

PUTTING YOUR MONEY INTO GREEN POWER

Globally, there is a move towards increased investment in renewable energy projects and South African investment houses are also looking at these projects as attractive, viable investments.

Mergence Investment Managers, a majority black-owned and managed investment house, has carved a niche for itself in terms of impact investing.

Existing investment projects include an investment in Sustainable Heating - a company that produces steam, hot water and hot air from renewable fuels using biomass boilers fuelled by woodchips or organic waste.

The company provides an outsourcing solution for green heat production to clients that include the Pioneer Foods Group (Sasko), Novus Holdings and Dairy Day (a dairy factory in KwaZulu-Natal). Sustainable Heating received an award from the 100% Green Initiative last year for its installation in the Western Cape.

The Mergence Renewable Energy Debt Fund was launched in April 2013 and has invested in 12 projects to date, which have all reached completion, have been commissioned and are selling electricity into the grid.

The projects are split into 64% solar projects and 36% wind projects. Senior investment analyst Peta Chennells says the Small Projects Independent Power Producers Procurement Programme is an important part of the overall Renewable Energy Independent Power Producer Procurement Programme, designed to boost small business and ensure its involvement in the overall renewable energy plan.

The Old Mutual group is invested in seven wind farms, nine solar photovoltaic facilities and a hydropower project in South Africa.

Some of the projects that Old Mutual is directly and indirectly invested in include the following:



AIIM HYDRONEO

African Infrastructure Investment Managers (AIIM) recently partnered with Hydroneo Afrique, a wholly owned subsidiary of Mecamidi, and established a 50-50 joint venture that will develop, finance, build, own and operate a number of small and medium hydropower plants in Cameroon, Ivory Coast, Gabon, Ghana and Mozambique.

These hydropower plants will better serve the growing energy demands across Africa, and facilitate the long-term economic growth and competitiveness of the continent, and are expected to represent an installed capacity of 200 megawatts over the next five years.



COOKHOUSE WIND FARM

Located near the town of Cookhouse in the Eastern Cape, Cookhouse Wind Farm has 66 turbines at 80m tall, with a generation capacity of 138.6MW to produce clean, renewable energy under a 20-year Power Purchase Agreement with Eskom. The project was selected as preferred bidder in Round 1 of the Renewable Energy Independent Power Producer Procurement Programme and comprises more than 21% of the capacity of the 634MW total Round 1-procured wind energy.

Cookhouse Wind Farm has established itself as a market leader in a number of aspects. Over and above being one of the largest South African wind farms, it is 25% owned by the local community through the Cookhouse Wind Farm Community Trust - five times the governmental target for local community ownership.



RENEWABLE ENERGY INVESTMENTS SA

Renewable Energy Investments SA commenced commercial operation of the Kathu solar photovoltaic facility in 2014.

The project has 340 000 installed solar photovoltaic modules with a combined generating capacity of 75MW and is producing energy under a 20-year Power Purchase Agreement signed with the Single Buyer Office, delivering clean renewable energy to the Northern Cape and South Africa with a low environmental impact.

The Kathu facility was one of the largest photovoltaic projects selected as a preferred bidder under Round 1 of the Renewable Energy Independent Power Producer Procurement Programme in December 2011.