

Towards RE new era in Egypt

EgyptEra Role
Simple & critical

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Law No. 203 of 2014

On Stimulating Electricity Generation

from Renewable Sources of energy



Item	NREA	Competitive Bidding	Feed-In-Tariff
Program size	2200 MW	2500 MW	2500 MW
Single Wind Farm Size	Large (100-400 MW)	Large ten Modules each (250 MW)	Medium and Small below 50 Mw
Developer	NAREA	Private (most probably international)	Private (focus on local)
finances	Governmental and soft financing from international development agencies	Commercial finance	Commercial finance
Tariff Setting	Proposed by Egypt era and approved by the cabinet of ministers	According to the bid outcome	proposed by Egypt era and approved by cabinet of ministers
Contracting	20 years	Long term PPA mostly for 20 years	15 years
Off taker	Grid		Grid or distribution system
O/M	NAREA	Developer	Developer
Construction Responsibility	NAREA through EPC	Developer	Developer

NREA projects



- Determine Selling price based on cost of service calculations
- Approve contracts between NREA & EETC
- Licensing NREA
- Dispute Resolution



Competitive bidding process



- Approve PPA
- Licensing the bidding winner
- Dispute Resolution



Commercial based projects

- Approve contracts
- Revise and approve selling prices
- Determine wheeling charges
- Licensing project companies
- Dispute Resolution



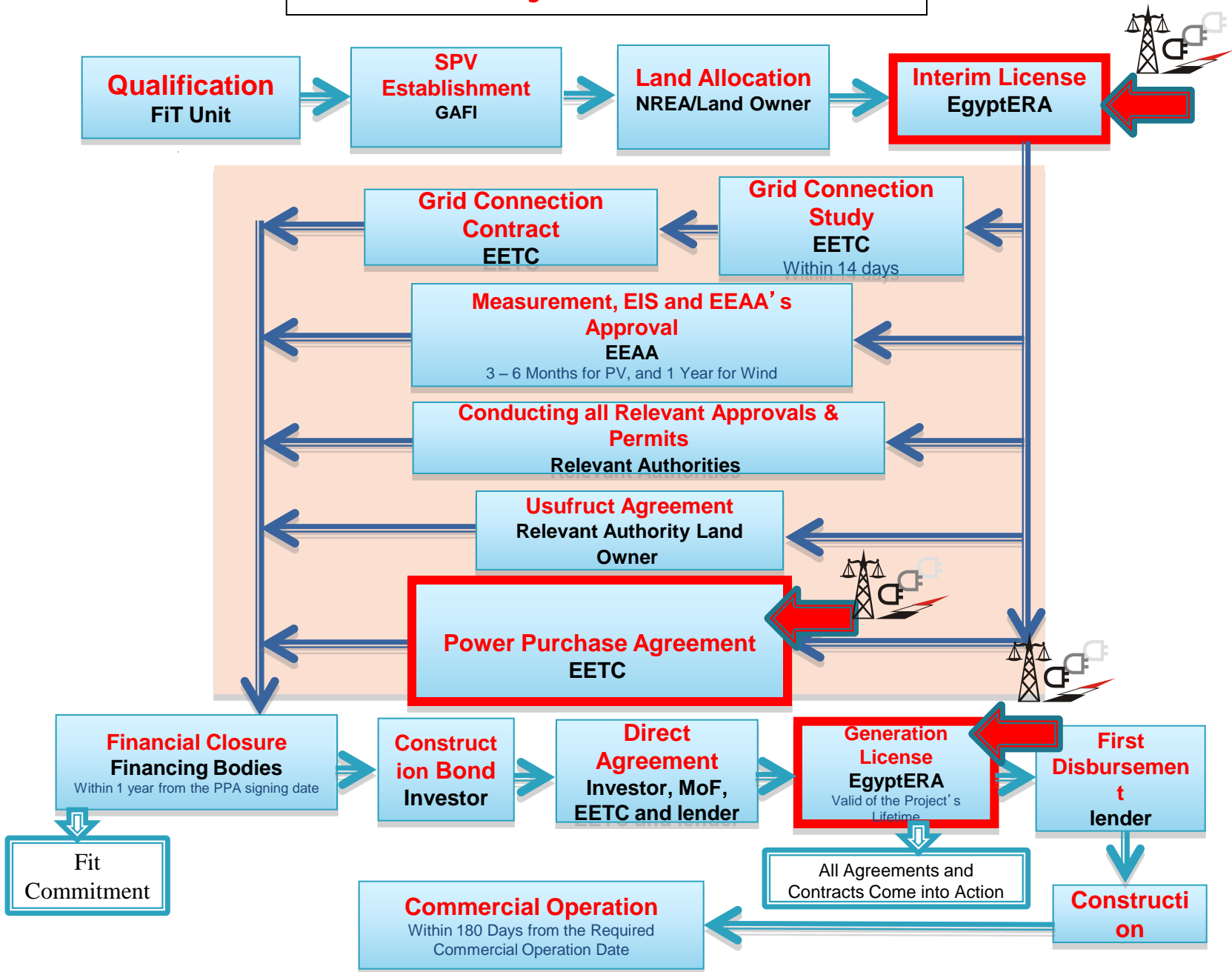
Feed In Tariff Projects



- Feed In Tariff design ✓
- Interim License
- PPA approval
- Permanent license

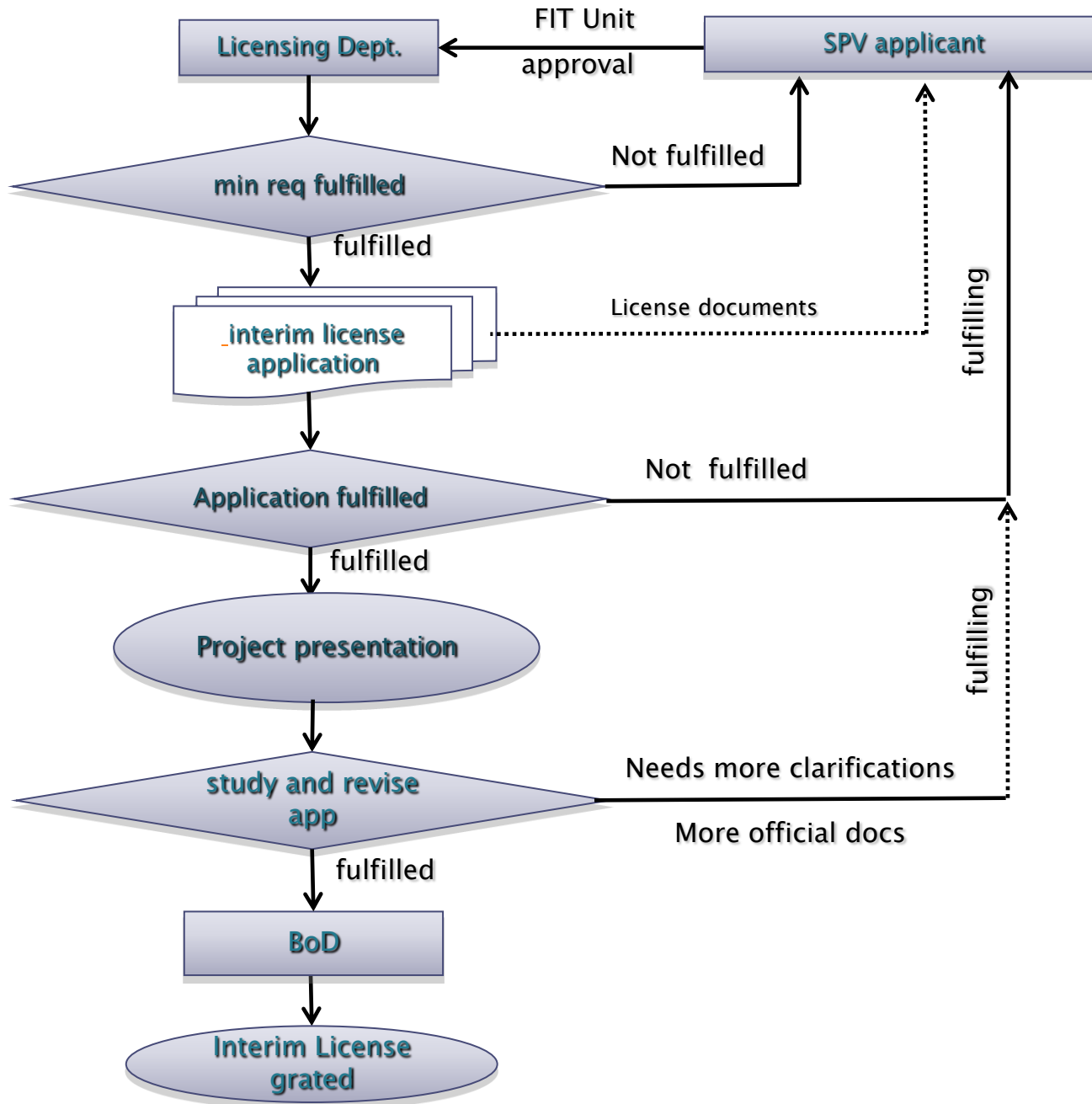


RE – FIT Projects: Above 500 kW



Interim License Process





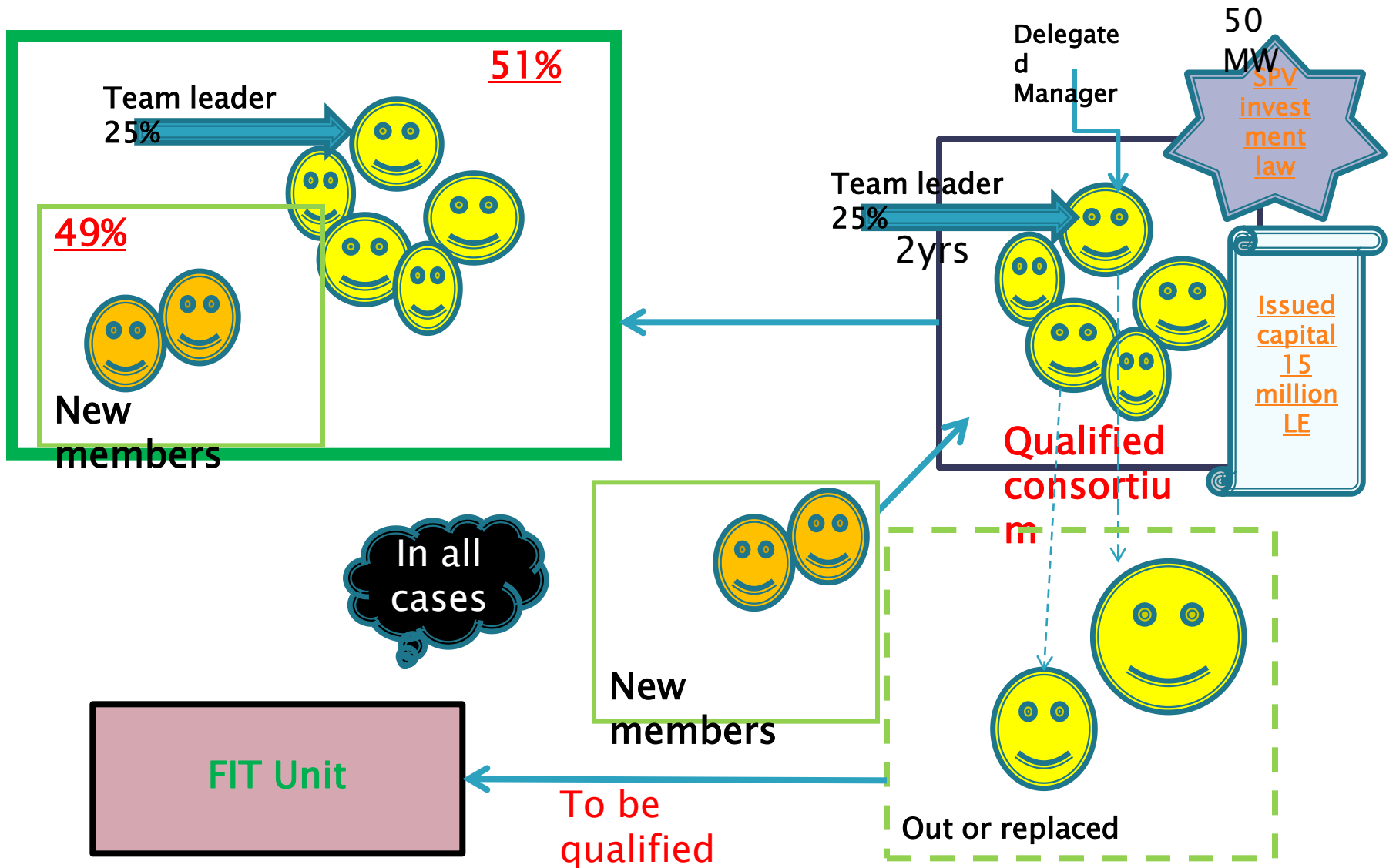
Minimum requirements



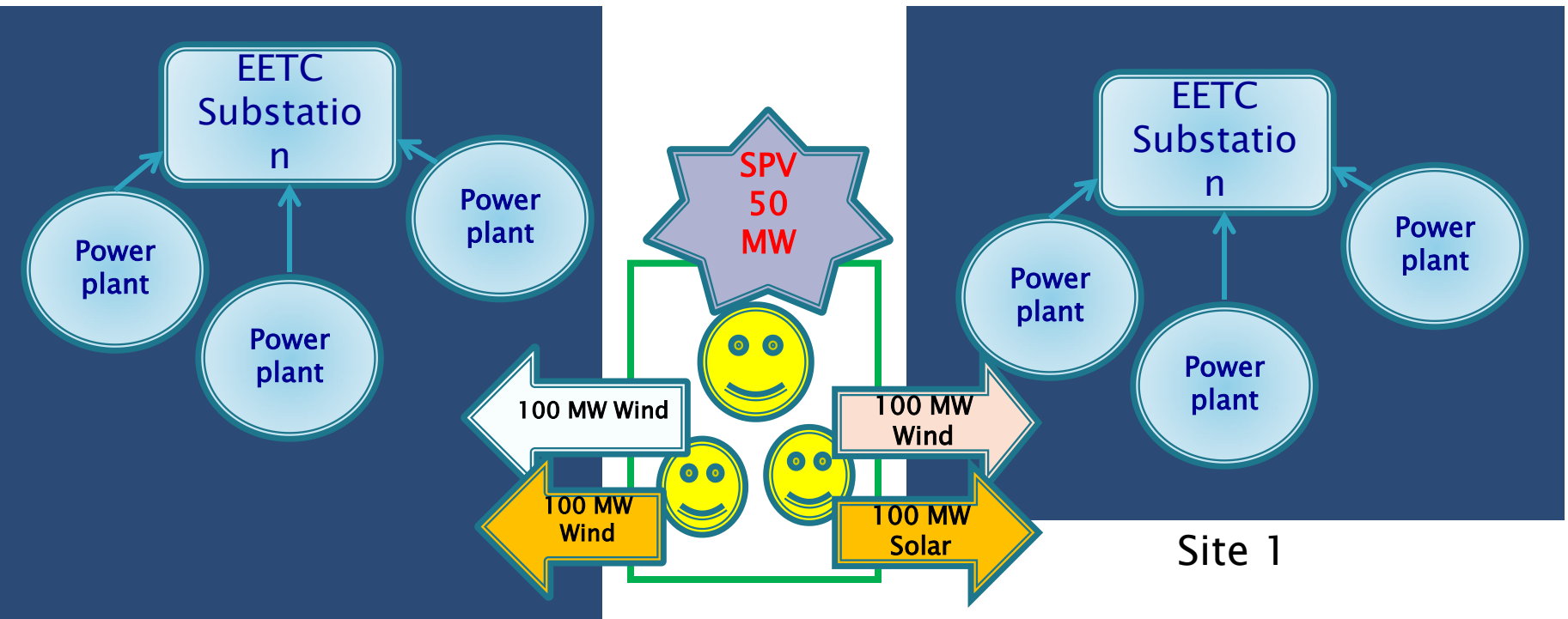
- ▶ Qualified SPV \geq 500 Kw
- ▶ Establishment of SPV according to the SPV conditions declared by Egypt ERA
- ▶ MOU for land from NREA or privately owned land for the whole project life



Consortiums



The Site



Site 2

Site 1

1st

Prerequisite for SPE



Each qualified consortium will establish an Egyptian joint stock company with a sole purpose that is implementing a feed-in tariff renewable energy project. The company will be formed under the investment guarantees and incentives law No. 8 of 1997 and its amendments.



The share of the qualified consortium shall not be less than 51% of SPV total capital



Consortium leader share shall be at least 25%, others shareholders can contribute higher shares.



The allowed installed capacity for each
SPE shall not exceed 50 MW.



The capital total share of a member who joins several consortium shall not exceed the value of capital required to establish a plant with a capacity of **100 MW** per location of the same technology (**solar, wind**) and each member has to **provide an endorsement disclose the rates** of his capital share in other qualified companies working with feed in tariff system **when applying to obtain** in term license from the Egyptian Electric Utility and Consumer Protection Regulatory Agency to ensure his compliance with the pre-mentioned requirement conditions.

The Site: is the geographical areas where all power plants exist are connected with the EETC substation.



It is not allowed to change the consortium leader or any other member, unless the replacement share is equivalent or higher than the replaced member as reviewed by the Feed in Tariff unit according to the rules of qualification



The issued capital for SPV shall not be less than EGP 15m.



2nd

Regulations after the commercial operation



The share of the consortium leader shall not be less than **25%** before **2 years** after the commercial operation.



Egypt ERA should be **notified** by any modification of the structure of the SPV shareholders.



Article (5) of the Prerequisite is to be applicable after 2 years of the commercial operation.



SPV has to delegate a manager responsible for communicating with EgyptERA, EETC and NREA regarding all correspondence, notifications, and required licenses



Currently all qualified
Consortiums are establishing their SPV
companies according to the above
mentioned condition



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