PAS SOLAR NIGERIA

PROJECT SUMMARY

Tens of thousands of schoolchildren will soon no longer have to rely on harmful kerosene lamps or expensive battery-powered torches to study at night, thanks to an ongoing REPP-supported solar home systems (SHS) venture delivering clean energy to isolated rural communities in northern Nigeria.

To date, UK-based developer, PAS Solar Limited, has installed over 3,500 SHS for households and micro-enterprises, with early-stage funding assistance from REPP. Using technology developed by UK firm, BBOXX, the units are providing LED lighting and clean power for a range of electrical appliances to around 17,500 people in five of the country's northern regions.

Thanks to a $10m syndicated loan facility co-financed by REPP and the EC-supported financing initiative, ElectriFI, the company is now looking to increase the number of installations to at least 35,000 over the next five years. This will bring the total number of people getting first-time access to clean electricity through the project to over 150,000.

Without the systems, most low-income families and micro-businesses in the area have to rely on expensive and polluting diesel generation, kerosene lamps and drycell torches for home lighting – or simply go without electricity altogether. With the 50Wp solar PV panel and 17Ah battery installed with every system, people can access to clean, reliable and affordable electricity.

PAS Solar's CEO, Marcus Heal, said the company was extremely pleased with the early successes that have been achieved through rolling out the British technology in a challenging environment.

He added: "The benefit that our customers will gain from the service is transformational and we are proud to be building this business with the support of REPP and other co-investors."

The new syndicated loan facility was approved in April 2019 and is a $10m senior debt facility with a five-year tenor that will enable PAS Solar's expansion plans by crowding-in additional senior lenders. The syndica-

LOCATION

Nigeria's northern and Kano regions

AT A GLANCE

Technology
Off-grid solar PV

Project type
SHS service

Offtaker
End-user households and micro-enterprises

"Since I installed PAS BBOXX in my bakery I have noticed I make more profit because I spend less on energy and have more time for production."

Annur, baker

camco CLEAN ENERGY

REPP
managed by camco clean energy

tion was REPP's first and was arranged by its manager, Camco Clean Energy.

So far, REPP has committed $2.2m to the syndication, and a further $3m has been committed by the ElectriFI facility, managed by EDFI Management Company. The remaining $4.8m of the syndication is available to lenders as an accordion facility.

Kristoffer Laurson, Chief Financial Officer at PAS Solar, said: "This new syndicated loan program will enable a rapid scaling of the venture during 2019, reaching customers in the current five states and expanding to new regions."

"PAS Solar has a strong customer uptake, which proves vast market opportunity in the region and that SHS deployment is commercially viable with a focus on true offgrid communities to replace disposable dry cells and polluting combustible fuels."

Geoff Sinclair, REPP Fund Manager and MD of Camco Clean Energy added: "This is REPP's first syndication, and it demonstrates the benefits of our strategy – which is to provide early assistance to developers, helping them to grow and access broader pools of capital along the way. It's great that this is generating results for PAS Solar and the communities that they serve."

The project has already created nearly 30 local jobs and this is expected to increase to nearly 300 thanks to its service business model, whereby the installation is maintained as long as the customers pay the affordable monthly rental payment.

Dominiek Deconinck, ElectriFI Fund Manager, said: "We are delighted to partner with PAS and REPP to reach out to remote rural communities in Nigeria and bring access to electricity, which is a key driver to economic development."

SHS Nigeria underlines the important role standalone SHS have in providing a cost-effective power supply for lighting and appliances to remote, off-grid households, and demonstrates the financial viability of such initiatives to other developers and investors.

KPIs

Greenhouse gas emissions avoided: 3,420 tCO_2e per year

People with first-time energy access: 175,000

Jobs created: 286 during operation

MW Installed capacity: 1.75MWp

FUNDING STRUCTURE

INITIAL FUNDING

Contracted date: 20 October 2017

Lending type: Development capital, revolving trade finance facility

REPP funding: See below

SYNDICATED LOAN FACILITY

Contracted date: 4 April 2019

Original loan facility: US$5,200,000

Original lenders: REPP (US$2,200,000) and ElectriFI (US$3,000,000)

Accordion facility: US$4,800,000

Total facility amount: US$10,000,000

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