

Nachtigal Hydro-electric Facility

Work Expected To Begin By Mid 2016

Government, Electricity of France (EDF) and Energy of Cameroon signed a sales agreement in Yaounde yesterday.

The government of Cameroon, through the Minister of Water Resources and Energy, Basile Atangana Kouna and Electricity of France, EDF, represented by the Group's Senior Executive Vice President, Simone Rossi, have signed a purchase agreement with Energy of Cameroon, Eneo S.A. Eneo's General Manager, Joel Nana Kontchou, signed for his company. The sales agreement allows Eneo the right to buy energy from the Nachtigal plant on the River Sanaga.

The Final Term Sheet deal between the Republic of Cameroon, Nachtigal Consortium, and Eneo Cameroon SA signed in Yaounde, yesterday, November 3, 2015, hinges on the 1 structure of the project and the different contracts to be signed between the members of the consortium and Eneo (notably the Power Purchase Agreement-PPA). It spells out the conditions of connection of the future power plant to the national grid, to be operated by SONATREL at the commissioning of the power plant by 2021. However, the management of the reservoir dams and water on the Sanaga catchment area will be done by another entity other than Eneo. This is in keeping with the December 14, 2011 law on the electricity sector.

Minister Atangana Kouna revealed that the project is well advanced, with construction work expected to begin by mid 2016. He said 10



Simone Rossi (l), Joel Nana Kontchou (m) and Basile Atangana Kouna (r) exchanging agreement documents

companies were preselected on October 11, 2015. The tender to identify the company to construct the power plant by the start of 2016 is underway. The Minister announced that the calendar of activity was also ready. Minister Atangana Kouna, Simone Rossi and Joel Nana Kontchou said the 420-megawatt plant will provide 20 per cent of the energy needs of the country. The 1 billion Euro (about FCFA 655.9 billion) project is located 60 km north of Yaounde, an area of high electricity consumption, said Simone Rossi. A 50 km transmission line is expected to connect the main grid in Yaounde, from where interconnected lines will transport energy to the rest of the country. He

pledged his company's commitment to complete negotiations of the power sales agreement whose terms are already being laid out. "We just need to finalise the terms of the agreement," the French expert said, adding that his company has been tasked to secure the licence to build and operate the facility. Going by a joint agreement between government and its partners for the development of the Nachtigal plant, Electricity of France is supposed to provide 40 per cent of funding for the project, with the International Finance Corporation of the World Bank and Cameroon contributing 34 per cent and 26 per cent respectively.

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