

# PACO

## Powering Africa: The Captive & Cogeneration Options

Hôtel Le Vendôme, Cape Town, South Africa 11 to 13th March 2009

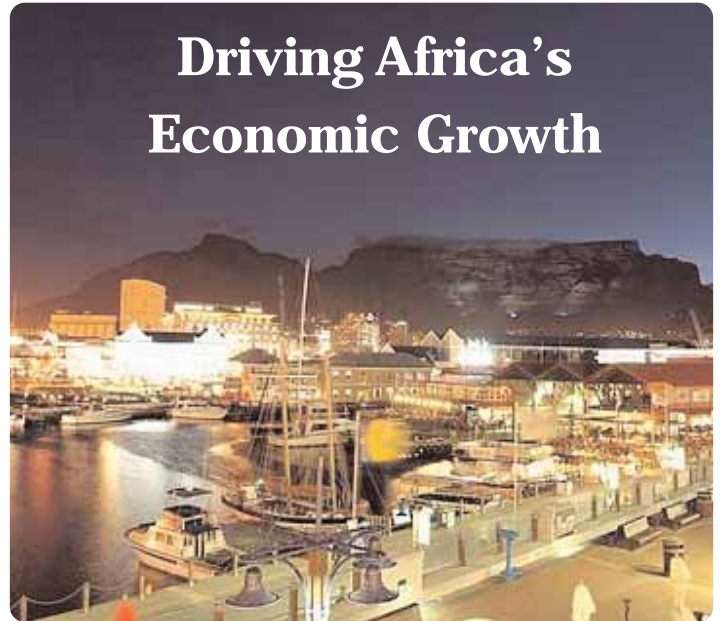
**PACO will examine the practicalities of how African industry can secure a reliable source of power through captive power & cogeneration schemes, which could form a critical part of a company's strategy for growth.**



### **An Executive Dialogue**

**Industry discusses the options for securing a reliable supply of power, and invites governments to engage in the debate on how best to meet the power needs of industry, as the essential driver of Africa's economic growth.**

### **Driving Africa's Economic Growth**



### **Power for industry: in everyone's interest**

- What are the politics and legal requirements of captive power?
- What are the technological alternatives?
- More importantly, what are the economics?
- Is "collective power" for a group of industrial users a viable concept?
- Are there other ways of achieving economies of scale?
- Could excess power supply local communities or feed the grid, for instance?

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# Powering Africa: The Captive Power & Cogeneration Options

Sub-Saharan Africa is blighted by inadequate power supply, which is not expected to improve anytime soon. Even South Africa has dramatically shattered its vaunted position as a surplus power producer, and is now in desperate need of additional capacity to support the countries' economic growth. In this situation, industry is forced to look for alternatives to the state utility, but its options are limited.



For industry to produce its own power is expensive, but it may be less costly for a company than shutting down production.

The PACO participants will discuss how captive power and cogeneration could form part of a company's strategy to cope with power shortages.

## PACO An Executive Dialogue

PACO allows participants to share experience on captive power and cogeneration, and to meet those that provide the plant and technology. PACO is above all a dialogue amongst industrialists and power officials.

The PACO agenda below outlines possible topics for discussion at the meeting. PACO is a collaborative meeting, where participants are encouraged to suggest topics and participate in the ensuing discussions. There are no formal speakers or presentations. Participants can also suggest who they would like to see at the meeting. This format makes for an interactive meeting that encourages in-depth discussions beyond those that are usually achieved at an ordinary conference.

## PACO Participants to Date

### Samuel Sarr

Minister of Energy, Senegal

### Conor Barry,

Programme Officer Sustainable Development Mechanisms Programme, United Nations Framework Convention on Climate Change (UNFCCC), Bonn

### Johan van den Berg

BioTherm Energy (Pty) Ltd  
South Africa

### Dan Croft

Director, Business Development, Empower, London

### Willem de Beer

Chief Operations Officer, EDI Holdings, Pretoria

### Mark Digby

Region Executive, GE Energy Global Sales, Cape Town

### Thomas Garner

Energy Manager, Business Growth, Exxaro Resources

### Mark Gordon

Chief Director: Energy, Department of Public Enterprises, Pretoria

### Arnaud Gouet

Business Development Manager Power Plants, Wärtsilä South Africa

### Yousuf Haffejee

Single Buyer Office, Eskom, Johannesburg

### Dr Glen Heinrich

Chief Director: Energy and Broadband, Department of Public Enterprises, Pretoria

### David Okpako Iweta

Chairman & CEO, Madewell Products Ltd, Nigeria

### Sakkie (IC) Leimecke

Senior Transactor, Energy Project Finance, Nedbank, Johannesburg

### Emile Malan

Transactor, Energy Project Finance, Nedbank, Johannesburg

### Jeremy Marillier

Head: Economic Information & Research, Department of Economic and Human Development, City of Cape Town

### Dr Velaphi Msimang

General Manager: Hydrogen and Energy, Department of Science and Technology, South Africa

### Des Muller

Head of Power Development, Group Five, Johannesburg

### Jason Nandago

Board Chairman of the Electricity Control Board, Namibia

### Vijandren Naidoo

Utility Manager, Afrox Ltd, South Africa

### Gbabo Peter Okirika

Operations Manager, Madewell Products Ltd, Nigeria

### Mark Pickering

Regional Director, Empower, South Africa

### Vivian Reddy

Chairman, Edison Corporation, South Africa

### Siseho Simasiku

Chief Executive Officer, Electricity Control Board, Namibia

# PACO Outline Agenda

WEDNESDAY, MARCH 11, 2009

19:00

**Welcome Reception at Hôtel Le Vendôme**

THURSDAY, MARCH 12, 2009

09:00

## The Politics of Captive Power & Cogeneration

Industry, as a consumer of power, is vital for the viability of state power utilities, and therefore its unfettered production of power could become politically problematic. But industry without a reliable supply of power would be a drag on economic growth, which is politically unacceptable. In a situation where the state power supply is inadequate, government and industry need to agree on an accommodation that will be mutually advantageous, otherwise everyone suffers.

### Some Topics for discussion

**Political viewpoints:** how do governments view captive power?

**Embracing cogeneration:** do governments have any other option?

**Industry's concern: affordable, reliable power supply:** should this be a contractual obligation for utilities?

**Political and industrial consensus:** a framework for cooperation on power provision.

**Regulating captive power:** why?

**Regulating cogeneration:** the objective must be to promote its use.

**Captive power and the community:** is there a role for power provision beyond the factory gates?

13:00 **Lunch at Hôtel Le Vendôme**

14:30

## The Economics of Captive Power & Cogeneration

Even with the right policies, legislation and regulation, the bottom-line for industry is whether captive power or cogeneration makes commercial sense. However, the considerations influencing an assessment of the economics are many.

### Areas for Consideration

Economic scenarios of alternative captive power and cogeneration options:

- Emergency power
- Short-term power
- Intermediate power
- Permanent power

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**IPPs:** what are the complexities of establishing an industry offtaker agreement?

**Improving the economics of captive power:** are economies of scale feasible?

**10% national target for electricity saving:** what is the impact on industry's bottom-line in South Africa?

**The economic benefits of cogeneration are irrefutable:** why then isn't everyone doing it?

FRIDAY, MARCH 13, 2009

09:00

## Financing Captive Power & Cogeneration

In these hard times, financial considerations take on a heightened poignancy than in more buoyant times. Cash-strapped companies and reluctant lenders certainly focuses attention on cost-benefit analysis, which is no bad thing. But ultimately decisions hinge on the fundamental question: are affordable funds available?

### Areas for Consideration

Financing options for captive power and cogeneration:

- Corporate financing (from their balance sheet)
- Commercial lending
- Export credit for equipment suppliers
- Concessionary funding
- Clean Development Mechanism
- Opportunities for investors in cogeneration

13:00 **Lunch at Hôtel Le Vendôme & End of PACO & optional visits**

For further details please contact:

**Ricky Cowley**

+44 (0)20 8457 0698 | [ricky@energynet.co.uk](mailto:ricky@energynet.co.uk)

## Optional visit to the Fairy Glen Game Reserve

The Hôtel Le Vendôme offers the opportunity to visit an exclusive game reserve in the vicinity of Cape Town at an exceptional value.

Set at the base of the world famous Brandwacht mountains surrounded by Cape Fynbos and waterfalls is the Fairy Glen Games Reserve. Situated in approximately 20,000 hectares of government conservancy, the reserve offers the opportunity to see Africa's Big 5.

Fairy Glen also borders a Gary Player designed golf course, the "Karoo Desert" botanical gardens, a casino, and the world's largest brandy cellar.

Two options are available:

### Option 1, Friday afternoon, March 13 and Saturday, March 14

**An Overnight Safari** with your arrival at about 14:30.

- 15h00: Depart for a two hour nature walk up to the 50m high Fairy Glen Dam and pick your own crystals from the river bed
- 19h00 Dinner in the restaurant
- Overnight stay in chalet with "lookout" point on the roof
- 08h00 Breakfast
- 09h00 Depart for 2-3 hour Big5 game drive with experienced game rangers
- 13h00 Traditional safari lunch



### Option 2, Saturday, March 14

**A one day Safari**

- 08h00 Breakfast at the Fairy Glen
- 09h00 The Big5 game Drive departs for 2-3 hours, with experienced game rangers.
- 13h00 Traditional safari lunch



## PACO Meet And Greet

PACO is produced for its participants. They decide on the topics to discuss. And they can make suggestions of who should be invited to join the meeting. It is a dialogue to promote the understanding of how captive power and cogeneration can be used to benefit Africa's business community and in turn the continent.

PACO participants become members of the PACO MarketSite which allows them to email each other from the site. Corporate information can also be posted on the site, as well as industry data. The participants' biographies will also be on the site.

It is hoped that the PACO MarketSite will develop into a community whose interest is to increase the efficient use of power in Africa for the continent's benefit.

## Forthcoming Events

### Powering Africa: The Biofuel Options

4 - 6 March 2009, Maputo, Mozambique

### African Energy Forum

30 June - 2 July 2009, Bordeaux, France

For Information contact:

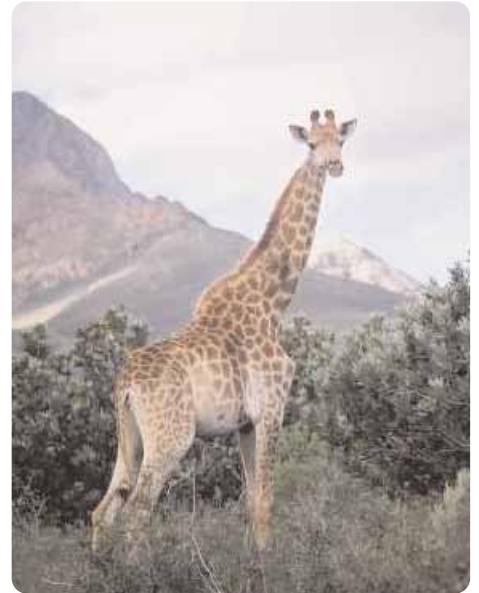
Rod Cargill

[cargill@energynet.co.uk](mailto:cargill@energynet.co.uk)

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# PACO Registration & Hotel Information



Hôtel Le Vendôme, is a five-star luxury boutique hotel situated in Cape Town's Sea Point, only fifty metres from the vibrant ocean promenade, where one can watch the sun set and take a sundowner at the La Perla Restaurant. The hotel combines French old world charm with elegance, comfort and renowned South African hospitality. Hôtel Le Vendôme's fine dining restaurant, Rive Gauche, offers culinary masterpieces at excellent value. Transport to the V&A Waterfront and Camps Bay is also provided.

The meeting rate of R1,800 including breakfast offers PACO participants value unmatched anywhere in Cape Town.

Please register the following to attend the "Powering Africa: The Captive & Cogeneration Options" executive meeting at a cost of £795 per attendee. Discounts for multiple attendees are 5% for two, 10% for three, 15% for four, and 20% for five and above.

Full name: \_\_\_\_\_

Position: \_\_\_\_\_

Company/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Company activity: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Pay online at [www.energynet.co.uk](http://www.energynet.co.uk)

### Payment by credit card

Credit card number. \_\_\_\_\_

Security No. (usually on the signature strip) \_\_\_\_\_

Expiry Date: \_\_\_\_\_

The card is in the name of: \_\_\_\_\_

Visa/Master/Euro  Diners

Credit card billing address: \_\_\_\_\_

\_\_\_\_\_

**Payment by Bank Transfer** (attach copy or supply full details of transfer). Payment should be made through the Royal Bank of Scotland plc, quoting (1) account number 70545244; (2) sort code 15-30-00; and (3) swift(BIC) code RBOS GB2L, noting "PACO", delegate name & company. All transfer costs to be paid by sender; alternatively add £16 to your total fee.

**Payment by Cheque** drawn on a UK Bank, payable to EnergyNet Ltd.

Please return your completed form to: Evelyne Cargill

EnergyNet Limited | 110 Elm Road | Kingston upon Thames | Surrey KT2 6HU | United Kingdom

| Tel +44 (0)20-85 47 06 98 | Fax +44 (0)20-85 41 32 44 | [evelyne@energynet.co.uk](mailto:evelyne@energynet.co.uk)

### The fee covers:

- Access to the "Powering Africa: The Captive & Cogeneration Options " executive dialogue
- Lunches
- Documentation
- Executive networking facilities on the website
- Presentations online

### Cancellation:

The fee is non-refundable if cancellation is received after February 4, 2009. For a cancellation before this date the fee will be refunded, less a handling charge of £50.

### Venue:

Hôtel Le Vendôme, London Road, Sea Point, Cape Town, [www.le-vendome.co.za](http://www.le-vendome.co.za)

### Hotel accommodation:

Rooms at the Hôtel Le Vendôme have been reserved for PACO attendees at a special rate of R1,800 per person per day inclusive of an extensive buffet breakfast and taxes

To reserve accommodation at the Hôtel Le Vendôme, please contact EnergyNet for a booking form, or the hotel directly:

Tel: +27-21-430 1200 Fax : +27-21-430 1500

Email: [reserve@le-vendome.co.za](mailto:reserve@le-vendome.co.za)

March is a popular season, and therefore it is advisable to reserve your hotel room as soon as possible. EnergyNet cannot guarantee that there will be rooms available in the Hôtel Le Vendôme. There are other hotels in the vicinity.



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