

South Africa

Mainstream Renewable Power

Loeriesfontein 2 (Pty) Ltd

Presented to : NERSA
Strand Tower Hotel, Cape Town

Date: 20th February 2014

Presented by Eugene Marais



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Presentation outline

- Background
- Project Information
- Shareholding and Financial Information
- Technical Information
- Socio-Economic Development
- Enterprise Development
- Economic Development Commitments
- Milestones and COD
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Background - Mainstream Renewable Power SA

- Mainstream Renewable Power is a **leading global renewable energy developer** with a portfolio of over 15,000MW of wind and solar projects across **eight countries**.
- Mainstream South Africa has been active since 2009 developing over 4,000MW of wind and solar projects in South Africa.
- In December 2011, a consortium led by Mainstream was awarded **preferred bidder status** by the Department of Energy in South Africa to deliver **138MW of wind energy and 100MW of solar PV** into commercial operation by Q2 2014.
- In October 2013, a consortium led by Mainstream was awarded preferred bidder status in Round 3 of the IPP Programme to deliver **360MW of wind energy**.
- Mainstream has global strengths in the areas of **renewable energy development, finance, engineering and procurement** where Mainstream has a strong track record in delivering **large-scale renewable energy plants** around the world.

Loeriesfontein 2 – Project Information

- **Background:**

- The project has been in development since early 2010
- Original land agreements signed end 2010

- **Project size:**

- Contracted Capacity - 138.23MW
- Nameplate capacity – 140.3MW

- **Location:**

60km north of the town of Loeriesfontein in the Northern Cape, in the jurisdiction of Namakwa District Municipality and Hantam Local Municipality.

- **Land:**

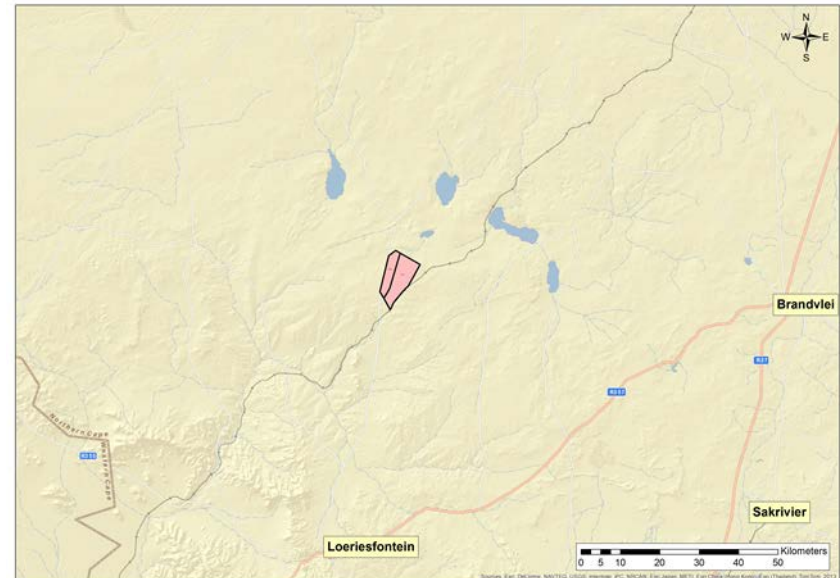
The project site (circa 3,453ha) is made up of a portions of 2 land parcels.

- **Grid:**

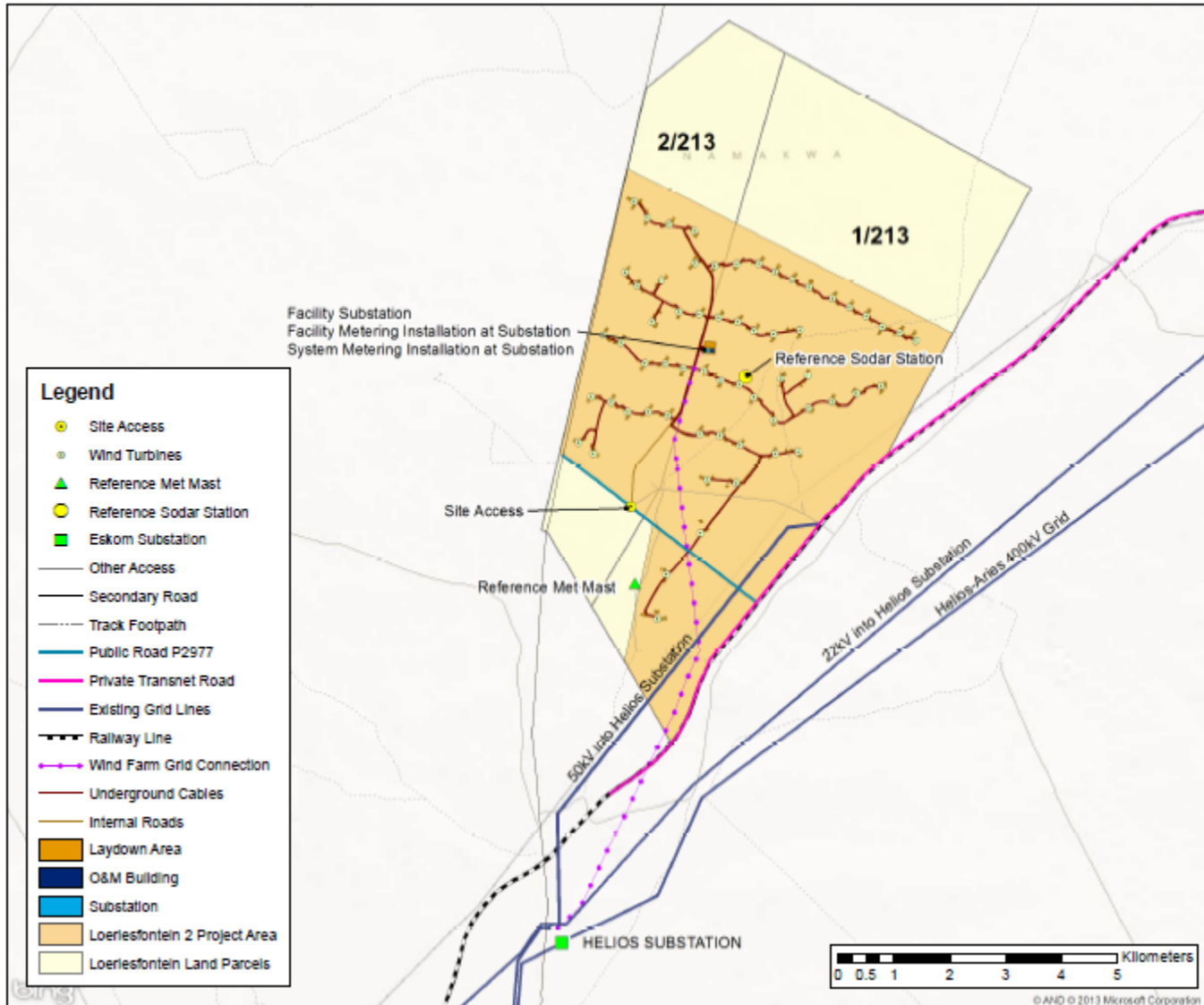
11km 132kV line to Helios Substation.

- **Consents for FC:**

- Appropriate progress has been made in obtaining all necessary consents (including EA – July 2013).
- There will be no delay to Financial Close on account of any outstanding consents or compliance with any condition contained in any such consent.



Project Information



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Legend

- Site Access
- Wind Turbines
- ▲ Reference Met Mast
- Reference Sodar Station
- Eskom Substation
- Other Access
- Secondary Road
- Track Footpath
- Public Road P2977
- Private Transnet Road
- Existing Grid Lines
- Railway Line
- Wind Farm Grid Connection
- Underground Cables
- Internal Roads
- Laydown Area
- O&M Building
- Substation
- Loeriesfontein 2 Project Area
- Loeriesfontein Land Parcels

Revision:	
Note:	
Scale in A3:	1:65,000
Reference:	WGS84 UTM ZONE 35S
Created By:	SHARLEEN WANDERLEY
Checked By:	RUSIBEN MANGISA
Date:	24 JUNE 2010

Project:
Loeriesfontein 2 Wind Farm

Map Title:
Project Facility



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Shareholding and Financial Information

Member	Luxembourg Mainstream Renewable Power SARL	Old Mutual Life Assurance Company South Africa (IDEAS)	Genesis Loeriesfontein 2 Wind (Pty) Ltd.	Old Mutual Life Assurance Company South Africa (Futuregrowth)	Black Enterprise Members	
					Thebe Investment Corporation	The Loeriesfontein Renewable Energy Community Trust
		10.46% Black	3.7% Black	10.46% Black	65.86% Black	100% Black
Shareholding	40.00%	25.00%	15.00%	5.00%	10.00%	5.00%

South Africa Mainstream Renewable Power Loeriesfontein 2 Pty Ltd

Tier 1 Lenders	ABSA Bank Limited	Development Bank of Southern Africa	EKF

- 15.29% BEE ownership in each Round 3 Project, 100% of Trust beneficiaries will be Black
- 186m ZAR expected to accrue to Community Trust in dividends over life of the Project
- Trustees of the Community Trust will be appointed with requirements of the Codes. Min of 4 Trustees, managed by independent chairperson, who is an expert in SED process in emerging economies

Technical Information

Energy Analysis

- 1st 70m mast measurements: Jan 2011 to the present; 2nd 70m mast measurements: Oct 2012 to the present;
- SODARs at two locations used to provide further, hub height measurements and reduce uncertainties;
- IEC 61400-12-1 First Class, MEASNET calibrated anemometers, in parallel, on all met masts.
- Mean wind speed at 99.5m is 8.0 m/s

Grid Connection

- 11km 132kV line to Helios Substation (Tx)
- Sponsors have had ongoing communication with Eskom and have applied for Budget Quotation (expected May 2014); Technical Evaluation Forums arranged for February



Technical Information

Transportation

- Port of delivery is expected to be Saldanha Bay.
- Initial transportation studies demonstrate minimal infrastructure upgrades are necessary.

Geotechnical

- Preliminary geotechnical work completed prior to Bid.
- Detailed work at expected WTG and Eskom infrastructure locations has begun.

Technology

- Contract negotiations with TSA and BOP contractors are currently in final stages.
- As per Clause 23.1.3 of Part A in the RFP, the Project intends to keep this information confidential until such contracts are finalised (Note that NERSA has received expected Technology as per Bid Response).

Socio-Economic Development

- Prior to Bid Submission, Tshikululu Social Investments was contracted to develop a unique tailored SED Investment strategy for each project;
- SED forms part of the core of Mainstream's development philosophy; for example, pre-bid, MRP had already invested R75,000 in a Women's Vegetable Tunnel Farming Project and R80,000 towards computers and technology for a local high school in the Loeriesfontein Community.
- Phase 1 of the SED program will seek to meet some of the immediate needs of the community, while creating a base on which to conduct future interventions. Phase 2 will then build on this base and add socio-economic value to the community on a self-sustaining basis.
- Annex 11 of the IA, Form of ED Plan, is currently being drafted to deliver on all of our bid commitments;



Enterprise Development

- Each Project has already engaged with local organisations as part of Development; the appointed Enterprise Development Officer for each Project will engage with local community departments as well as specific enterprises.
- Schedule 2 of the IA has been preliminarily drafted by the DOE and commented on by each Project Company, confirming commitments to each ED sub-category.
- Annex 11 of the IA, Form of ED Plan, is currently being drafted to deliver on all of our bid commitments.



- The Project Company will engage and fund existing Qualifying Enterprises (including Construction, Security, Agricultural and Recruitment businesses) as well as new entities (including Black owned agricultural co-ops).

Economic Development Commitments



LOERIESFONTEIN
RENEWABLE ENERGY
COMMUNITY TRUST

Criteria	Loeriesfontein 2 Amount (ZAR)
SED	222M
ED	89M
Community Trust Equity Dividends	186M
Total Value	497M

- Total value accrued to the Local Community over the life of the Power Purchase Agreement
- Mainstream exceeded all ED thresholds for Job Creation, Local Content, Preferential Procurement, Top Management, ED and SED.
- Figures calculated on a P50 basis.

Milestones and COD

- Preferred bidders status awarded 29 October 2013
- NERSA Application Submitted 13 November 2013
- Financial close (expected no later than) 30 July 2014
- Start of construction (expected) 1 August 2014
- Commercial Operation (expected) 1 April 2017



Questions?

Thank you



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