MWENGA

Location
Mufindi District, Iringa region, **Tanzania**

PROJECT SUMMARY

Tanzania's first ever wind farm is up and running after a US$1.2m mezzanine loan from REPP concluded the financing arrangements for the project and improved its overall commercial viability. Completed in June 2020, the 2.4MW wind farm is providing much-needed energy security to a growing rural population, and supplying connected communities and businesses sustainably with green power.

Developer Mwenga Hydro Ltd (a project company of the 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, managed by the developer's own licensed rural distribution company.

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 embarked on the construction of the complementary wind farm. This hybrid generation structure is now enabling the planned expansion of the rural network to continue, without which generation shortfalls would otherwise arise across the dry season.

The project has created approximately 50 temporary jobs during construction and a further six permanent jobs during operation, whilst directly supporting the rural electrification, climate mitigation and industrialisation targets of Tanzania, where nearly 8m households currently lack access to electricity.

The successful development and construction of Tanzania's first ever wind farm will improve the prospects of similar future projects in the country. The overarching wind and hydro hybrid development is also 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 tCO_2e 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

7 AFFORDABLE AND CLEAN ENERGY
11 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

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