GET FiT PROGRAMME

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THE GET-FIT PROGRAMME

GET FiT = Global Energy Transfer Feed-In-Tariff, originally initiated by Deutsche Bank

GET FiT Uganda: Developed jointly by ERA, Government of Uganda, KfW and World Bank Group

Financing: GET FiT Premium Payment Mechanism is financed by UK DECC, UK DFID, EU ITF, Germany, Norway; total commitment of about USD 90 million

Three components:

GET FiT: Hydro, Biomass and Bagasse
Why GET FiT Uganda?

- Power deficit situation before commissioning of large hydros

- GET FiT Uganda designed to bridge the 2017-2020 generation gap

- GET FiT designed to overcome the identified key challenges and barriers to investment:
  
  **Patchy enabling environment** (Lack of standardized agreements, low capacity in GoU)

  **Insufficient incentives** (REFIT too low)

  **Uganda perceived as risky investment destination** (Payment, termination, political risks)
OBJECTIVES OF THE GET FiT

- To address the short to medium term generation requirements with respect to electricity demand of Uganda
  - 152 MW awarded (targeted 170 MW)
  - Providing access to energy to at least 200,000 households

- Promotion of clean energy in Uganda
  - Target: Reduction of CO2 emissions by at least 11 million tons
OBJECTIVES OF THE GET FiT

❖ Diversification of the Energy Mix of Uganda

- Unlocking solar potential
- Reduction of thermal dispatch
- Less dependence on Nile-based hydropower plants

❖ Incentivizing of private sector activity and investment

Cost-reflective tariffs
The GET FiT toolbox: Addressing the barriers

GET FIT Tool-box designed to meet the challenges in the sector

CHALLENGES AND BARRIERS TO INVESTMENT

- Insufficient Incentives
  - GFPPM
  - Solar Facility

- Patchy Enabling Environment
  - PPA and IA.
  - WB PRG.

- High demands on GoU
  - TA Facility

Prevent power supply shortage

Sustainable support, limiting public subsidies and ensuring exit strategy
Top Up Structure

GET FiT Premium Payment (top-up)

- USc/kWh 8 for bagasse
- USc/kWh 8.5 – 11.5 for hydro
- USc/kWh 11 for solar

20 years

50% of total GET FiT premium on COD

50% of total GET FiT premium disbursed over 5 first years of operation.

20 years

GET FIT mechanism
Achievements - RISK Mitigations

To accomplish its objective, the GET FiT program utilizes the separate instruments:

- GET FiT Premium Payment Mechanism (GFPPM)
- Partial Risk Guarantee (PRG) from World Bank / MIGA (Guarantee Facility)
- Standardized PPA and IA
- Private Sector Financing (Private Facility).
- GET FiT Technical Assistance Facility – capacity building
- Standardised interconnection criteria
Achievements

- Total of 152MW / 820 GWh
- Total commitment of about USD 90 million
- Private investment facilitated: USD 520m
- Leveraging factor (donor funds/investment) 1:5
- Increased access to electricity for more than 200,000 households
Major achievements

- In 2014, Bloomberg New Energy Finance ranks Uganda 10th most interesting emerging market for clean technology investments.
- Standardized PPA and IA for hydro, bagasse, biomass and solar.
- Strategic interconnection support and standardised interconnection criteria.
- Standards Due Diligence tools for the generators at permit and license stage.
- Increased internal capacity at ERA to set investment-incentivizing tariff levels and tariff reviews.
- Sensitization of the national commercial banks.
- Increased transparency and predictability of framework.
Thank You!