



UNEP ARGeo - C6

3 November 2016

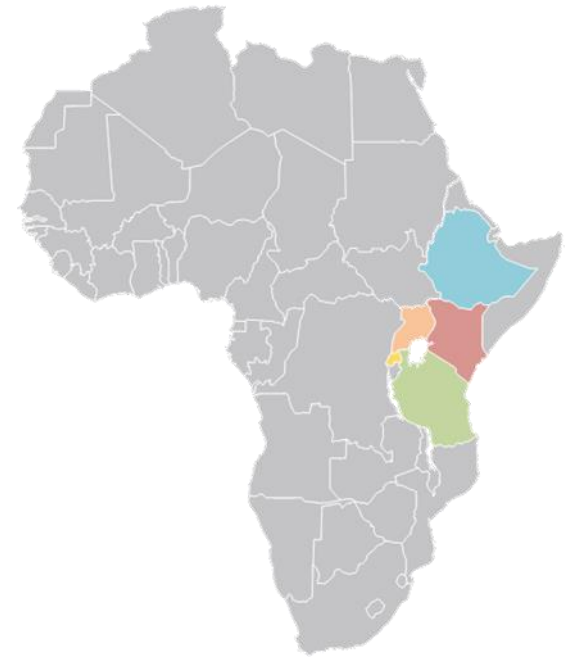


EAGER

East Africa Geothermal
Energy Facility

What is EAGER?

- Funded by the UK Department for International Development (DFID)
- Regional Technical Assistance running for 3.5 years from May 2015
- GBP 6 million and covering 5 countries – Ethiopia, Kenya, Rwanda, Tanzania, Uganda
- Seeks to cover gaps in Government's role to support geothermal development by removing barriers and speeding progress
 - No duplication with other donors



Key Attributes of EAGER

- Flexibility
 - Looking at current issues not covered by others
 - Quick response, where possible
- Large Pool of Expertise
 - Able to draw on a wide range of expertise:
 - Geothermal technical; legal; regulatory; finance; business strategy; electricity markets and power planning; tariffs and PPAs
 - Focus on decision support and removing barriers to progress
 - Reports on international experience



The EAGER Team

- **DFID Advisor:** Brian Baxendale (UK)
- **Programme Management:** Adam Smith International (UK, Kenya)
- **Team Leader:** John Heath (UK)
- **Geotechnical Adviser:** David Sussman (USA)
- **Financial/Commercial Adviser:** Amanda Lonsdale (USA)
- **Programme Manager:** Matt Blythe (Kenya)



Key Themes of the First Year

1. What is the right **business model for Government** and for **each project**?
 - How can prospects and the geothermal business be modelled financially to aid business decisions?
 - Awarding and monitoring concessions
2. What is the **right regulatory structure**?
 - And the best format for regulations?
 - And how to implement the law and regulation?
3. How does **geothermal fit into evolving power markets**?
 - Negotiating and structuring PPAs.
4. **Institutional development and capacity building**



Themes Emerging for Next Year (1)

- The importance of geodata:
 - Understanding resource value
 - Planning exploration at optimal cost/risk
 - Monitoring concessions
 - Strategic control and management of data by both Government and developers
- Regulatory clarity:
 - Who does what?
 - Avoiding conflicts of interest



Themes Emerging for Next Year (2)

- Understanding and negotiating PPAs
 - Improving the capability of Buyers in evolving markets
- From analysis to decision making:
 - The financial model as a business decision tool:
 - Choosing the business model
 - Planning the optimal exploration and development route
- From capacity building to doing and deciding



For Geothermal to move forward.....

From

- Talk
- Frameworks
- Institutional uncertainty
 - complexity
- Overall targets

- Technical analysis
- Resource analysis

To

- Decisions
- Implementation
- Institutional clarity
 - greater simplicity
- Project planning and development
- Commercial understanding
- Resource valuation



Disseminating the EAGER Experience

- Database of information and experience:
 - Reports on international practice:
 - Regulatory mandates
 - Geothermal business models
 - Guidance on financial and business modelling
 - Guidance on PPA preparation and negotiation
 - Geothermal for non-expert stakeholders



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