

SAFI Webinar

Large Scale Power and Water Projects

8 September 2020

EMIRATES WATER & ELECTRICITY COMPANY

Emirates Water and Electricity Company (EWEC) is the sole procurer of water and power within the Emirate of Abu Dhabi and beyond, with the mandate to ensure the supply of water and power to consumers. EWEC is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.

EWEC was formed in November 2018, succeeding the Abu Dhabi Water and Electricity Company (ADWEC)

OUR MISSION

EWEC's mission



To deliver a secure power and water supply to residents in the Emirate of Abu Dhabi and beyond at the lowest possible cost



To act as the intelligent, reliable entity between the creation and use of power and water in the UAE



To increase and promote efficient and environmental water and power supply, supporting the goals of UAE Vision 2021, UAE Water Security Strategy 2036, and UAE Energy Strategy 2050



To be a leader of change within the energy sector in the UAE



WHAT WE DO

EWEC is responsible for power and water generation facilities



EWEC has the key task of planning and preparing the long-term demand forecasts for electricity and water in the emirate of Abu Dhabi and beyond, using robust analytical models and in-depth analysis



We are committed to minimising the environmental impact of power and water production by increasing the efficiency of its thermal power generation fleet, investing in renewable technologies by adding substantial zero carbon emitting solar and nuclear power capacity, and utilising low carbon electricity to run the company's desalination plants



We ensure sufficient production capacity is available to provide a reliable supply of power and water to consumers in Abu Dhabi and the Northern Emirates at the most efficient and economic rate possible whilst ensuring the security of power and water supply



EWEC is also responsible for identifying opportunities for the development of power and water generation facilities, with a focus on sustainable and renewable technologies



OUR ROLE WITHIN THE UAE

EWEC is a committed supporter of the UAE

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EWEC is committed to supporting the government of Abu Dhabi, the Northern Emirates, and the government of the United Arab Emirates (UAE) by enabling the reduction of cost whilst also providing the increased security that comes from a larger and more integrated system



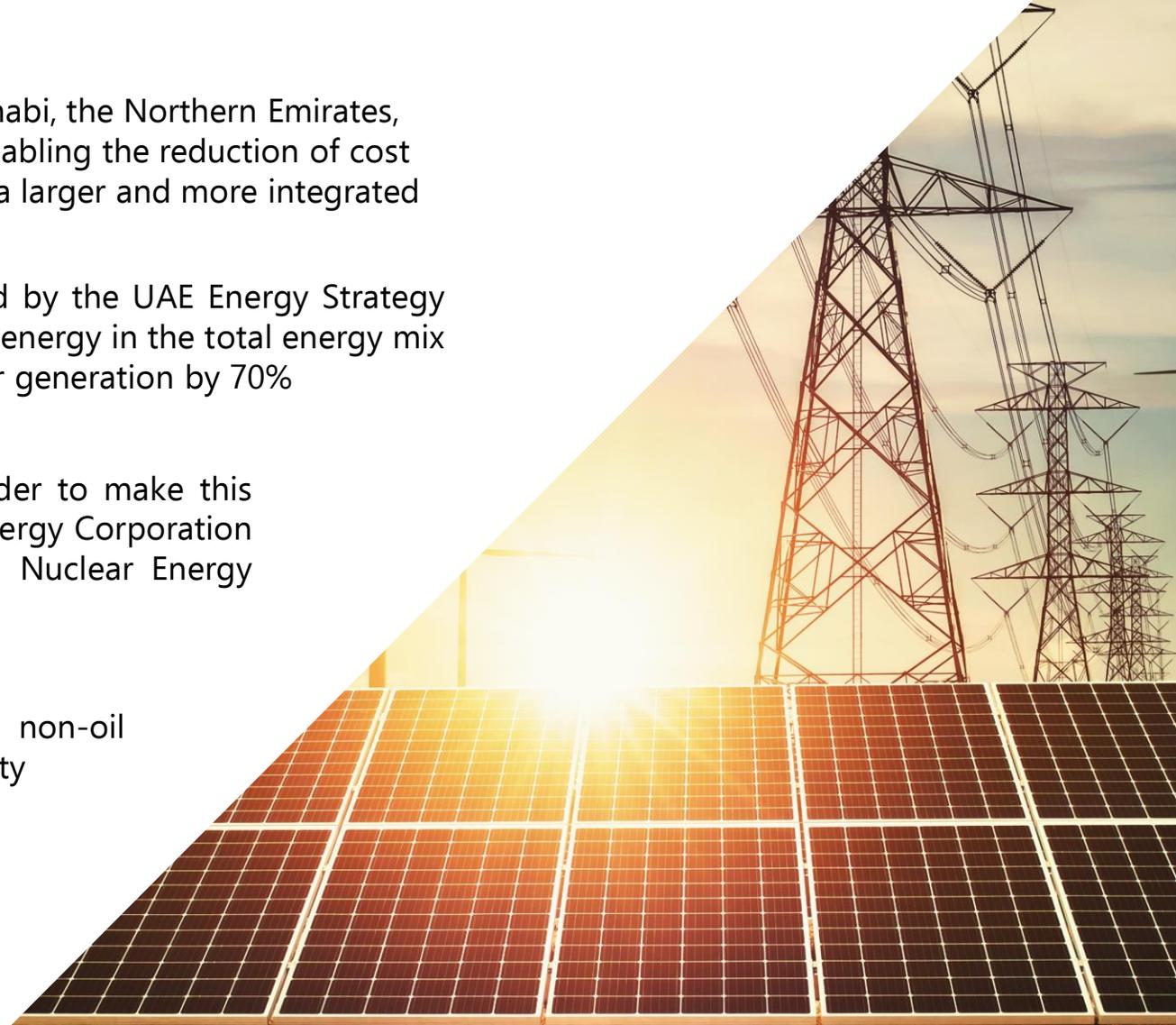
We seek to achieve alignment with the energy mix outlined by the UAE Energy Strategy 2050, launched in 2017, to increase the contribution of clean energy in the total energy mix to 50% by 2050 while reducing the carbon footprint of power generation by 70%



We work with a variety of entities and technologies in order to make this vision a reality, working closely with the Emirates Nuclear Energy Corporation (ENEC), which is leading the development of the Barakah Nuclear Energy Plant in the Al Dhafra region of the Emirate of Abu Dhabi



We aim to contribute to the diversification of the UAE's non-oil economy, in addition providing new sources of energy security



ACHIEVE LOW COST OF ENERGY FOR PV SOLAR PROJECTS

Key criteria:

Attractive project features and low risk profile

- Lower construction risk compared to other IPP / IWPPs due to modular nature of PV projects
- Well defined site parameters, interface to Grid. Clear optimisation on maximum energy produced at the lowest cost
- Stable cash flows will be generated, underpinned by highly predictable solar irradiation

Strong participation from Abu Dhabi Government

- UAE is politically stable - Abu Dhabi Government highly credit rated
- Government-related entities own 60% of the Project Company and EWEC is owned 100% by the Abu Dhabi Government
- PV2 is highly strategic to EWEC and the Government, as part of a target for 7GW of solar PV installed by 2025 and 11GW by 2030

ACHIEVE LOW COST OF ENERGY FOR PV SOLAR PROJECTS

Key criteria:

Highly qualified international partners

- Leading global renewables developers and operators only are selected to bid
- Construction contract to be a lump-sum, fixed price, date certain turnkey contract, with guaranteed performance. The project is protected for losses related to capacity, delay and performance, and PV modules covered under a 30-year warranty

Proven commercial and contractual structure

- Commercial structure has been the basis of 12 successfully completed IPP / IWPPs over 20 years, raising over \$4.0bn in equity and \$14.7bn in debt
- Tariff is economically viable without subsidy (no feed in tariff or green supplement required)
- Strong economic fundamentals underpinned by lowest tariff to-date for global solar projects

ATTRACTIVE AND FAIR TERMS DURING CONSTRUCTION AND OPERATION

- Financing strategy clearly defined – attracts major international and local lenders
- Abu Dhabi Government entities action or inaction
- Force Majeure (excluding those that can be insured) protection
- Termination payment protection with an Abu Dhabi Government guarantee



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