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## interview

**Ameet Shah** (Director of Astonfield Renewables)

# “MAURITIUS IS POSITIONING ITSELF TO BE THE CLEAN ENERGY HUB FOR EAST AFRICA”

Solar power can be a very important piece of the energy puzzle in solving Mauritius' energy needs, according to co-chairman and director of Astonfield Renewables.

**BUSINESSMAG.** The construction of 2 x 2 MW solar farms in Mauritius represents the first major project for Astonfield. What are the advantages that Mauritius represents for the company?

Having headquartered our global operations in Mauritius since 2008, we are delighted to have been awarded these two solar projects in Mauritius after a tender exercise. These will be the first set of solar projects for Astonfield in Mauritius. Astonfield currently has over 20 MW of operational assets, 17 MW under construction, 270 MW under advanced development, in India, the Middle East and East Africa.

One of the advantages is the commitment by the government of bringing clean, renewable energy to its people and local commercial businesses through a well-defined plan and associated regulatory framework. We hope to be a long-term partner with the authorities, and we believe solar power can be a very important piece of the energy puzzle in solving the country's energy needs.

The second advantage is that, through its commitment to renewable energy, Mauritius is positioning itself to be the clean energy hub for East Africa and show its neighbours how a successful solar program can be implemented. Astonfield plans to use the country's well-

established banking and financial system as a launch pad for financing future solar projects in East Africa.

A third, and perhaps the most important, advantage is the island's great domestic energy resource: sunlight. Non-polluting, free of cost, abundant and reliable, solar power will play a significant role in supporting Mauritius' renewable energy sector growth, and we look forward to being part of the journey.

**BUSINESSMAG.** How do you assess the renewable energy sector in Mauritius, in comparison with India and the US, where the company is based?

Solar renewable energy sector is still relatively young in Mauritius. By comparison the sectors in India and particularly the United States are more established. These markets are also very different: energy costs per kWh are substantially higher in an island nation like Mauritius due to its dependency on diesel. The electricity system is much smaller by comparison, which prohibits economies of scale, making it much more expensive to operate. Lack of access to a national grid like mainland utilities also requires Mauritius to maintain greater power reserves.

**BUSINESSMAG.** How can Mauritius and India reinforce their collaboration in order to better embrace renewable energies?

Mauritius and India share a unique bilateral relationship and share close traditional and political ties. It is natural that collaboration between the two countries could produce fruitful and positive results.

In the past, India has offered assistance to Mauritius as it developed its renewable energy

sectors in solar and wind energy.

The Indian cost leadership in renewables such as solar power generation can be extremely helpful to Mauritius in bringing down its energy costs. Greater technical collaboration will lead to mutual benefits in the fields of grid stabilization and engineering to withstand adverse climate conditions.

**BUSINESSMAG.** Are there any other projects in the pipeline for Mauritius in the long run?

As part of its renewable energy strategy, the government of Mauritius has a goal to reach 10% of electricity from solar installations by 2025. Astonfield will definitely participate in tenders leading to the attainment of this objective and we would be delighted to bring clean, renewable energy to the people of Mauritius.

**BUSINESSMAG.** Astonfield's main priority is to provide renewable energies in emerging markets, which requires important sources of funding. How do you raise capital?

Astonfield has successfully attracted both strategic money from global energy leaders and project debt financing for its renewable energy projects. That said, the ability to secure non-recourse project financing has

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sector by committing to increasing Indian initiatives in capacity building and support in design and policy framework for renewable energy initiatives. India has also provided support to Mauritius by sending experts to train Mauritian scientists and techni-

proven to be a major challenge and has become a major differentiator among solar developers. Astonfield was the first developer in India to secure limited-recourse financing from leading Indian banking institutions such as the State Bank of India and the Export Import Bank of India.

Astonfield has a strong reputation with several Indian banking majors – the EXIM Bank of India, State Bank of India, Bank of Baroda and Bank of India –, all of which have domestic banking operations in Sub-Saharan Africa, are familiar with the project appraisal process for solar power generation projects. Strong references from these banks' Indian head offices are facilitating strategic advantages for Astonfield in entering these new regional markets.

**BUSINESSMAG.** Can we expect an Initial Public Offering in Mauritius?

The business model consumes capital and as a private company, we have been raising capital with high net worth investors. With our plan of commissioning an additional 70MW across India, Middle East and East Africa, we shall need additional \$20-25m. We started as an India-based solar company with US and East African family office investors. We are now an international company based out of Mauritius with a growing business in East Africa. The jurisdiction of choice will have to meet the aspirations of all the markets where we operate, where institutional and retail investors are keen to buy into our vision, our strategy and our plan. An IPO will certainly help but the choice of a jurisdiction or a dual listing is certainly being evaluated. Mauritius is certainly a jurisdiction of choice, substance and repute but we shall be guided by our advisors as to the choice of jurisdiction for IPO.

**"MAURITIUS HAS BEEN RECOGNISED AMONG THE TOP COUNTRIES FOR INVESTMENT IN NEW RENEWABLE POWER RELATIVE TO ANNUAL GDP."**



**BUSINESSMAG.** The government is targeting the production of 35% of the island's energy requirements from renewable sources by 2025. Is this objective achievable?

This is indeed laudable and a firm commitment to sustainable development, of which clean energy is a cornerstone. I do indeed believe this objective is achievable, and Mauritius is well on its way. Already some 20% of the electricity comes from cane biomass (16%) and hydroelectricity (4%). Mauritius has already been recognised

among the top countries for investment in new renewable power relative to annual GDP and the recent auction is of the 10 MW solar is another good step towards that goal.

**BUSINESSMAG.** What, in your opinion, are the main hurdles to overcome in order for Mauritius to truly turn into a renewable island?

Island countries like Mauritius have been severely impacted by climate change, which is largely caused by fossil fuels. It is critical for the country to look to sources

of clean energy to secure the future of the island in terms of economic prosperity and preserving its beautiful natural environment.

There must be long-term policy support aimed towards weaning the country of damaging fossil fuels and attracting the investment capital needed to meet its goals. Having the right policy in place will bring give confidence to both the investment community and the renewable energy industry to make the longstanding commitments required to help Mauritius become a renewable island.