

# Our challenges and lessons learned in the Mena Region

Giuseppe De Beni  
CEO



Lâayoune, Morocco



Gulf El Zeit, Egypt

# About us

Italgen operates as a producer and distributor of electricity from renewable sources in the national and international markets

Established in 2001, it is currently part of Italmobiliare Group

337 GWh of electricity from renewable energy sources globally generated in 2016

2016 annual sales of about 55 M€

15 hydropower plants, 300 km of transmission lines, 1 photovoltaic plant in Italy

2 wind farms in Bulgaria, 1 wind farm (development and project management) and 1 concentrated solar power plant in Morocco

1 wind farm fully authorized in Egypt

1 wind farm fully authorized in Morocco

All hydro power plants registered EMAS  and certified to ISO management system standards (9001 & 14001)

A track record of more than a hundred years has led us to consolidate our commitment to the environment and to all the stakeholders involved, anticipating the major changes in the national and international energy scenario

# A snapshot of the Italian assets

- Italgas has been related to energy production for more than 100 years either in Italy or abroad acting as the 'in house' supplier of an international industrial Group
- In Italy Italgas generates and distributes electricity through 15 hydro power plants, 1 solar photovoltaic plant and 300 km of transmission lines located in the north of the Country

---

Hydro energy production (GWh)	285
-------------------------------	-----

Solar energy production (GWh)	8
-------------------------------	---

Energy Sales Volume (GWh)	475
---------------------------	-----

Plants availability rate (%)	98
------------------------------	----

Revenues (M€)	55
---------------	----

GOP (M€)	7.3
----------	-----

Net profit (M€)	2.1
-----------------	-----

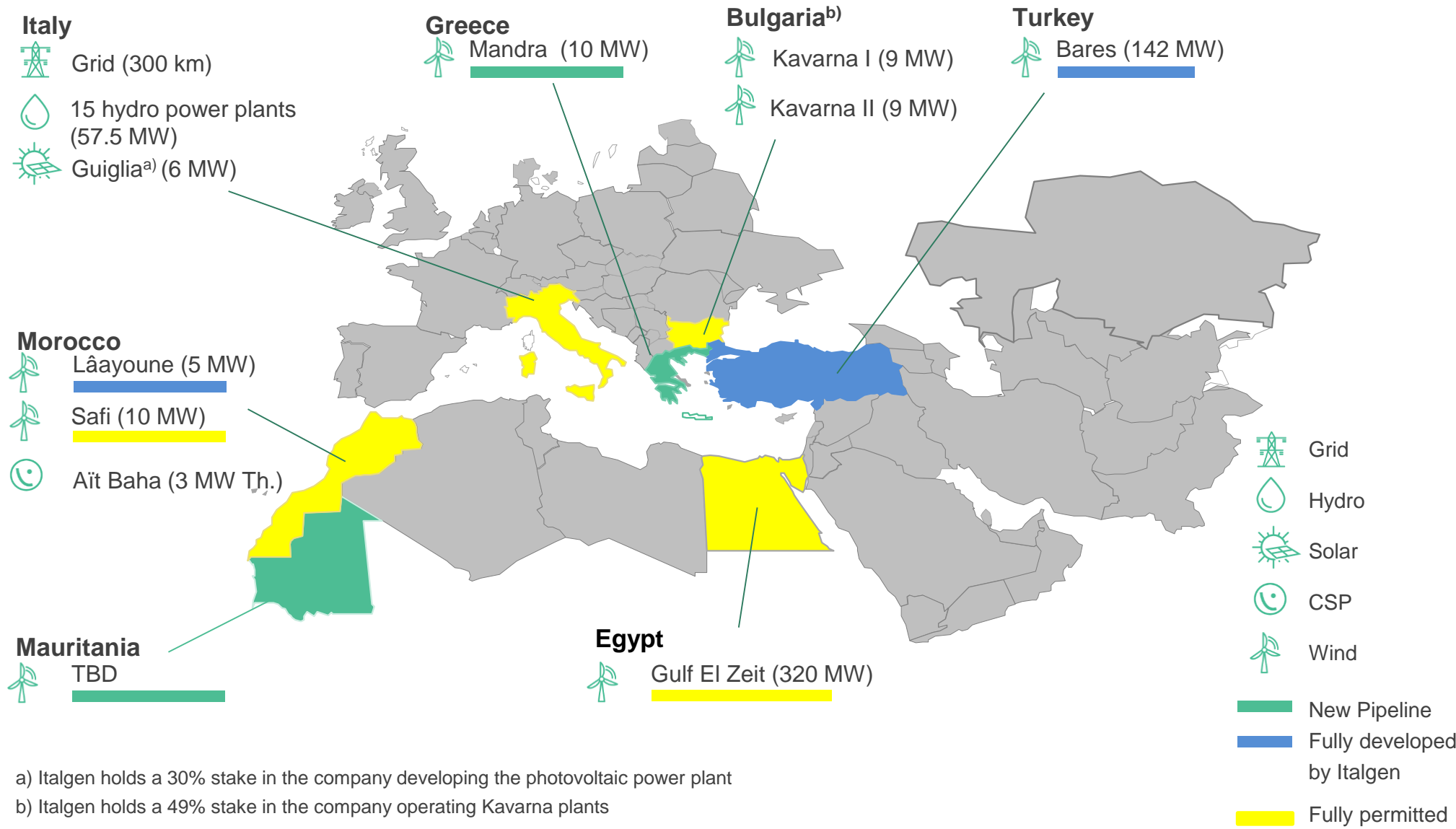
Employees	96
-----------	----

---

*Italgas's internal figures up to 31.12.2016*



# Bankability as a driver for our international experience





# Our experience in Morocco

## Project Rationale

- ❑ The project was developed to cover the energy needs of the local grinding center, avoiding industrial inefficiencies due to frequent power cut off
- ❑ The first successful project in the area, bringing the plant in operation according to wind conditions
- ❑ An amazing breakthrough in our usual operation skills
- ❑ Crucial the strong support received from the Moroccan Government

**Lesson Learned** From “*impossible*” to “*let’s do it*”!

**Deliverables** Today the plant operates depending 80% on wind conditions!

# Our experience in Egypt

## Project Rationale

- ❑ The project has been developed to cover the energy needs of 5 energy-intensive cement plants hedging the fast-growing energy costs, strongly subsidized but to be phased out by the local Government
- ❑ A strong match providing CO2 credits at Group level

## Lesson Learned

The first private investment in the RE in the Country.  
We pioneered the sector bringing a crucial and essential capacity building combine with an outstanding methodology

## Deliverables

Today our project is the most advanced in the Country.  
With an investment of about 350 MUS\$ it is currently the most relevant in Egypt (320 MW)

# Lesson learned for the Industry and the Stakeholders

## Industry

### KPIs

- LCOE. The best technology at the lowest price
- Grid transmission cost
- ESIA
- Technology as a key factor to successfully compete with “auction”
- Quality control on the supply chain

### Deliverables

**Bankable Business Plan**

## Stakeholders

### KPIs

- Economic local delivery
- Impact on infrastructure
- Employment effect
- Sociopolitical effect
- Capacity building
- International Best Practise

### Deliverables

**Medium/Long Term Local Value Creation**

# Our final recommendations

As investors we are ready to

**Fit with Government's Targets**

**Apply a solid bankable methodology**

**Involve local communities since the beginning**

**Promote training and capacity building**



# Our final recommendations

From local Governments we expect

**Strong commitment from the Central Government to be spread out consistently at all Ministerial levels**

**Better coordination between all the Ministries involved**

**An effective “control room” at the Ministry of Investment and International Cooperation**

**Major investments on high level managerial education to catch the huge potential coming to the Mena Region from the Private Sector**