



UN Symposium on SDG7

Ensuring universal access to affordable, reliable and modern energy services

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October 19th. 2017

Our values

- Predictable
- Driving results
- Changemakers
- Working together

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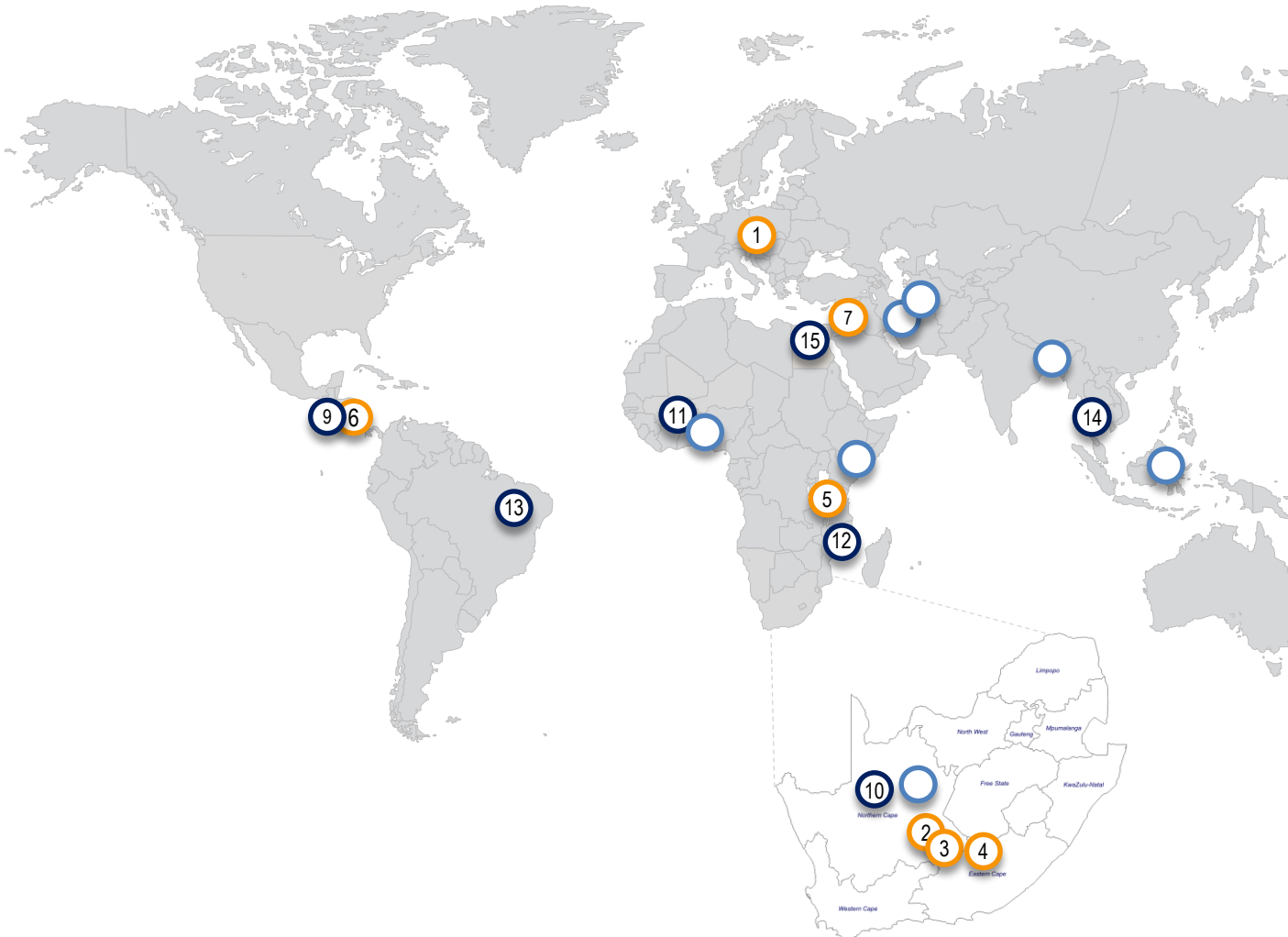
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Our focus: Utility Scale Solar Power Plants



A growing and diversified asset portfolio



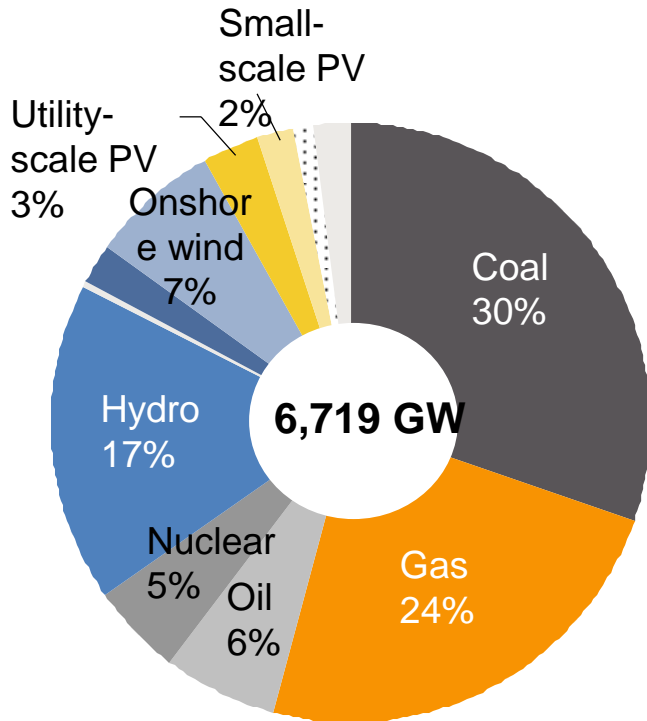
In operation		
Czech Republic	1	20 MW
Kalkbult, RSA	2	75 MW
Linde, RSA	3	40 MW
Dreunberg, RSA	4	75 MW
ASYV, Rwanda	5	9 MW
Agua Fria, Honduras	6	60 MW
Jordan	7	43 MW
Total		322 MW
Projects in backlog*		
Honduras	9	53 MW
South Africa	10	258 MW
Mali	11	33 MW
Mozambique	12	40 MW
Brazil	13	162 MW
Malaysia	14	197 MW
Egypt	15	400 MW
Total		1,143 MW
Pipeline & opportunities		3.0 GW

(*) Projects with secured tariff and/or off take agreements

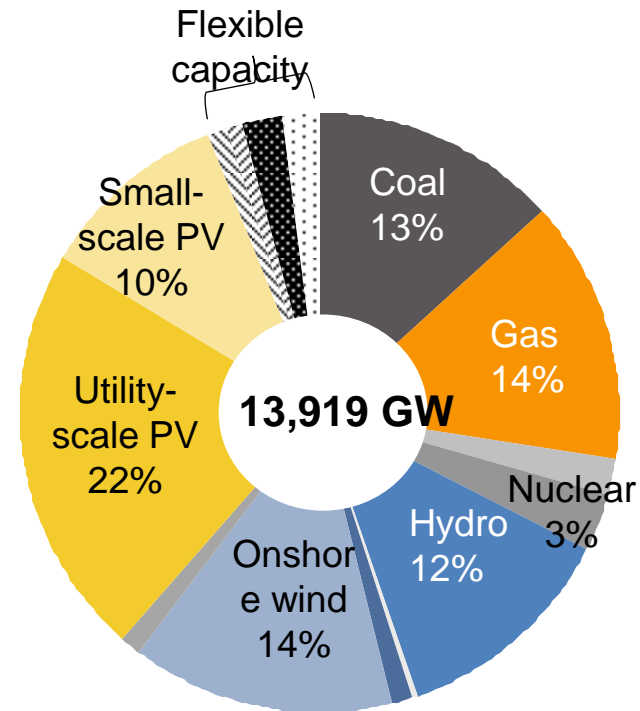
PV market:

Solar and wind dominate the future of electricity

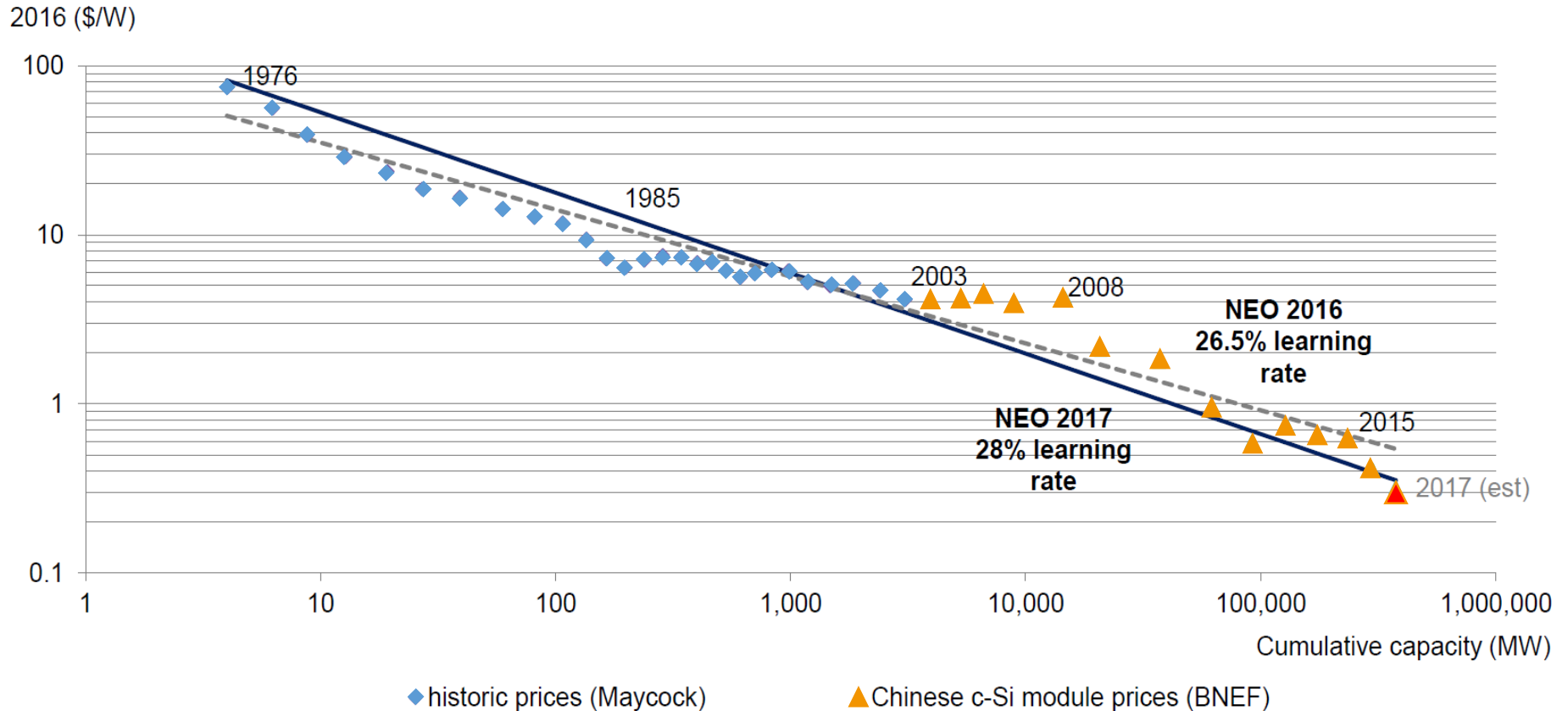
Global cumulative installed capacity: 2016



Global cumulative installed capacity: 2040

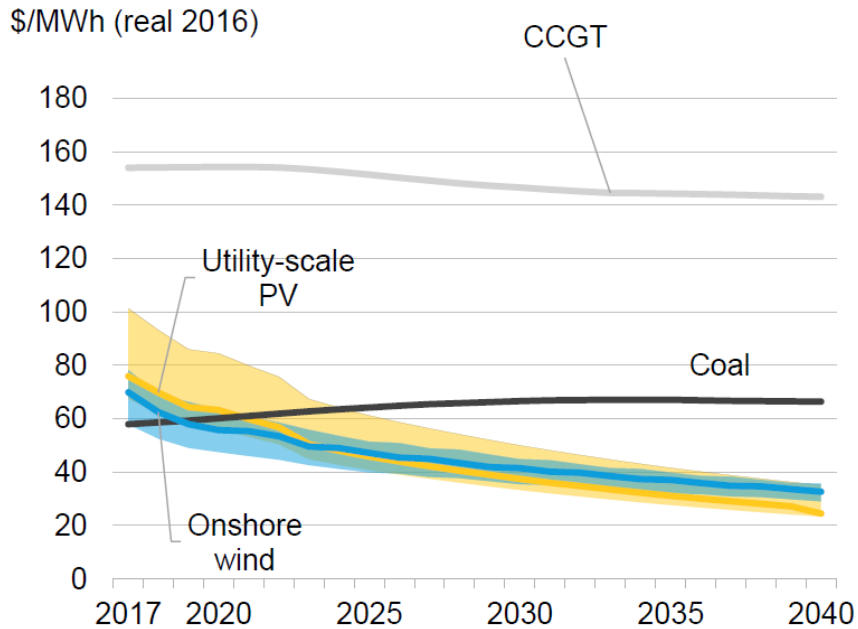


PV market: Solar technology is getting cheaper, faster

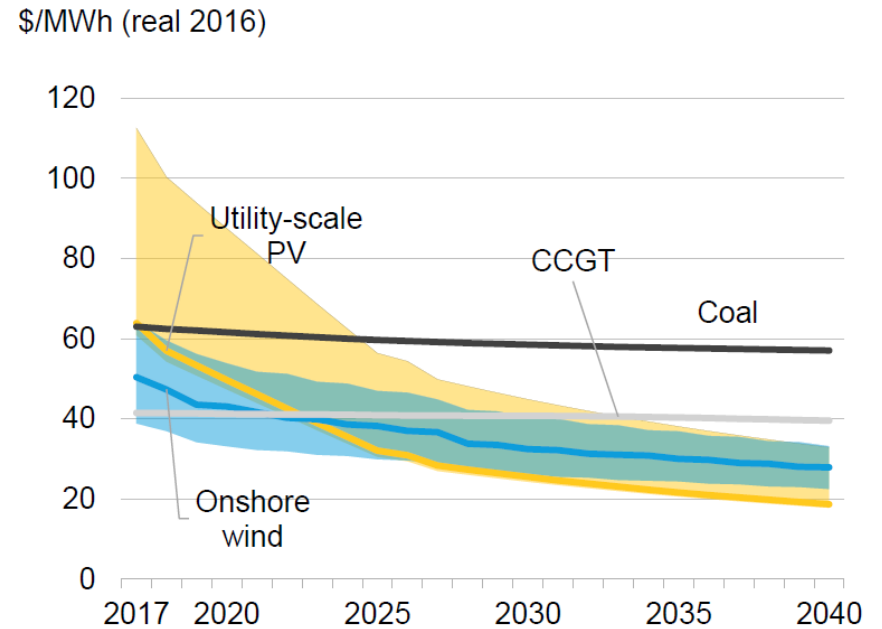


PV market: Tipping point: new vs new

China



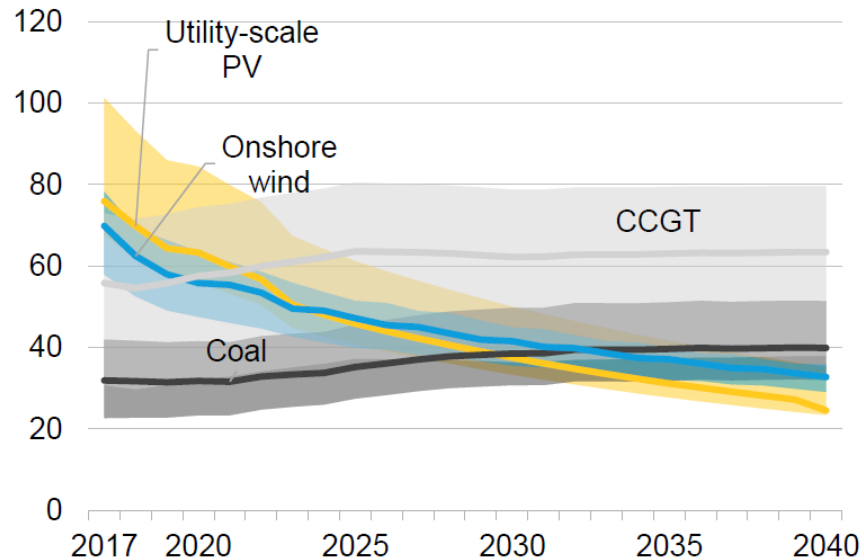
U.S.



Tipping point 2: new vs existing

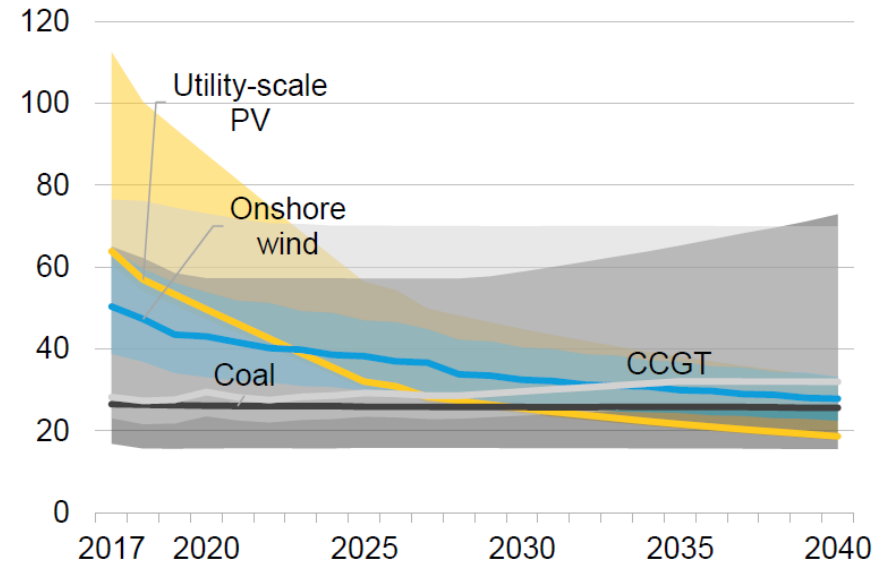
China

\$/MWh (real 2016)



U.S.

\$/MWh (real 2016)

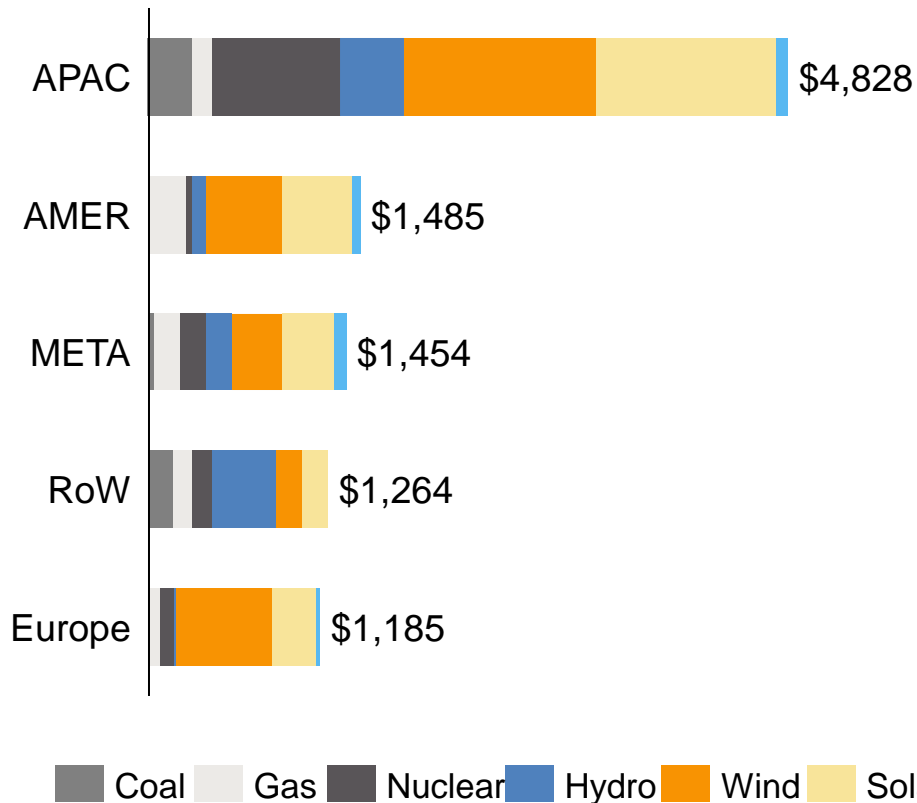


APAC: 47% of investment

China & India: 83% of investment in APAC

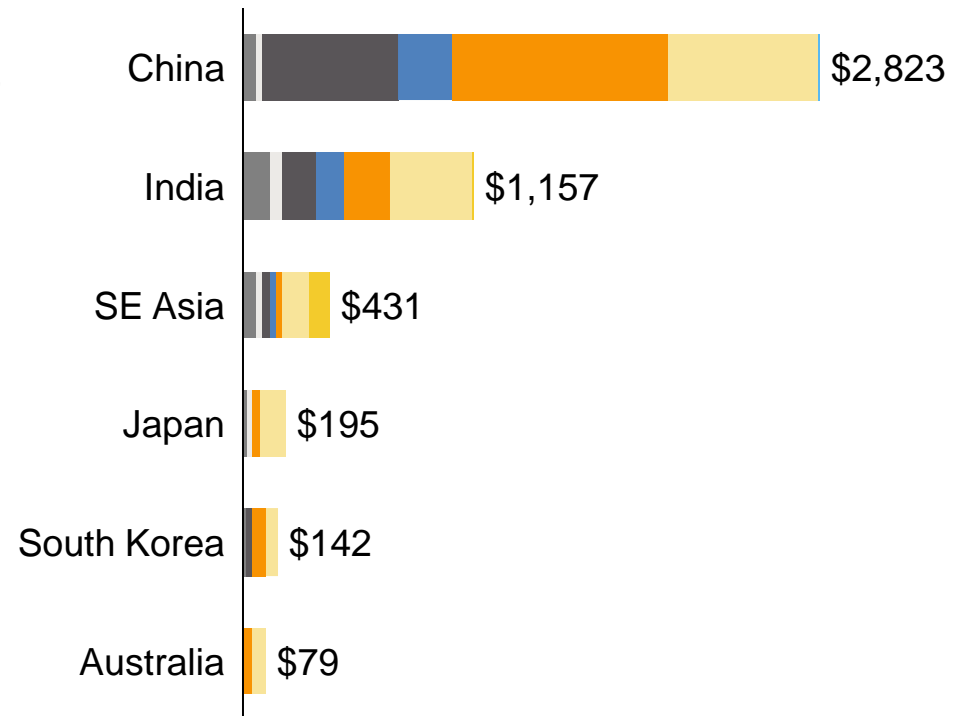
Cumulative capacity additions

(\$ billion – 2016 real)



Cumulative investment

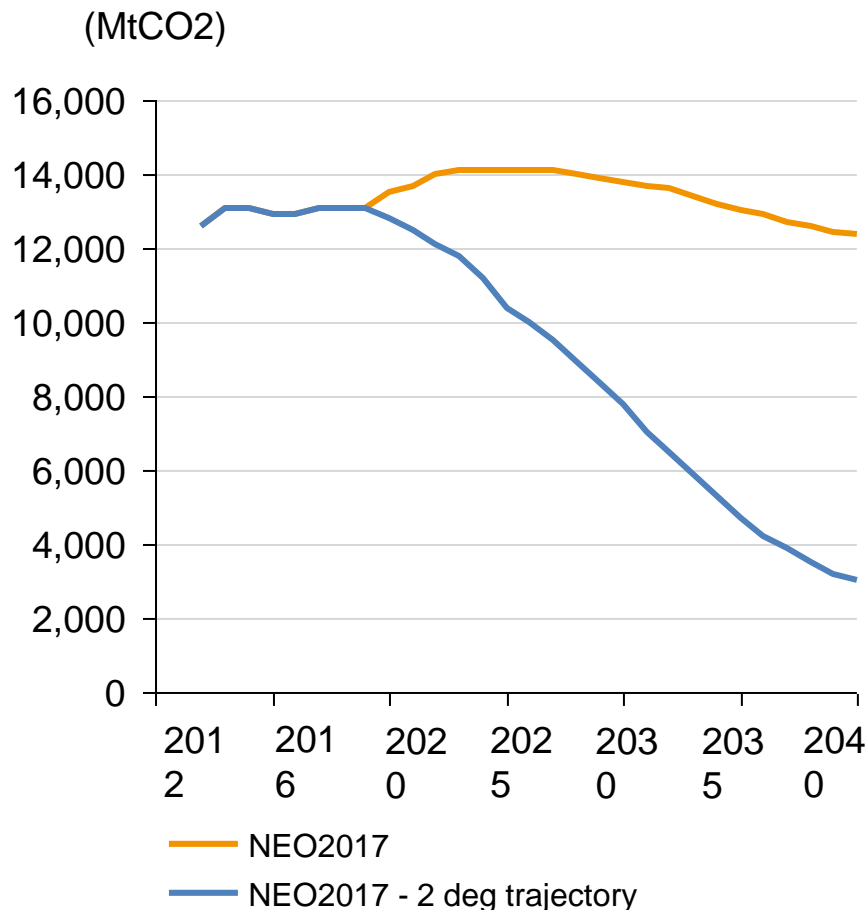
(\$ billion – 2016 real)



Source: Bloomberg New Energy Finance, 2017

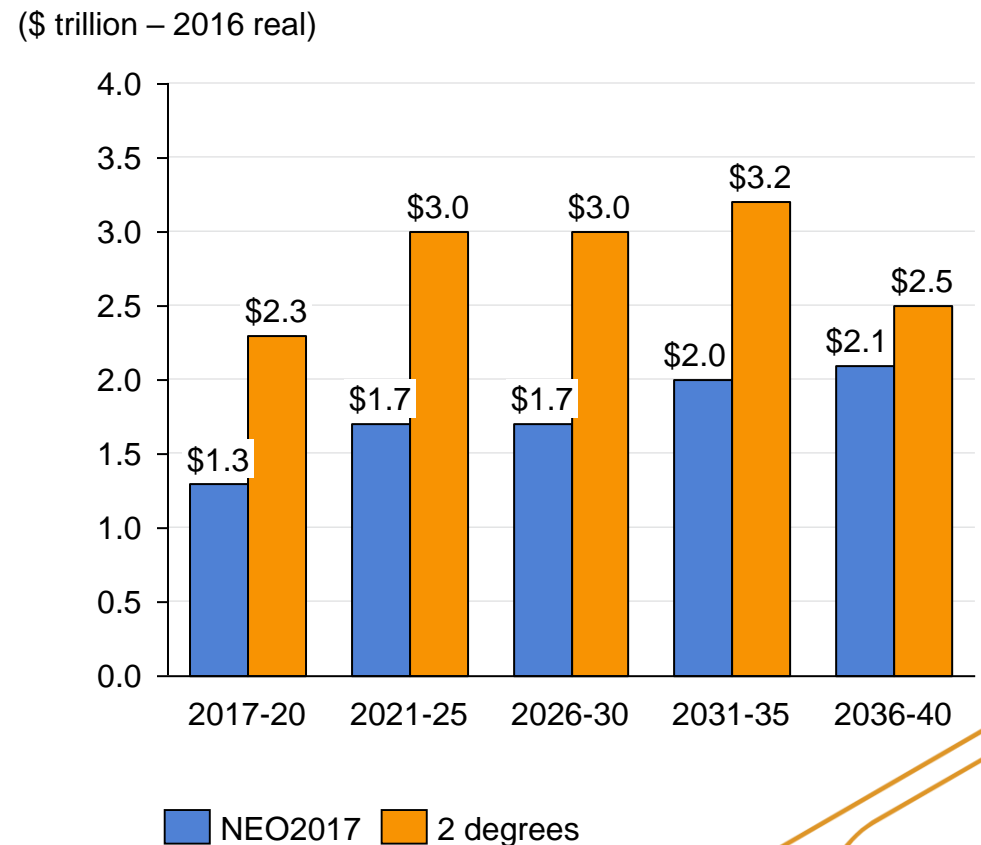
...but 2 degree is an additional \$5.3 trillion

Global power sector CO2 emissions


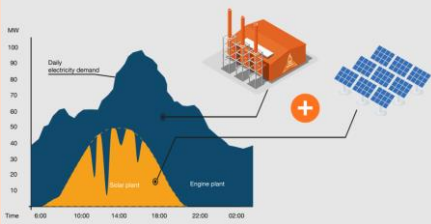



Source: Bloomberg New Energy Finance, 2017

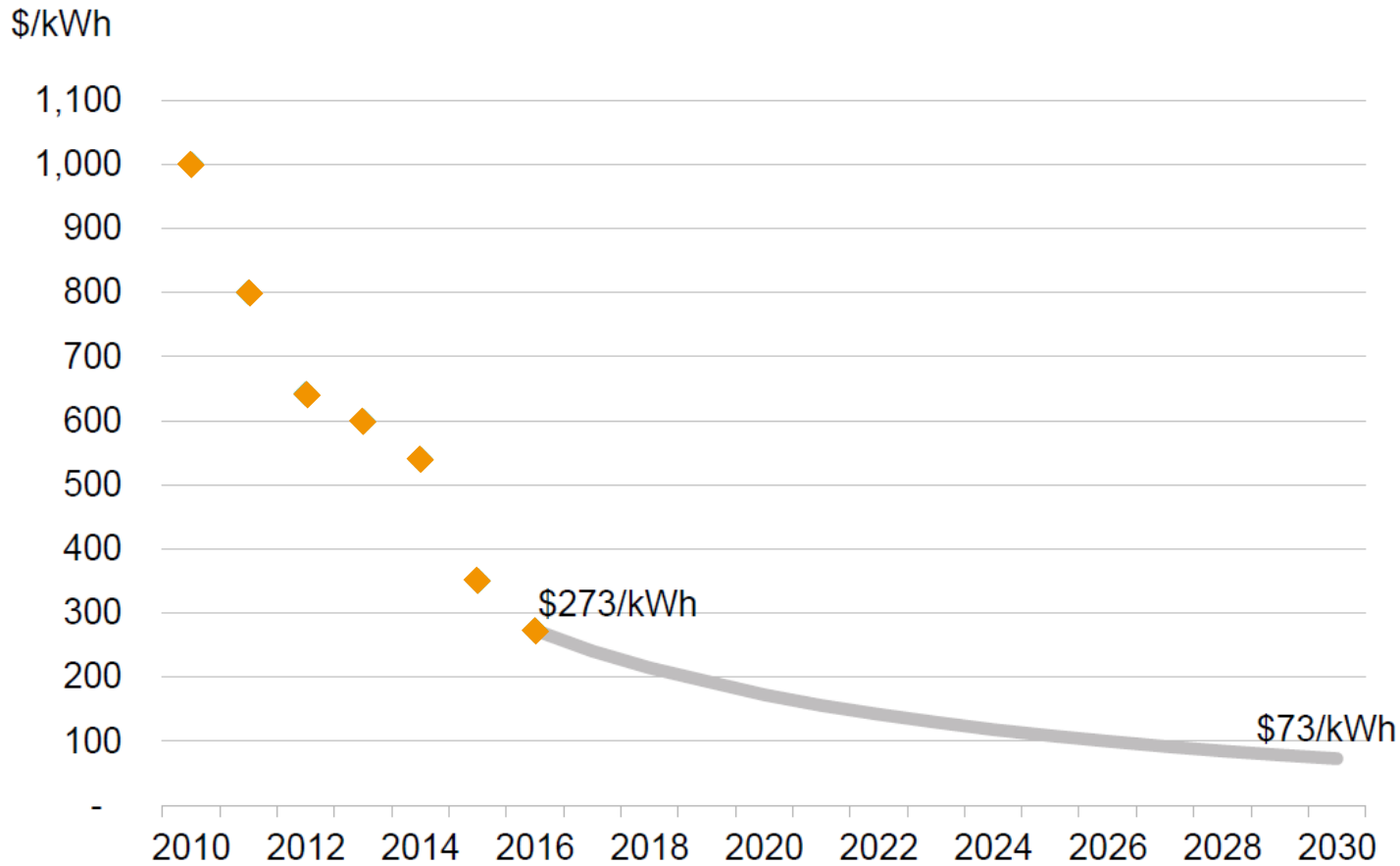
Total investment in zero-carbon capacity



New technology solutions being considered

PV + battery Storage	PV-Engine off-grid hybrid	Floating solar
		
<p>PV combined with storage enables energy shifting and supporting utilities with grid stabilizing services</p>	<p>Sustainable power solution for utilities and industrial operations on islands and off-grid locations.</p>	<p>PV panels mounted on floating structures opens for solar energy without using farmlands</p>
<p>ABB, Tesla, AES++</p>	<p>Industry partners</p>	<p>Ciel & Terre (structure), Huawei (inverter)</p>
<p>Opens for new markets and new revenue streams. We also expect storage to be a requirement in future PPA as solar energy penetration increases.</p>	<p>Reduce fuel consumption by >20%. Adding storage can increase fuel saving to >30% plus significantly reduce running hours on the engines.</p>	<p>Alternative to ground mounted systems. Natural cooling increase efficiency.</p>
<p>Commercially available</p>	<p>Pilots have been deployed in different regions</p>	<p>Pilots have been deployed in different regions</p>

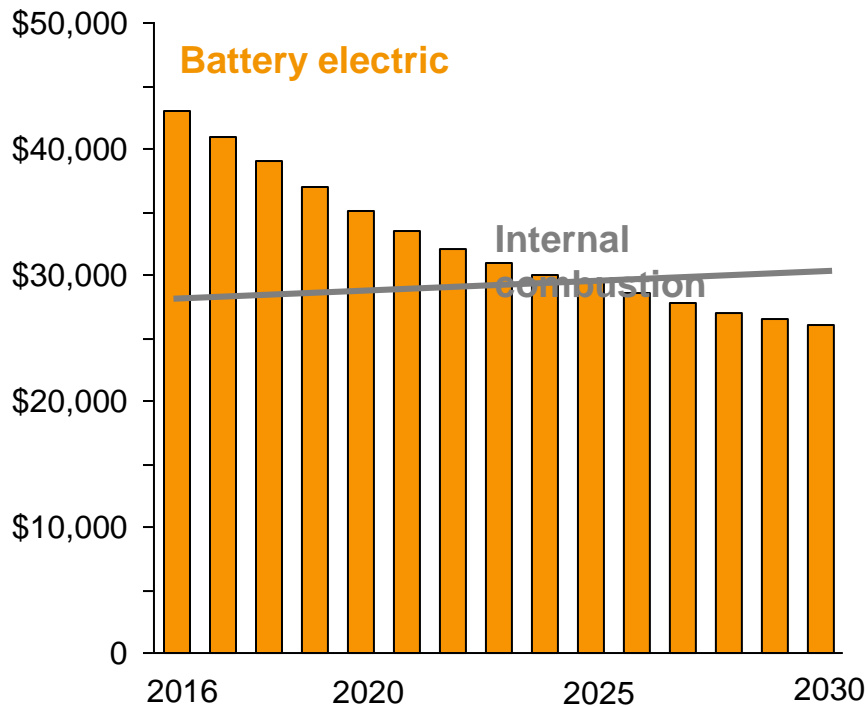
Li-ion battery prices to fall another 73% to 2030



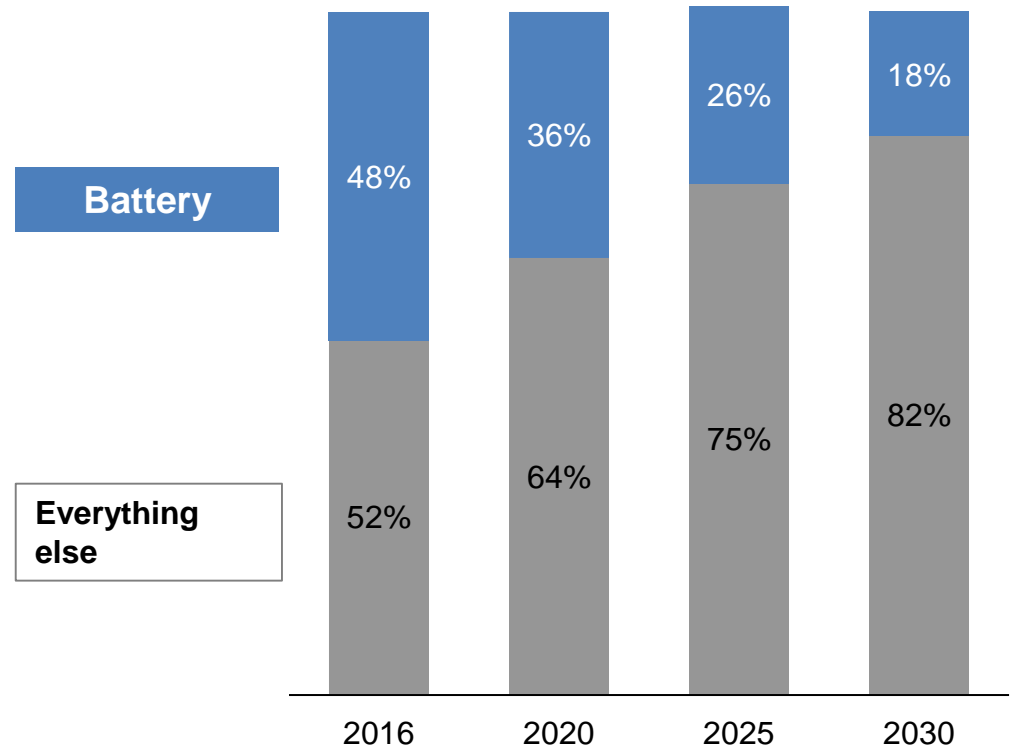
Source: Bloomberg New Energy Finance, 2017

Electric vehicles will cost less than internal combustion vehicles in the 2020s

Vehicle prices



Battery electric vehicle cost breakdown



Solid progress on projects across backlog (i)

Malaysia, 197 MW

- 21 year PPA with TNB
- Capex: MYR 1,240 million



Status

- Project finance – MYR 1000 million green Islamic Bond – well received in the Malaysian debt market
- Certain construction activities initiated

Honduras, 53 MW

- 20 year PPA with ENEE
- Capex: USD 100 million



Status

- Finalising remaining conditions to close financing for first phase (35 MW)
- Certain construction activities initiated

Mozambique, 40 MW

- 25 year PPA with EDM
- Capex: USD 80 million



Status

- Finalising remaining conditions to close financing
- Construction preparations ongoing

Solid progress on projects across backlog (ii)

Egypt, 400 MW

- 25 year PPAs with Gov of Egypt
- Capex: USD 450 million



Status

- Credit committee and board approval obtained for project finance by bank consortium
- Financial close by end of October

South Africa, 258 MW

- 20 year PPA with Eskom
- Capex: ZAR 4,600 million



Status

- Timing of financial close relies on alignment between Eskom and the various government bodies

Brazil, 162 MW

- 20 year PPA with ANEEL
- Capex: BRL 680 million



Status

- All permits secured for the project
- Good progress on debt and equity structuring

Mali, 33 MW

- 25 year PPA with Energie du Mali
- Capex: EUR 52 million



Status

- Board approval obtained for IFC project finance and for Partial Risk Guarantee from the World Bank
- Awaiting final board approval by AfDB

Key activities in development and delivery of Utility scale solar plants

Phases	Origination	Development	Structuring	Delivery	Power Production O&M
Key activities	<ul style="list-style-type: none"> • Opportunity  <ul style="list-style-type: none"> • Partners • Stakeholders • Award of PPA/Permits • Land • Initial socialisation of the project 	<ul style="list-style-type: none"> • Pipeline  <ul style="list-style-type: none"> • Partners • Stakeholders • Award of PPA/Permits • Land • Financing • Socialisation of the project 	<ul style="list-style-type: none"> • Backlog  <ul style="list-style-type: none"> • Partners • Stakeholders • Procurement • Financing • Socialisation of the project 	<ul style="list-style-type: none"> • Construction  <ul style="list-style-type: none"> • Partners • Stakeholders • Land • Procurement • Tax • Cash flows • Socialisation of the project 	<ul style="list-style-type: none"> • Operation  <ul style="list-style-type: none"> • Operation and maintenance • Sale of electricity

A truly sustainable business model

- Solar plants embedded in local communities in emerging economies for 20-25 years
- Economic activity is of vital importance to both countries and communities
- Local suppliers, local employees and good relations with local communities impact performance, cost and risks
- Environmental and Social Impact Assessments are undertaken at the start of the project phase
- Community relations, social and environmental impacts are managed as an integrated part of the business
- Specialist advisors engaged to manage CSR and Economic Development programs



Environmental, social and governance integration

- Operate in line with the Equator Principles and IFC Performance Standards
- Work with trusted business partners (IFC, Norfund, KLP and more)
- Conduct Environmental and Social Impact Assessments for all projects
- Grievance mechanism



Local job creation



PROJECT	JOB CREATION (DURING THE PEAK CONSTRUCTION PERIOD)	% LOCAL EMPLOYEES (CITIZENS)	NO. OF WORKERS WITH DOCUMENTED SKILL ENHANCEMENT
Agua Fria	1,050	82%	27 ²⁾
Utah Red Hills	192	92%	30 ¹⁾
Jordan portfolio	585	N/A	N/A
Linde	550	70%	79 ¹⁾
Dreunberg	1,400	77%	142 ¹⁾
ASYV	600	85%	400 ²⁾
Kalkbult	900	80%	N/A
Czech portfolio	133	N/A	N/A
Total	5,410	81% on average	926

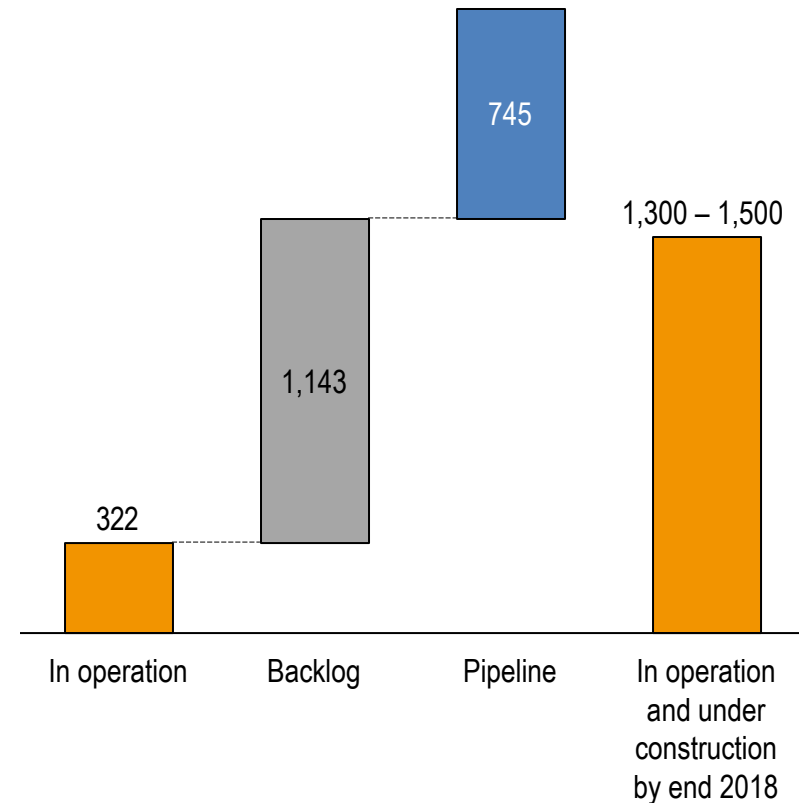
1) Workers certified.

2) Workers with formalised documentation of experience.

Summary

- Technology innovation and cost reductions make solar the lowest cost source of electricity
- Emerging economies are taking advantage of renewables – low cost, clean and rapidly deployed
- Scatec Solar is set to grow and strengthen its position as an emerging market focused IPP
- Partnerships and new business models are being explored for additional growth opportunities

Growth target (MWs)



Thank you

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