



PRESS RELEASE

Building Energy celebrates the beginning of production at its photovoltaic power plant in Uganda

The Tororo plant, with 16 GWh of renewable energy generated annually, will cater for the energy requirements of 35,838 people and help reduce CO2 emissions by 7,200 tons.

Overall, \$19.6 million was invested to build the 10 MWp plant.

Tororo, 16 October 2017 - Building Energy S.p.A, multinational company operating as a Globally Integrated IPP (Integrated Power Producer) in the Renewable Energy Industry, announces **the Inauguration of the Tororo Solar Plant**, its **first photovoltaic system in Uganda**, located at around 10 km from the border with Kenya. With a **capacity of 10 MWp (16 GWh per year)**, the Tororo Solar Plant is among the largest in Eastern Africa. Building Energy was also responsible for the development of the project, arranging the financing, as well as the construction and commissioning of the plant. The beginning of operations has been celebrated on the occasion of the ribbon cutting ceremony in Tororo, in the presence of Matteo Brambilla, MD Africa and Middle East at Building Energy, Atilio Pacifici, EU Ambassador and Head of the EU Delegation to Uganda.

Consisting of **32,240 photovoltaic panels** distributed over a **14 hectare** site, the facility is designed to generate around **16 GWh of energy annually**, catering to the energy needs of more than 35,838 people. In addition to covering the community's energy needs, the Tororo Solar Plant will foster clean industrial development in the town of Tororo and at the same time **save atmospheric emissions of more than 7,200 tonnes of CO2** per year, corresponding to the consumption of around 2,800 petrol-powered cars. Community Development initiatives are also underway.

Likewise the Soroti Solar Plant, which began operation last December, the Tororo Solar Plant was developed under the Global Energy Transfer Feed in Tariff ("GET FIT"), a dedicated support scheme for renewable energy projects managed by Germany's KfW Development Bank in partnership with Uganda's Electricity Regulatory Agency (ERA) and funded by the EU-Africa Infrastructure Trust Fund, the governments of Norway, Germany, and the United Kingdom. The GET FIT programme helps renewable energy sources become more affordable and therefore more accessible in Eastern Africa.

The EU-Africa Infrastructure Trust Fund has provided funds through the GET FIT Solar Facility equivalent to 7,08 million euros in the form of a top-up payment per kWh of delivered electricity over 20 years. This financing fills the gap between the generation costs and the feed-in tariff set by Uganda Electricity Transmission Company Limited (UETCL) through a Power Purchase Agreement (PPA).

The overall **\$19.6 million** construction investment at Tororo was partially funded by **FMO**, the Dutch development bank which, as Mandated Lead Arranger, coordinated the provision of a **\$14.7 million term loan** facility. Fifty percent of the funding was syndicated to the Emerging Africa Infrastructure Fund (EAIF), while the overall equity contribution of the shareholders was \$4.9 million. EAIF is a member of the Private Infrastructure Development Group, which is funded by the UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany and the World Bank Group.

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The Tororo Solar Plant was built close to the Ugandan utility’s loading centres in order to reduce technical electricity loss that can occur with long-distance transmission. The Tororo Solar Plant is connected to one of Uganda’s largest electricity substations.

During construction approximately 350 jobs were created on the site, of whom 300 were Ugandan citizens. Permanent jobs have also been created to assist with the operation and maintenance of the facility. As well as its positive impact on the environment and sustainable economic growth, Building Energy is bringing additional benefits to the local community by helping with the building of a school near the solar plant, and providing textbooks to the schoolchildren.

With the Tororo Solar Plant going into operation, Building Energy’s total installed capacity in Africa has risen to **91 MWp**. From its Cape Town office, the Company manages and coordinates over 40 projects that are operational and under development in Africa and the Middle East across the technologies of solar, wind and small-scale hydroelectric energy.

“We are glad that the first photovoltaic park we have built in Uganda has gone into operation, and to celebrate with the whole Tororo community through this Inauguration ceremony.” says **Matteo Brambilla, Managing Director Africa and Middle East at Building Energy**. *“We are also proud to be making our contribution to more sustainable economic growth in the country through the provision of reliable, good-value electricity. At 18.2%, Uganda’s average electrification level corresponds to one of the world’s lowest per capita electricity consumption rates. The Tororo photovoltaic park makes it possible not just to provide electricity to the local community, but also act as a driver of the city’s industrial development.”*

“Today we witness an important milestone for Uganda here in Tororo. We see concretely Uganda’s success in switching to clean energy generation, while working together with a well incentivised private sector and its development partners”. says **Attilio Pacifici, EU Ambassador and Head of the EU Delegation to Uganda** *“Despite rapidly rising cost-competitiveness of renewable energy technologies, the financing of renewable energy projects is still difficult in many parts of the world. GET-FIT prefigures the approach the EU with its Member States want to promote with the ambitious new External Investment Plan (EIP). One of the key objectives of this plan is to encourage private sector participation in higher risk investments and we are happy to demonstrate today that Uganda is well positioned to be successful and a good model for replication.”*

About BUILDING ENERGY

Building Energy is a multinational company operating as a Global Integrated IPP in the Renewable Energy Industry on four continents. The Company is vertically integrated on the value chain, from the development of projects to the sale of energy. With a pipeline in 20 countries with over 2,600 MW and generative assets being built over the next two years for more than 700MW, the Company is positioned to be one of the major players on the international scene in the renewable energy field. For further information, visit the site www.buildingenergy.it.

About GetFIT

Through the roll-out in Uganda in phase 1 of the program, a portfolio of currently 17 small-scale renewable energy generation projects promoted by private developers with a total installed capacity of roughly 160 MW will be fast-tracked. This will help to add much-needed clean generation capacity, help to strengthen regional grids and result in emissions reductions of up to 11 million tons of CO2. The programme is managed by KfW development bank and

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supported by the EU and the governments of Germany, Norway and the UK. With every EUR invested through Get Fit, private investment of roughly 440 million euro is leveraged. For more information: www.getfit-uganda.org

About KfW Development Bank

KfW is one of the world's leading and most experienced promotional banks. Established in 1948 as a public law institution, KfW is owned 80 per cent by the Federal Republic of Germany and 20 per cent by the federal states ("Länder"). KfW Development Bank is Germany's leading development bank and an integral part of KfW. It carries out Germany's Financial Cooperation (FC) with developing countries on behalf of the Federal Government. The 600 personnel at headquarters and 370 specialists in its 68 local offices cooperate with partners all over the world. Its goal is to combat poverty, secure the peace, protect the environment and climate, and make globalisation fair.

About FMO

FMO is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 45 years. Its mission is to empower entrepreneurs to build a better world. FMO invests in sectors where it believes the contribution can have the highest long-term impact: financial institutions, energy and agribusiness. Alongside partners, it invests in the infrastructure, manufacturing and services sectors. With an investment portfolio of EUR 8 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally. For more information: www.fmo.nl

About the European Union

Energy has been a priority in the portfolio of the European Union's poverty alleviation and eradication strategies for many years. The EU has taken up this challenge in a systematic and coherent manner. In cooperation with all its international partners, the EU has developed a multi-level approach to face the challenges linked to energy poverty. Over the current financial framework (2014-2020) the EU will allocate more than 3 billion euros grant in support of energy cooperation with partner countries. This will leverage investments between 15 and 30 billion euro in loans and equity investment, thus plugging the gaps in energy infrastructure and power for businesses, schools, homes and hospitals.

About the Emerging Africa Infrastructure Fund

The Emerging Africa Infrastructure Fund provides a variety of debt products to infrastructure projects promoted mainly by private sector businesses in sub-Saharan Africa. Established and substantially funded by the governments of The Netherlands, Switzerland, Sweden and the United Kingdom, the German development finance institution, KfW and its Dutch equivalent, FMO. The Fund helps create the infrastructure framework that is essential to sustained economic stability, business confidence, job creation and poverty reduction. It has to date supported over 60 infrastructure projects across eight sectors in 21 sub-Saharan African countries. For more information: www.eaif.com

About the Private Infrastructure Development Group

The Private Infrastructure Development Group (PIDG) encourages and mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south-east Asia, to help promote economic development and combat poverty. Since 2002, PIDG has mobilised \$31.4bn from private sector investors and DFIs, supported 154 infrastructure projects to financial close and provided 222 million people with access to new or improved infrastructure. PIDG is funded by donors from seven countries (UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany) and the World Bank Group. For more information: www.pidg.org

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