Minigrid Regulatory Strategies

A Private Sector Perspective

Africa Minigrid Developers Association (AMDA)

November 2022

About AMDA

AMDA is an industry association of private sector minigrid developers and operators.

AMDA's mission is to support businesses undertaking the challenging task of electrifying rural Africa.

AMDA ensures investors and policymakers use robust evidence to create policy environments and invest appropriately in achieving SDG 7.

AMDA blends an industry association, think tank, and expert advisory firm to help governments, donors, and investors better understand how to support the sector to scale.

AMDA's Work in Numbers

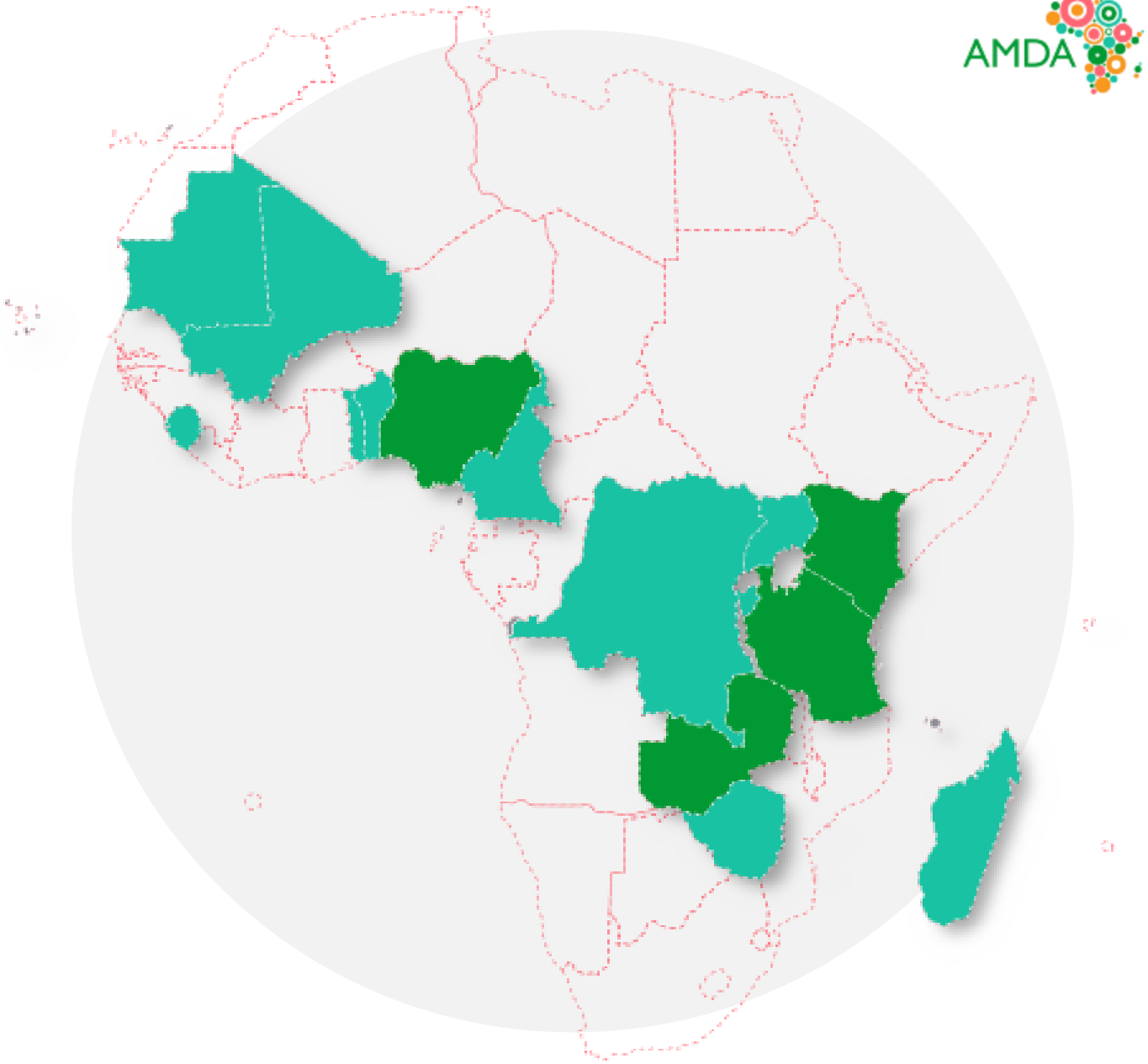
288 projects

2,500 kW installed

9 FTE staff in 4 countries (green)

41,000 connections (200,000+ people electrified)

30 members in 15 countries



Why Minigrids?

Lower CAPEX than grid extension

- *Cost per connection is under $1,000, compared to grid extension cost of $2,500+*

Reliable Services

- *24/7 electricity supply*
- *Stable voltage*

Fast Deployment

- *Minigrids can be developed and deployed in as little as 3-6 months*

Development and Support

- *Local operator to support customers*
- *Loans for appliances and machines*
- *Employment creation and women's economic empowerment*

Example Developers: Tanzania

COMPANY NAME	TOTAL INSTALLED CAPACITY	NUMBER OF SITES	TECHNOLOGY	NUMBER OF BENEFICIARIES
JUMEME RURAL POWER SUPPLY	160 kWp	16	Solar PV	30,000
powercorner brighten up your life	210 kWp	12	Solar PV	7,150
HUSK Powering Possibilities	96 kWp	2	Solar PV/Biomass	19,811
RIFT VALLEY ENERGY	4.9 MW	4	Hydro	20,000

Minigrid Financing

0%	~60%	~40%
DEBT	**GRANTS**	**EQUITY**
Many developers have a D/E ratio of 0%. Some larger developers have raised project financing	Many developers receive subsidies of ~60% of Capex value	Equity is the main commercial funding source available in the market

Government and Private Sector Collaboration

Minigrids can contribute to achieving the **Government electrification goals** through complementary development.

AMDA coordinates with Governments on their **grid extension plans** and **regulatory strategies.**

AMDA is committed and willing to collaborate with Governments to bring access to power to every communitiy and ensure rural constituents don't bear the cost burden

Thank You