

# Technical Assistance - Large Generation and Transmission Projects, Mozambique



Norconsult is providing Consulting Services for Technical Assistance to Electricidade de Mocambique (EDM) in relation to Large Generation and Transmission Projects in Mozambique. The project ("TA Large") includes assistance with regard to development of investment projects and training of EDM personnel in this area.

## Assignment

The purpose of the project is to contribute to transparent and sustainable development of the energy sector in Mozambique by strengthening EDM at this very critical stage of future investments in power generation and transmission in Mozambique and the SADC region and to strengthen EDM's business capability in development, structuring, negotiation, financing and implementation of large power generation and transmission projects.

## Solution

Main achievements related to progressing of investment projects through the TA during recent years can be summarised as follows: • Three (3) gas-fired independent power producer (IPP) projects, being CTRG (175 MW), Gigawatt (120 MW) and Kuvaninga (40 MW), were brought to financial close, representing investment of USD 600

million on commercial basis, predominantly from the private sector; • Introduction of renewable energy IPPs in Mozambique, focused on three (3) Solar PV projects as follows: o Mocuba (30 MWAC) project, reaching commercial operation early August 2019; o Metoro (30 MWAC) project where financial close was reached in December 2019, with commercial operation expected by Q4/2020; and o Teterane (15 MWAC) project where development is at an advanced stage, with financial close targeted for April 2020 and commercial operation by end 2020, expected to also include a battery component to supplement solar PV generation. o The above three Solar PV projects represent a further USD155 million of commercial investment into Mozambique's electricity sector. • Central Termica de Temane (CTT) 420 MW combined

► **Disciplines and services**  
Hydropower, Transmission & Distribution

**Time span**  
2009 - 2020

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cycle project, based on use of indigenous natural gas resources in the Temane & Inhassoro areas. Structuring the development of this top priority generation expansion initiative has been done through TA Large support, with the project currently under rapid development by a private IPP developer procured with TA support. • Linked to the CTT Project, the Temane Transmission Project (TTP) will ensure CTT power evacuation through a new transmission system from Vilanculos to Maputo. The TTP includes 563km of 400kV single-circuit transmission line and three (3) new transmission substations. The two projects are complementary and are being managed closely together.

## Result

The TA Large initiative has contributed to sustainability in EDM through the following approaches and initiatives: • Initiative has been anchored by the EDM Board as a critical element of EDM's engagement with private sector participants in sector developments; • Several model agreements, as indicated below, needed for successful development and project financing of investment projects on commercial basis, have been developed and refined under TA Large support: o Joint Development Agreement o Shareholders' Agreement o Concession Contract o Power Purchase Agreement and Tolling Agreement o Transmission Use of System

Agreement o Connection & Operation Agreement o Gas Supply Agreement o EPC Contract o Operation & Maintenance Agreement. • Three (3) EDM professionals have participated in leading roles in development of investment projects whereas fifteen (15) staff members have had active roles in the development process of one or more investment projects under the TA Large initiative. Other professionals have participated with more limited involvement. • Several internal workshops as well as external training courses relevant for development of investment projects on commercial basis have been undertaken.