

Solar Photovoltaic System Procurement in Mozambique







Overview

The Ministry of Mineral Resources and Energy of Mozambique, funded by the German Government through KfW, has announced a tender for solar photovoltaic and battery energy storage projects, aiming to enhance the country's renewable energy infrastructure. Applications are due by September 13, 2024. Why is solar energy important in Mozambique?

In Mozambique, the adoption of solar energy systems is particularly crucial due to several key factors inherent to the country's situation. Firstly, Mozambique has a high solar irradiation level, making it an ideal location for harnessing solar energy.

Who should invest in a project in Mozambique?

Utility investors such as Engie, EDF or Enel – who have deep sources of low-cost capital – might accept 8% equity IRR as they also earn revenues as EPC and O&M contractors and have long-term strategic objectives. Purely financial investors such as AIIM will likely require a minimum equity IRR of 15% to invest in a project in Mozambique.

Is a 40 MWp solar PV project viable?

A detailed financial analysis of Case (MBC) analyses the financial feasibility of a hypothetical the Project was conducted to determine its viability and 40 MWp solar PV independent power project without its ability to adequately service debt while providing batteries in Mozambique ("the Project"). A solar PV plant attractive returns to investors.

How will the Metoro solar power plant be financed?

In line with the funding structure of the Metoro Solar Power Plant, it is assumed that the Project will be financed with 71.4% debt and 28.6% equity (Table 3). Two debt financing scenarios were considered: i) EUR-denominated debt; and ii) MZN-denominated debt.



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<u>Country Brief: Mozambique Off-grid solar power in ...</u>

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The Solar Power System Design for Utility Integration training course equips engineers, utility professionals, and renewable energy consultants with the skills needed to develop utility-scale ...



<u>Invitation for Prequalification (PQ) Tender GFM</u> 02 Mini-grid ...

(the "Program") (BMZ 2018 68660) in form of a financial contribution ("Grant"). These funds are intended for support of a tender program for Minigrids with solar photovoltaic system ("PV") ...



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