

Largest IPP in Ghana on course for 2017 completion

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The Kpone Independent Power Plant (KIPP), which is being developed by Cenpower Generation Company, is expected to be commissioned before the end of 2017, according to African Infrastructure Investment Managers (AIIM).

Vuyo Ntoi, Investment Director at AIIM, one of the project's core equity investors, said that the project is a true realisation of Africa investing in Africa.

"In addition to the revolutionary impact that the project will have on Ghana's electricity industry – set to add around 10% of energy to the generation stock and meet the demand of approximately 1 million households – an outstanding feature of this particular project is that it is largely an African deal," he said.

"From the founding shareholders being Ghanaian, to 67% of equity being held by African entities and 83% of senior debt having been issued by African lenders, this project is proof that we are able to structure capital within the continent, and will hopefully provide a template for future project finance IPPs in Africa," he added.

Located in the Tema heavy industrial area, adjacent to the West African Gas Pipeline landing point and close to all main transmission interconnections, the Cenpower KIPP is a Combined Cycle Gas Turbine (CCGT) power plant with a planned capacity of 340MW, designed to work with multiple fuels: gas, crude oil and distillate, although natural gas is envisaged to become the primary fuel, when Ghana's domestic gas production and transmission network is completed.

Samuel Brew-Butler, Chairman of Cenpower Generation Company, said that CCGTs represent a very attractive solution to meet Ghana's urgent need for additional generating capacity because of their high reliability and the ability to operate a range of fossil fuel feedstocks.

"A CCGT power plant combines the benefits of proven technology, lower emissions and being relatively predictable in terms of build and cost," he said.

Speaking on their decision to partner with AIIM on the project, Brew-Butler said: "AIIM's equity funds are well known and they have an excellent track record of delivery and a proven level of expertise when it comes to infrastructure projects on the continent."

Ntoi added that AIIM is proud to have partnered with Cenpower Generation Company in the development of this revolutionary project, as well as in the continued development of Ghana's IPP market.

"Cenpower is a proudly Ghanaian business, offering a number of socio-economic benefits to the country, but, most importantly, we believe that this project will cement Ghana's security of electricity supply and are thrilled to be a part of that," he said.