

MWENGA



Location
Mufindi District, Iringa region,
Tanzania

PROJECT SUMMARY

A US\$1.2m mezzanine loan from REPP will conclude the commercial financing arrangements for Tanzania's first ever wind farm, as well as improve the project commercial viability. The project will provide much-needed energy security to a growing rural population, and supply connected communities and businesses sustainably with green, grid-quality power.

Developer Mwenga Hydro Ltd (a project company of Rift Valley Energy Group) has been operating a 4MW hydropower plant in the Mufindi District of Tanzania's Iringa region since 2012, providing power to TANESCO and its own rural grid network.

The grid, which is the first private large-scale rural network in Tanzania, currently supports more than 4,500 connections across 32 villages. However, this is expected to steadily increase to more than 6,000 connections over the course of the next two years, including energy-intensive end users such as tea-processing companies and sawmills, alongside a rapidly growing SME sector.

To help meet this continually growing demand and also to counter the hydro plant's varying output due to the region's seasonality of rainfall, the developer is at the final stages of construction on a complementary 2.4MW wind farm. This hybrid generation structure will allow the planned expansion of the rural network to continue, without which generation shortfalls would otherwise arise across the dry season.

As of the end of March 2020, all of the associated turbine components had been successfully imported into Tanzania and subsequently delivered to site. The site cranes have all been established on site and erection is about to commence. REPP's support will now enable the project installation and testing processes to be concluded in early May 2020.

The project has so far created approx. 50 temporary jobs during construction, and will create a further six permanent jobs during operation, whilst directly supporting Tanzania's rural electrification, climate mitigation and industrialisation targets, where nearly 8m households currently lack access to electricity.

Successfully developing and constructing Tanzania's first ever wind farm will improve the prospects of similar future projects in the country. The overarching wind and hydro hybrid development will also be the first of its kind in East Africa, and its success is expected to have a strong demonstration effect in other countries.

AT A GLANCE

Technology

On-shore
wind



Project type

Grid-connected

Offtaker

Rural communities
and semi-industrial
clients

KPIs



Greenhouse gas emissions
avoided: 3,526 tCO₂e per
year



People with new energy
access: N/A



Installed capacity:
2.4MW

FUNDING STRUCTURE

Signed: 20 March 2020

Type: Mezzanine loan

REPP funding: US\$1.2m

SDGs

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AFFORDABLE AND
CLEAN ENERGY

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SUSTAINABLE CITIES
AND COMMUNITIES

13



CLIMATE
ACTION

17



PARTNERSHIPS
FOR THE GOALS

"The REPP facility has been critical to concluding the financial structure for the project, and provides the project with the necessary risk reduction mechanisms to best manage the anticipated rapid evolution of our associated growing rural distribution markets."

Michael Gratwicke, Managing Director, Rift Valley Energy