

# Olaniwun Ajayi LP Advises the **Energy Company of the Future (Konexa)** In Connection With Powering The Pioneer And Largest Brewery Company In Nigeria With 100% Renewable Energy



**Once completed, the Project will bring Nigeria one step closer to becoming carbon neutral by promoting energy conservation, lowering energy expenses, and reducing carbon emissions from the use of fossil fuels. This transformative Project not only contributes to the integration of renewable energy into the grid but will also play a crucial role in decarbonizing the commercial and industrial sector and providing much sought stable electricity required by the sector to spur economic growth and productivity.**

Olaniwun Ajayi LP (OALP or the Firm) is pleased to have advised Konexa in connection with the development, construction and financing of its renewable energy project, designed to power two (2) brewery sites of the pioneer and largest brewery company in Nigeria, the Nigeria Breweries PLC (NBP), with 100% renewable energy (the Project).

Nigerian Bottling PLC, a subsidiary of Heineken N.V. (Heineken), has been a market leader in Nigeria in pursuing renewable energy solutions and the Project will help accelerate

the company's transition to receiving 100% of their electricity needs from renewable energy while increasing electricity reliability. The Project will facilitate the transmission of renewable energy from the Gurara Hydro power plant (the **Gurara Facility**) located in Kaduna State and operated by North South Power Company Limited (NSP), to NBP's breweries in Kakuri and Kudenda in Kaduna State (the **NBP Sites**), which are currently powered by fossil fuels. In this regard, the Firm advised Konexa on the power purchase agreement entered into with NSP in relation to the purchase of power from the Gurara Facility and the power purchase agreement entered into with NBP with respect to the supply of power to the NBP Sites.

The Project will also include the installation of certain distribution energy system infrastructure at the NBP Sites, including transformers, meters, double inverter and battery energy storage systems, and all other associated equipment and buildings. This installation will be undertaken by MBH Power under an engineering, procurement and construction contract, which the Firm advised Konexa in relation to its entry.

Furthermore, the electrical energy to be supplied to the NBP Sites will be wheeled from the Gurara Facility through the national transmission grid and in this respect, OALP advised Konexa in connection with the entry into a distribution use of system agreement with Kaduna Electricity Distribution Company (**KAEDCO**) for the use of KAEDCO's distribution network to supply the requisite electrical energy to the NBP Sites.

OALP also advised Konexa with respect to the entry into an operation and maintenance (**O&M**) agreement in connection with the required upgrade, operation and maintenance of the existing 33kV lines along the network and all other infrastructure required for the supply of electrical energy through KAEDCO's distribution network.

The Project was financed via a combined equity investment of \$18 million (Eighteen Million Dollars) from the Climate Fund Managers via its Climate Investor One (CIO) fund and Microsoft's Innovation Fund (Microsoft). OALP advised Konexa on achieving equity financial close in relation to the investment by CFM and Microsoft. The Project is also supported by an up to twenty (20) years political risk and temporary business interruption guarantee of \$16.29 million (Sixteen Million, Twenty-Nine Thousand Dollars) issued by the Multi-Lateral Guarantee Agency, a member of the World Bank Group which provides political risk insurances (guarantees) for projects in a broad range of sectors in developing member countries, covering all regions of the world.

In line with Konexa's dedication to revolutionizing the energy system in Nigeria and promoting sustainable energy, the Project aims to accelerate Nigeria's target for achieving net zero emissions under the Nigerian Energy Transition Plan by 2060 as well as the transition from a predominantly fossil fuel-based power sector to renewable energy, and is expected to result in the reduction of approximately 78,000 tons of carbon dioxide emissions per year.

Once completed, the Project will bring Nigeria one step closer to becoming carbon neutral by promoting energy conservation, lowering energy expenses, and reducing carbon emissions from the use of fossil fuels. This transformative Project not only contributes to the integration of renewable energy into the grid but will also play a crucial role in decarbonizing the commercial and industrial sector and providing much sought stable electricity required by the sector to spur economic growth and productivity.



***OALP is honoured to have been part of this landmark project from inception, and we look forward to continuing our partnership with Konexa in its vision to transform the power sector in Nigeria and serve all customers with 24/7 clean energy.***