



Renewable Energy Performance Platform

Introducing the Renewable Energy Performance Platform (REPP)

**IRENA/REPP Workshop on Risk Mitigation in Renewable Energy Investments in Africa
Crowne Plaza Hotel, Nairobi, Kenya
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Renewable Energy Performance Platform

Initiated by




European Investment Bank

Funded by



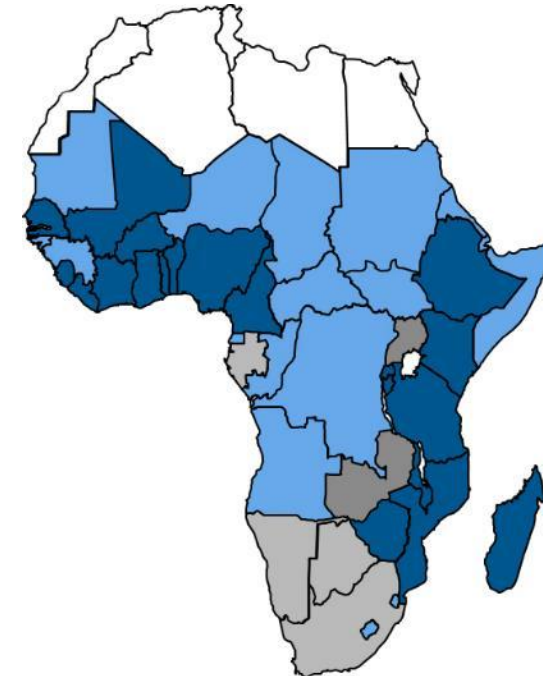
Department for Business, Energy & Industrial Strategy



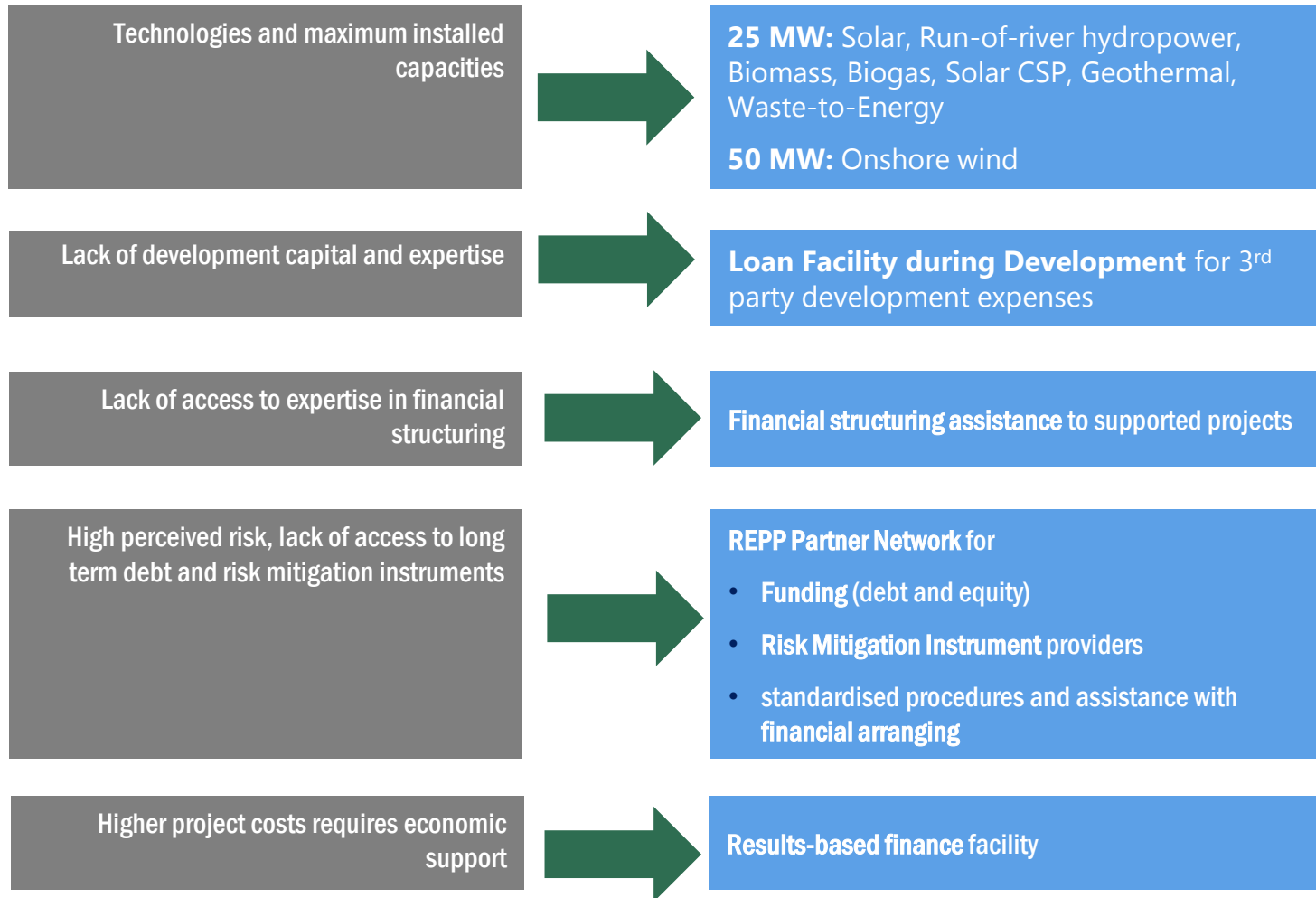
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REPP is designed to overcome barriers



Smaller projects make sense but face barriers

The logic for smaller projects

- Traditional centralised electric systems have, with a few exceptions, failed to meet needs
 - Grids often not extensive enough or creditworthy
 - Insufficient generation to meet load
- Large generation projects are slow and difficult to develop
- There is a strong logic for smaller, more distributed projects
 - Reduced reliance on centralised grid
 - Easier to achieve in difficult development conditions
 - More able to respond to needs of population
 - Often displaces expensive, local solutions such as diesel, kerosene and charcoal

Barriers

- Funding is plentiful for large, bankable projects, but there aren't many of them
- Key barriers for smaller projects include the lack of:
 - Development capital and expertise
 - Access to and expertise in financial structuring
 - Access to cheaper funding (including long term debt)
 - **Access to risk mitigation instruments**
- In many cases, getting the first projects going will be expensive, resulting in higher tariff requirements

REPP's Risk Mitigation Partner Platform

- Many smaller project struggle to access key risk mitigation instruments and long-tenor debt
 - Lack of access to appropriate structuring expertise
 - “Too small” to get providers’ attention
 - High cost of dealing with DD and approval requirements
- REPP:
 - Provides expert structuring assistance to supported projects
 - Is forming a partner network with key providers of debt and risk mitigation instruments
- Through the partner network, REPP will:
 - Help supported projects to ensure that they meet providers’ requirements
 - Encourage providers to coordinate their approval and DD requirements so that projects only have to do work once
 - Work with developers and partners to help projects access an optimal mix of debt and risk mitigation instruments



Risk Mitigation Landscape

Key Trends

1. Competitive bidding programmes (SA REIPPPP, Scaling Solar)
2. Programmes for providing RMIs (KfW/ATI RLSF)
3. Standardisation
4. Collaboration with regulators (local currency tariffs in Kenya)
5. Government guarantees (Kenya, Ghana)

Key Questions

1. Real vs. perceived risks
2. Appropriate risk sharing
3. What is a bankable PPA/project and is this definition changing?
4. Changing roles and attitudes (funders – especially DFIs, governments)
5. How to address currency risk?