

The ACWA Power Interview

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Looking back at the 2020, ACWA Power has plenty to celebrate – with the latest achievement being to win four awards for deals closed across the calendar year in the Middle East and Africa.

Rajit Nanda (pictured below right), chief investment officer at ACWA Power, runs through the latest accolades with wins for the refinancing of Al Dur phase II IWPP; MENA Renewables Deal of the Year for DEWA V; MENA Water Desalination prize for Jubail 3A; and a prize in the renewable energy refi category for Bokpoort CSP in South Africa.

Here Rajit runs through the successes of 2020, celebrates four trophies and a host of achievements beyond.

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Our projects are crucial sources of power and water supply to its nations of operation. Our topmost priority is ensuring smooth operations and timely construction of our projects with zero compromise on quality, health and safety, and reliability.

ACWA Power is currently constructing eight projects in the region with an aggregate capacity of 6.85GW of power generation and 530MIGD of water desalination. This represents an aggregate investment of \$12.55 billion.

The projects being constructed include:

- 950MW Noor-1 CSP project in Dubai, the largest renewable energy project in terms of cost and energy storage
- 200MIGD Taweelah IWP in Abu Dhabi, the largest independent water desalination project
- Sirdarya 1500MW CCGT plant, ACWA Power's maiden project in Uzbekistan that achieved financial close in April 2021



Additionally, ACWA Power is currently operating 38 plants across nine countries, employing more than 3,500 persons. Each of our sites employ thousands during the construction phase and tens to hundreds of persons during the operating phase – depending on the nature of the plant.

We do not compromise on the health and safety of our personnel. Managing the site team especially during the early months of 2020 when there was uncertainty over the nature of the virus and impact on execution resulting from travel restrictions, logistical challenges and lockdowns has therefore been a challenge.

Through our centralized oversight, dedicated project managers on the ground and the support of our EPC contractors and government stakeholders, we have managed to ensure that the construction activities progress without inordinate delays.

Initiatives like daily awareness sessions, health monitoring and welfare management were taken to keep people safe and protected along-with building multiple teams and redundancy shifts. Our execution and operational acumen and risk management abilities extend confidence for our government clients, investment partners and lenders to work with ACWA Power to develop new projects.

A busy 2020

During 2020, ACWA Power has developed and financed projects in the clean energy and water sector across Dubai, South Africa, Oman, Saudi Arabia and Bahrain representing

- 1,400MW of solar PV capacity across two projects in Dubai and Oman, representing \$965 million of investment and raising \$700 million of senior financing
- 132MIGD of RO water desalination in Jubail 3A IWP project of Saudi Arabia, representing \$650 million of investment of which \$480 million was funded via debt

At the same time ACWA Power undertook three refinancing transactions, aggregating \$740 million that enabled it to diversify the debt pool, increase loan tenors and improve shareholder value for the respective projects.

Raising \$1.9 billion in the midst of the pandemic and the accompanying economic downturn was challenging. The financing was raised in the context of banks across the region were under pressure from governments to reduce long-term lending and prioritize retail and SME borrowers versus infrastructure projects and focus on in-country lending and reduce overseas transactions.

Raising financing in sub-investment grade jurisdictions such as Oman, Dubai, South Africa, Bahrain are challenging even in the best of times. However, these regions have been severely hit by the slump in economic activity due to the pandemic.

GCC nations are already reeling under the slowdown from the oil price crash prevailing for the past 4-5 years. Raising \$1,175 million of competitive financing on a long-term basis across four transactions in these jurisdictions which – especially in the midst of the pandemic – was a significant achievement.

In these transactions, the relevant teams worked closely with the banks to ensure that the lenders continued to stay committed and support the transactions during the several months of the financing process despite shifts in the financing markets arising as a result of the pandemic.

During 2020, ACWA Power forayed into a new country with the development of the 1500MW Sirdarya CCGT Project in Uzbekistan. This transaction achieved financial close in April 2021, raising \$750 million.

ACWA Power is also actively pursuing opportunities in other regions in Central Asia Africa and South Asia and will continue to support these nations in their path to diversify its energy mix and increase its renewable energy capacity.

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