Early Warning System

EBRD-8964

Regulatory Support for Renewable Energy Build-Own-Operate (BOO) Projects in Egypt

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Quick Facts

Countries	Egypt
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of Egypt
Sectors	Energy, Technical Cooperation
Investment Type(s)	Advisory Services

Regulatory Support for Renewable Energy Build-Own-Operate (BOO) Projects in Egypt

Project Description

According to bank provided information, electricity demand in Egypt is set to grow rapidly in the coming years. The country currently relies primarily on fossil fuels for electricity generation (oil and gas accounted for 87% of electricity generation in 2023 according to the IEA).

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Renewable energy (RE) is an important opportunity for Egypt to meet its growing electricity needs while also meeting its climate change mitigation commitments. The Egyptian government recognises the need for progressing the country's energy mix towards renewable energy to address electricity sector challenges. The government has set a target of generating 42% of its total electricity from renewable sources by 2030, with the private sector expected to deliver most of this capacity.

In recent years, the Egyptian government has moved both to increase the speed and scale of renewable energy development and to place much greater reliance on the private sector for financing and implementation of this increase. Accordingly, Egypt has established a robust regulatory framework, built around the Renewable Energy Law (Law 203/2014) dated 21 December 2014, and two Feed-in-Tariff Decisions (Prime Ministerial Decree 1947/2014 dated 27 October 2014 (round 1) and Cabinet of Ministers Decree 2532/2016 dated 22 September 2016 (round 2). These have led to several mechanisms for supporting the addition of renewable energy capacity, including (among others):1. The feed-in tariff scheme for privately owned projects of up to 50 MW for a total 2,000 MW of wind capacity and 2,000 MW of solar capacity (in addition, feed-in tariffs are also available for 300 MW of small-scale solar facilities). The solar component of the feed-in tariff scheme has attracted significant interest from the private sector - for example, the European Bank for Reconstruction and Development (EBRD) has financed 750 MW of capacity across 16 projects.2. Competitive tenders for large-scale build-own-operate (BOO) projects relying on private finance.The objective of this assignment is to provide the Egyptian authorities, and specifically Egyptian Electricity Transmission Company (EETC), with:1) Detailed technical, financial and legal assistance for the procurement of a large-scale solar PV project under the BOO structure.2) Detailed technical, financial and legal assistance for the planning and procurement of a solar PV and BESS project under the BOO structure.3) Capacity-building support on selected issues relating to the competitive procurement of renewable energy sources.4) Detailed technical, financial and legal assistance for the procurement of a solar PV project under the BOO structure.5) Detailed technical, financial and legal assistance for the planning and procurement of a wind project under the BOO structure.6) Detailed technical, financial and legal assistance for the planning and procurement of a hybrid wind and solar PV project under the BOO structure.7) Detailed technical, financial and legal assistance for the planning and procurement of a standalone battery energy storage system (BESS) project under the BOO structure.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Contact Information

Contact information not provided at the time of disclosure

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You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

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You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html