Energy across the continent has been slow, although Africa presents a significant opportunity given its resources (wind, solar and hydro) combined with low electrification rates (except for South Africa).

Historically, renewables were criticised as being too expensive. However, we have seen a significant decline in cost due in large part to advancements in technology making renewables more efficient and affordable. Technological advances have made it possible to advance the transition away from non-renewable energy sources over time, with Africa being rich in untapped renewables. Most countries in Africa are currently implementing energy transition initiatives, through a combination of technologies (mainly gas and renewables) with a strong focus on renewable energy towards a diversified energy mix targeting net zero commitments.

When it comes to energy projects, can you please elaborate on what some of the challenges are when looking at who to partner with on these types of projects? (Has the due diligence process changed / evolved with the growth of ESG in investing?)

The main driver towards efficient and effective project development and implementation is the quality of bankable projects which includes:

- An enabling environment through a robust and holistic policy framework to support the investment case;
- The commitment made by governments towards climate change to advance investor confidence and alignment with ESG and growth targets;
- Objective to drive the transition through a diversified energy system; and
- Focusing on regional opportunities within the broader context of growth will also be important.

Some of the challenges include adequate risk allocation, the importance of multilateral partnerships and an efficient implementation framework.

Strong sponsors, with the relevant track record aligned with a long-term approach to risk and reward, towards sustainable commitments and ESG is important.

Standard Bank has recently announced a number of renewable energy deals, can you tell us more about how these deals help with ensuring energy security across the continent?

Since 2012, 86% of the bank's new energy lending has been to renewable energy. Most notably is the Kenhardt projects in South Africa, 540MW of solar PV combined with 1,1GWh of Battery Energy Storage System (BESS) where Standard Bank was the sole Mandated Lead Arranger, hedge provider and account bank for the R18bn project. The project reached financial close in July 2022. Also worth noting is Standard Bank's role in initiating, facilitating and advising Seriti Resources in its acquisition of wind-powered renewable energy company, Windlab Africa through Seriti Green.

Furthermore, in unlocking growth and reliable power supply towards ESG goals for clients, Standard Bank also closed a 200MW solar PV project supplying solar power to a mining client through wheeling, the first sizeable project of this nature in South Africa.

These projects do not only support sustainable green power supply, but also enhance energy security for the broader community.

What do you believe is the role of governments / regulators in enabling the speed of implementation of these renewable projects? Please give examples.

Both governments and regulators have an important role to play in creating and facilitating the development of robust investment frameworks by supporting an enabling environment to attract foreign direct investment. The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in South Africa is a clear example of how various government departments collaborated with the regulator (NERSA) in developing a programmatic approach to procure renewables in line with government commitments and the broader Integrated Resource Plan. The programme was launched in 2011 and has successfully procured more than 9GW of which around 6GW is operational.

How can Public-Private Partnership (PPP) deals benefit skills development/transfer and job creation in Africa (and South Africa)?

A key objective in Africa remains development, support and social upliftment through project development and implementation to ensure sustainable long-term success. Through a public-private partnership transaction, partnerships can be facilitated to support skills transfer, upskilling and development with impact. It will remain important to agree the framework and key deliverables in terms of skills development and job creation up front, followed through with a diligent monitoring system to track progress and impact.

Which types of renewable and zero-carbon energy sources will see accelerated development due to the currently developing energy crisis both in SA and Globally?

The current energy crises, driven by significant power shortages, impacted by supply challenges, especially through limited investment in new generation, transmission and distribution infrastructure, support a framework to fast-track investment. Renewables have been at the forefront of the development with solar PV and wind leading the way in new project development and investment. However, it has also been evident that decarbonisation initiatives through digital innovation, as well as decentralised power solutions, have developed and advanced. Policies, regulatory frameworks, and generally more openness to support the development through power sector reforms towards a merchant-type market has started to develop.

These initiatives will assist in accelerating the development and implementation of projects to address the current challenges and the current developing energy crisis.

What does your current role entail, and tell us about your journey to this position?

I am Head of Power, CIB at Standard Bank. In this role I lead the sector strategy and approach for the power sector, through strategic enhancement, opportunity development and identification in line with group objectives and commitments.

My journey to date includes various positions. I started my early career at another commercial bank before moving to a Development Finance Institution as an industry analyst, project financier and heading up various sector business units and establishing a specialised unit, focusing on financing Green Industries which included renewable energy.

What words of advice do you have to the next generation of bankers?

Commitment to making an impact, combined with hard work and passion will translate into success.

Bryan Antolik
Standard Bank

Executive
Standard Bank Advisory

Standard Bank
Also trading as Stanbic Bank

To what extent are bankers taking ESG factors into account when considering potential deals?

Most, if not all, banks are extremely focused on building out Sustainable Finance and ESG initiatives, and they are incorporating ESG considerations into their credit decisions. I think only a few banks have the sort of DNA that weaves impact into how they do business across the board.

How are they adapting due diligence and valuation processes to consider ESG?

Due diligence processes must have ESG considerations built into them. It's what we believe is an essential component of current and future dealmaking. Integrating ESG thinking helps to formulate views on risk and risk factors throughout the diligence process and equally in formulating opportunities and upside. There are generally opportunities to be found where others see risk. We believe that clients who factor this kind of thinking into their deals are poised for sustainable, long-term returns, regardless of the sector in which they operate.

In which markets and sectors are these debates most advanced?

The sectors best positioned are those you would expect – Renewables, Power and Infrastructure, Healthcare, and Financial Services. We are also seeing a huge focus on the Just Transition across all sectors. We need to remember that ESG has three legs to it, people tend to focus on Environmental considerations, however taking Social and Governance factors into consideration is also good business practice.

How do you believe the shift away from fossil fuels will shape M&A activity over the coming years?

We especially like the emergence of integrated energy as a theme, as evidenced by our landmark deal alongside Seriti in its acquisition of Windlab's South African and East African businesses to create Seriti Green. Standard Bank was a co-investor in the equity, as well as a funder and partner to Seriti and Seriti Green. This deal delivers on our very strong commitment to the Just Energy Transition.

ESG and responsible investment considerations are profoundly reshaping business models. We have witnessed a rise in ESG dealmaking, with Standard Bank closing some key deals this year, do you predict this trajectory to continue over the next 5 years?

This trend is now well established and strengthening, and we believe there are huge opportunities in deal making over the next 5 years. Specifically, we see the emergence of several integrated energy players providing scope for multiple deal angles, from secondary asset trades to structuring and creating capital and funding vehicles to deliver on those aspirations. Permanent vehicles and fund structures are becoming prevalent as solutions to delivering substantial pools of capital and liquidity into both REIPP and C&I projects. Changes in investment strategies away from single assets into platforms, secondary trades by sponsors out of and into assets portfolios, and foreign investment into local and African power are all themes we are seeing with our clients.

Given the continents massive funding needs, what role will sustainable finance play in bolstering capital for high-impact projects and how much appetite is there for green financing in Africa?

ESG, Sustainable Finance and Green Investments have become the biggest buzz words in the last few years. What used to be a niche topic has now taken centre stage – so this begs the question "what's next"? We see the buzzwords as a distraction – profit with purpose is not a new concept, but as these topics become part of mainstream dealmaking we see renewables corporate finance and M&A advisory specifically becoming a critical focus area for investment banks, and one which has relevance in the South African and African context. The convergence between technology and renewable energy specifically has the potential to become its own theme, alongside fintech.

ESG, Sustainable Finance and Green Investments have become the biggest buzz words in the last few years. What used to be a niche topic has now taken centre stage – so this begs the question "what's next"?

What does your current role entail, and tell us about your journey to this position?

I am an Executive in the Standard Bank Advisory team, with a mandate to build out and grow the Advisory team's Renewables Advisory capability.

My career in Investment Banking began at Standard Bank, and I have returned to the Group, because of the bank's values and culture, which have always been aligned with positive social outcomes.

What is the biggest / most complex transaction you have worked on so far in your career?

I have been fortunate to work on cross border deals including jurisdictions such as Turkey, Argentina, Russia and across Africa. I think buying and then restructuring and exiting a Turkish investment bank with operations in three jurisdictions probably rates quite high on the complexity list. However, the deals that tweak the most interest for me often have involved some principal equity investment angle as well, such as in the recent Seriti deal. Being able to deliver a full advisory, equity and debt solution in a deal construct makes things really interesting and is what sets us apart.

Sherill Byrne
Standard Bank

Executive
Energy and Infrastructure

What are the current challenges facing the power/energy and the infrastructure space that you want to talk about?

I would have to say load shedding, as it is strangling the South African economy. South Africa has a large existing coal fleet that is mostly older than 40 years and is beyond the useful life of these assets. In effect, this impacts the availability and consistency of power from these plants. This has led to the decline in the Eskom fleet Energy Availability Factor. Large portions of the existing coal fleet need to be decommissioned (18,000MW in the next 10 years) and Eskom needs sufficient capacity to take some of the plants offline to do necessary maintenance work.

Some challenges bring in opportunities. What do you see as opportunities in these sectors, particularly in the power/energy sector?

The challenges faced by Eskom have allowed for the diversification of South Africa's power sector with private parties having an opportunity to play an important role in the country's generation mix. It has also allowed South Africa to position itself as an excellent destination for the mass deployment of renewables with majors keen to participate in the sector, driving down pricing.

With renewables amounting to just over 10% of South Africa's total energy supply, excellent opportunities exist for more renewables to be added to the grid, ensuring a diversification away from coal. However, given the need to add significant additional capacity to the grid, South Africa should also look to other energy sources such as gas, which is widely seen as a suitable transition fuel.

What do you believe a just energy transition should look like in South Africa?

In my opinion, a just energy transition needs to look at renewables and consider gas as an option too. A mixed generation supply that includes gas would still reduce carbon emissions and will ensure the security of power supply that is key to South Africa's economic growth.

Some other factors that we should consider include:

- Renewables should be maximised given that they are quick to the grid and are "green".
- South Africa should look at increasing imports, particularly hydro power, through various projects being considered by our neighbouring countries.
- Conversion of Eskom and IPP fuel powered plants into gas – it's a lower emitter and cheaper.
- Some of the 18,000MW of coal fired power plants should be decommissioned and replaced with gas power projects.
- To further increase renewables in the future, we need to have more storage options so that excess power is not wasted. Battery storage is a good option, but it can include the likes of pumped storage – which is more of a challenge given South Africa's hydrology.

Which energy mix would be most appropriate for Africa's energy transition?

There is large, untapped potential for hydro power in Africa. The problem faced is that the cost of building these plants requires larger sized projects which outstrip current demand, requiring other utilities and customers to offtake the power. We have also seen the impact of droughts, meaning some level of peaking and backup power is needed.

Renewables should continue to play a significant role on the continent. However, without storage options, countries will need to overcommit to renewables resulting in wastage of power or they will have intermittent power which places a strain on economies and their ability to grow.

Renewables should continue to play a significant role on the continent.

I strongly believe that renewables have a significant role to play in the African energy mix, but not at the cost of energy security.

Looking at Africa as a whole, what would you say are the 5 key trends we need to look out for in the renewable energy space?

I think the five key trends when it comes to the renewable energy space include:

- Private market use of renewables – behind the metre as a means of energy security or fuel saving, as well as wheeled as a means of green electricity or as a cost saver.
- Consolidation of market players – M&A activity in the renewable sector, as well as fewer players bidding.
- Smaller projects struggle to attract appetite from traditional players and are more difficult to finance, but this may lead to the emergence of niche players who are able to generate portfolios.
- Introduction of storage technologies to better manage the generation profile of renewables.
- Hydro power to potentially play a bigger role in the region with multilateral off-takers.

What does your current role entail, and tell us about your journey to this position?

I am an Executive in the Energy and Infrastructure Team in Investment Banking at Standard Bank. My focus in South Africa is on the Independent Power Producer Programmes (currently Renewable Independent Power Producer Programme and Risk Mitigation Independent Power Producer Programme). I am also involved in project financing in the sector across the continent. I have led the negotiations on over 1700MW of renewables and 300MW of thermal power projects.

What is the biggest / most complex transaction you have worked on so far in your career?

The biggest transaction I have worked on so far in my career actually closed this year – it was the Scatec 540MW solar and 1.1GWh battery storage project in the Northern Cape of South Africa. This is one of the largest battery storage projects globally and a first for South Africa in terms of baseload renewables.

What words of advice do you have to the next generation of bankers?

The thing I love about my role is that you can make a difference and what you finance is tangible – it is a power project, a road, a port. It contributes to the well-being and lives of people. Some media tend to portray bankers in a negative light, but you can be ethical, make money and you can contribute to society!

Africa's Energy Transition - seismic shifts create new opportunities

EDMUND HIGENBOTTAM, MANAGING DIRECTOR, AND DUSAN BOZIC, ASSOCIATE AT VERDANT CAPITAL

The importance of global decarbonisation and a sustainable planet is foremost; however, Africa's journey to achieving net zero highlights the risk of further differentiating economic winners and losers. Individual countries, including the one-third of African nations that depend on fossil fuel commodities for state revenue, foreign currency receipts and local economic activity, have limited ability to influence the profound changes to the global energy market.

To achieve the targets set by the Paris Agreement requires a shift in the global economy, which implies that a third of Africa's current oil reserves, half the current natural gas reserves, and 90% of current coal reserves shall remain in the ground. These fossil fuel resources "stranded" by the necessary changes to global energy consumption have a total value of US$6,7tn at today's prices. Other important sectors in Southern Africa face indirect impacts; for example, the platinum sector, given the importance of catalytic converters related to internal combustion engines in the overall demand for the metal. Political discourse regarding a "just transition" risks overstating the negotiating power actually possessed by policy makers on the continent. For example, fossil fuel exporting countries cannot compel other countries to continue to accept such imports.

COVID-19 has further seen governments reprioritising budgets towards funding emergency health services and economic stimulus, and away from funding the expansion and improvement of electricity-generating infrastructure. It is estimated that it would cost Africa c. US$2,8tn to reach a net-zero energy mix by 2050, translating to roughly US$40 to $100bn investment per annum for Africa to meet its SDG 7 (Sustainable Development Goal Number Seven – Affordable and Clean Energy) targets. In contrast, estimated investment in power in Africa in 2019 was just US$17bn.

The requisite investments are unaffordable for many African economies, and increased reliance on international finance will be needed if progress is to be made. Furthermore, the cost of finance and perceived investment risk is higher for African countries than for developed economies – despite vast improvement in stability and governance.

HIGENBOTTAM

BOZIC

It is important to note that there are also many positives to the energy transition and the development of the new associated technologies for African economies. Thermal power generation technologies are associated with very significant minimum efficient scale, implying centralised product of energy and complex transmission and distribution systems. In most African economies (like in many countries elsewhere in the world), power generation and distribution is owned by state-owned enterprises which, in many cases, have failed to run these systems efficiently on behalf of the public. Eskom in South Africa is a case in point. In contrast, solar PV technology can be operated efficiently at a much smaller scale, enabling individual corporations and businesses, and even families, to generate their own power in whole or material extent. As such, solar technology and the transition away from carbon is facilitating the "decentralisation" or even "democratisation" of power supply.

Additionally, many of the metals required for battery production, including vanadium, manganese, nickel, cobalt and lithium, are vastly available across the continent. The market for these metals is expected to see rapid growth in the coming years and will be driven by increased demand for electric vehicles, smartphones and off-grid energy storage. In fact, the DRC was once dubbed the "Saudi Arabia of the solar era". The challenge for developers of these resources in Africa is likely to be the development and operation of complex benefaction assets, rather than the quality of the underlying resources.

According to the United Nations Economic Commission, there are several key drivers for an accelerated African renewable energy transition:

1. Africa's energy demand is rapidly growing: Population growth, expanding middle class, industrialisation, urbanisation, trade and economic growth.
2. Wide recognition in the international finance community that Africa's energy gap needs to be addressed.
3. Africa is endowed with an abundance and quality of renewable energy resources: Independent power producer tenders across the continent yield some of the cheapest tariffs globally. As an example, the World Bank/IFC Scaling Solar Project in Zambia saw tariffs of US$0.06 per kWh.

Verdant Capital has advised on renewable energy transactions across the value chain, embedding itself to tackle the core challenges entrenched in Africa's energy transition. In South Africa, where, for good reasons and bad, uptake of solar infrastructure has been faster than the rest of the continent, Verdant Capital advised on a multi-hundred million rand acquisition in the battery sector, subject to Competition Commission approval.

Other countries in Southern Africa, which are less affluent than South Africa, have experienced a growth in the demand for Pico-solar products. Pico-solar systems are smaller and more affordable than their traditional solar counterparts, and have the power to provide useful amounts of electricity to charge the increasing number of low power consuming appliances from mobile phones and e-readers to LED lights. Pico-solar has the power to light up millions of homes in the same way that the mobile phone has connected and empowered communities across the continent. Further, it offers an affordable means to the energy transition, incorporating the needs of lower income households and allowing for wider market reach across rural, peri-urban and urbanised cities. Verdant Capital's Hybrid Fund, following its first close in December 2021, is currently finalising a US$15m investment in a leading PAYGO business in Southern Africa, assisting the firm to bridge its capital needs between inventory shortfalls and escalating market demand for Pico-solar products in the region. In West Africa, where many countries are experiencing recurring electricity outages and blackouts, with such bottlenecks costing two to four percent of annual GDP, Verdant Capital has performed financial advisory work, enabling downstream economic integration in both the off-grid commercial markets and smaller scale solar product adoption channels.

The energy transition imposes painful challenges on the economies of Africa, as it does to economies around the world. Different economies – mature versus developing, energy exporting vs energy importing – face different types of challenges and opportunities.

Climate change is real. Whether or not all economies will achieve the 2050 net zero targets remains a subject of debate, but it is undeniable that the global energy sector is changing profoundly, and will continue to do so, with significant impact on African economies. These changes imply the decline of sectors important to many economies in our region, with potentially important and painful impacts on unemployment and social cohesion. However, these changes also create new opportunities, including new extractive industries', mining and processing of "green minerals", reduced dependence on grid power and the associated SOEs, and new businesses' manufacture, assembly, and installation of these renewable energy assets, large and small. Economic transition creates opportunities for entrepreneurs, large corporations, financiers and dealmakers across the board.

Sources: PwC, Africa Energy Review 2021; World Bank; IRENA

Appropriate regulation is needed to help address SA's power crisis

MZUKISI KOTA AND JASON VAN DER POEL, PARTNERS, WEBBER WENTZEL

Action is urgently needed to create enabling policies and regulations to liberalise South Africa's energy market and kickstart major investment

Over the next eight to 12 years, it is estimated that South Africa will have to build between 50 and 60 gigawatts (GW) of new energy capacity to replace its retiring coal-fired fleet, to meet forecast growth and demand. This will require investment of an estimated R1,8 to R3trn, without factoring in the cost of expanding the transmission infrastructure.

As advisers to government on various Independent Power Producers Procurement Programmes, and to the private sector on many private generation power projects, Webber Wentzel is well-versed in some of the structural issues that will have to be resolved if there is to be any hope of solving the power crisis.

1. COHERENT POLICY AND IMPLEMENTATION

Although South Africa has published two iterations of the Integrated Resource Plan (IRP), setting out expected demand and the ideal energy mix for the future, these plans have not been accompanied by a coherent overarching energy policy, nor have they been implemented at the required pace to avoid the current supply gap. South Africa's main source of power remains Eskom, a vertically integrated monopoly with mainly coal assets. The IRP needs to be urgently updated to increase the proportion of other forms of energy, such as renewables, storage and gas in the mix.

On a pro bono basis, Webber Wentzel has advised Business Unity SA in its review of the Electricity Regulation Act Amendment Bill, which was expected to come into force by the end of this year – a deadline which is looking increasingly unlikely to be met. The Bill will restructure the electricity supply industry in some fundamental and necessary ways. It takes the transmission function out of Eskom and into a separate entity, the Transmission System Operator (SOC) Ltd, which will set up a central purchasing agency to buy and sell power to customers under contracts.

WEBBER WENTZEL
in alliance with > Linklaters


KOTA


VAN DER POEL

This will create a step change in electricity regulation in SA. It will decentralise and liberalise the market to bring more private power onto the grid, together with whatever Eskom has to offer.

2. CONTINUE TO LIBERALISE THE ENERGY MARKET

Despite interventions in the last two to three years, steps taken to liberalise South Africa's electricity supply have been too small and too reluctant. Caps on the size of exempted private generation plants were gradually lifted, but the focus was on retaining central government planning. Even with the latest touted measures to completely remove the caps in respect of private parties, municipalities still need ministerial determinations and feasibility studies in order to directly procure generation capacity.

It should be possible for a municipality that can secure project finance to procure its own power, without having to overcome further regulatory hurdles. If municipalities were enabled to get utility-scale power directly, it would help to tackle the power crisis.

For the private sector, renewable energy ticks all the boxes: it helps businesses to decarbonise, shows that they are good corporate citizens, and helps them to manage cost and security of supply.

For the private sector, renewable energy ticks all the boxes: it helps businesses to decarbonise, shows that they are good corporate citizens, and helps them to manage cost and security of supply.

As the private sector seizes the opportunity to generate its own power, Webber Wentzel is advising on some of the biggest projects currently under way, like Anglo American's joint venture, Envusa Energy, with EDF Renewables. Envusa will procure about 600MW of solar and wind power for Anglo and De Beers sites in Southern Africa.

Webber Wentzel is also acting for Sasol in the procurement of about 900MW of renewable energy from independent power producers, as well as advising Exxaro Coal on its procurement of 80MW of solar power for its Grootegeluk Mine; Coca-Cola on its procurement of rooftop renewable energy at sites elsewhere in Africa; and MTN on its carbon neutrality strategy, including rooftop, ground mounted and wheeled renewable energy generation.

A lot of our work at present is advising on private power deals and assisting bidders involved in the REIPPP Programme.

On the just energy transition, we are advising on new regulations and assisting parties involved in the energy procurement plans of some of the larger municipalities.

3. RESOLVE TRANSMISSION BOTTLENECKS

One of the criticisms of the REIPP Programme was that it did not limit or otherwise delineate where projects could be situated – this was a missed opportunity. We still need to address issues like re-using the infrastructure around obsolete coal-fired power stations, as South Africa moves to net zero and faces bottlenecks in transmitting power from grid constrained areas in the country, such as the Northern Cape (solar) and the Eastern Cape (wind).

Regulatory change is needed as a matter of urgency, to address municipal wheeling rules and tariffs. A number of projects in the pipeline may not happen in the near future because they need to be wheeled through municipal distribution infrastructure, and there are no clear and consistent rules on wheeling at this level. Nersa needs to develop a coherent, consistent set of rules that allow for transparency on tariffs, and in a way that is economic for end-users. Under the Constitution, national government has powers to "impinge" on some municipal competencies when required in the national interest. Under the ERA Amendment Bill, the transmission system operator (TSO) will be in charge of grid development and has proactive obligations to ensure that the grid works as well as possible.

Jason van der Poel

Webber Wentzel

Partner and Head of the Webber Wentzel Energy Sector

WEBBER WENTZEL in alliance with > Linklaters

Q *How long have you focused on energy law?*

A Since about 2010. I started my career in law in M&A and studied my Masters in banking and finance law at University College, London, where I was inspired by the concept of using finance to achieve developmental outcomes. After I completed my articles, I worked for Allen & Overy in the Netherlands before returning to South Africa, and Webber Wentzel, in 2005. Having spent some years working on PPP projects, in 2010 we recieved a mandate to help government with the REIPPP Programme and I started to learn about energy law and regulation. In 2011, because we had experience advising government on the REIPPP, and there were too few law firms to advise all the private sector parties looking to bid, we were permitted to set up a separate ring-fenced team to advise private parties. I headed that team. To date, we have worked on about 60 private projects. Since the August 2021 lifting of the 1MW cap on private power generation, we have seen an avalanche of private procurement.

Q *Why do you enjoy this specialty?*

A My main motivation is to do work that has an impact on global sustainability. As a father and family person, I want to be able to look my children in the eye and say I help to bring about positive outcomes. That doesn't get more central than the generation of clean energy to grow the economy and for climate sustainability.

Q *Do you participate in any sports activities?*

A I really enjoy endurance sports. I have run ten Two Oceans Ultras, two Comrades Marathons, and have run in various marathons and half-marathons in South Africa and other countries. Sport is something we all do as a family – my wife, who is from the Netherlands, is a keen hockey player and she co-ordinates the youth section of Wanderers Hockey Club. Our daughter plays hockey and our son plays water polo.

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

A Dedication to good outcomes and endurance. I have an incredible team working with me and am very grateful to them, and very grateful to Webber Wentzel for the opportunity to work in this exciting field.

Q *Why is this an exciting sector to work in?*

A Because it is a very meaningful area that creates positive outcomes. You just have to look at the quality of life and opportunity of someone who has access to cheap electricity compared to someone who doesn't. It has a big multiplier effect on people's lives. Being part of the solution to South Africa's energy crisis makes me feel I am adding something to SA, rather than just complaining about it.

Mzukisi Kota
Webber Wentzel

Partner, Public Law and Deputy Head of the Webber Wentzel Energy Sector

WEBBER WENTZEL
in alliance with > Linklaters

Q *How long have you focused on energy law?*

A About 12 years. When I was studying for my Masters at Leiden University, I was trying to decide whether to go and work for an international organisation or return to South Africa, because I wanted to have a human rights impact. I had a conversation with Webber Wentzel, at the time that government was formulating its first renewable energy programme and Webber Wentzel was advising on it. The partners convinced me that the programme would have a lasting impact, benefitting the country from a developmental perspective by providing much-needed infrastructure and would grow the economy through the direct foreign investment that would flow from it. So I came back to South Africa to work in this sector, among other things.

Q *What are some of the biggest energy deals you have worked on?*

A I was part of the team that advised government on the first four rounds of the REIPPP Programme, helping to design the procurement framework and commercial agreements. I helped with formulating policy and drafting a number of legislative amendments over the years. I was also involved in the recent Risk Mitigation IPPP. I've worked on other major energy infrastructure, including Transnet's New Multi Products Pipeline, various matters for gas traders, and, most recently, on the Anglo American decarbonisation strategy.

Q *Do you have any unusual hobbies?*

A I am a singer in one of the leading chamber choirs in South Africa, the Chanticleer Singers, which is conducted by Richard Cock.

Q *Why is this an exciting sector to work in?*

A The energy sector is constantly evolving – particularly because it has a close relationship to technology and innovation. This means that as a participant in this space, you are constantly discovering new ways of thinking about solutions for old and new problems, particularily in light of the latest developments in science and engineering. To be part of this sector at the level at which we operate, means we are part of the crafting and development of new products and strategies to ensure that the measures adopted by our clients are, as far as possible, adaptable and future-proof. In addition, the diversity of clients we serve and the different nuances of their commercial needs – even in relation to the common theme of energy security - means that we are always having to develop bespoke solutions as no two matters are identical. This makes for very exciting work days!