

EEP SUPPORTED SOLAR COMPANY THE FIRST IPP TO SIGN A PPA IN BOTSWANA



Since 1997 Botswana has had a solar energy based rural electrification programme aiming to increase the share of renewable energy sources, which is still marginal. Solar energy plays a leading role in this plan to increase the share of renewable energy production. The overall aim is to boost energy security and self-sufficiency in electricity generation in Botswana. The current electrification rate 65% is relatively high compared to other countries in Southern and East Africa, but Botswana is dependent on imports from South Africa to cover its national electricity demand.

Solar Power Kgalagadi Resources Development Company (Pty) Ltd is a Botswanan company, who has received EEP support to develop a business model, design and implement a 1 MW off grid/on grid PV Solar Power Village Concept in Tobela village, Botswana. After the first pilot plant implementation the plan is to rapidly replicate the model in other similar underserved villages in the country and beyond. The EEP funding has enabled the project developer to conduct a Bankable Feasibility Study, Environmental Impact Assessment and other compulsory studies and project planning activities.

After long negotiations, on 14 September 2017, a Memorandum of Understanding was signed between Botswana Power Corporation (BPC) and Tobela Solar Power (Pty) Ltd in the presence of the President of Botswana and four ministers in Tobela Village. Following the MoU, the two parties finally signed a Power Purchase Agreement (PPA) for a grid connected 1MW solar PV power plant on 27 October. The achievement was truly one of a kind as Tobela Solar Power is the first Independent Power Producer (IPP) to sign a PPA with BPC in the history of Botswana.

The solar power plant, which will be entering into construction phase next year, is expected to generate 2 150 MWh annually, serve existing 115 households, 13 enterprises and 4 other institutions in the village, and provide 100 direct and 150 indirect jobs to locals through construction works, power station operations and other surging businesses. Based on the applications for plots in the village received by the landboard it is obvious that electrification of the village will rapidly increase the numbers of households and enterprises. Botswanan government has signed the Paris Agreement and set an NDC (Nationally Determined Contribution) target to achieve an overall CO₂ emissions reduction of 15% by 2030. This requires increasing Botswana's green energy mix by 25% by 2025, and BPC is expecting further 250 MW of solar capabilities to be established within the next seven years. Tobela and the other villages to follow are part of the fulfillment of this objective.