



# BXC TANZANIA LIMITED BUSINESS PLAN

Solar Power Project



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# 1. PROJECT INTRODUCTION

- Following the guidance of Tanzania Electricity Rules of 2020, BXC TANZANIA LIMITED has been searching for strategic locations to develop small power project, and to follow to procedure to sign the SPPA (Standard Power Purchase Agreement) with Tanzania Electric Supply Company Limited (TANESCO) .
- The development of small power project is governed by Small Power Project (SPP) Rules issued by Eenergy and Water Utility Regulatory Authority (EWURA) in July 2020. In accordance with the SPPs Rules, the renewable power projects ranging from 100kW to 10MW are supposed to be developed in strategic areas only. The SPP Rules article (4) provides that “An area deemed to be of strategic in nature should provide technical benefits to a Distribution Network Operator (TANESCO) ” and that :
  - a. The proposed project will improve the voltage profile towards the standard nominal voltage or to bring it within the standard tolerance levels of +/- 10% of the standard nominal voltage; or
  - b. The proposed project will reduce Distribution Network Operator's system losses by at least 10% of the existing losses.
  - c. The power genrated must be consumed within local distribution feeder.





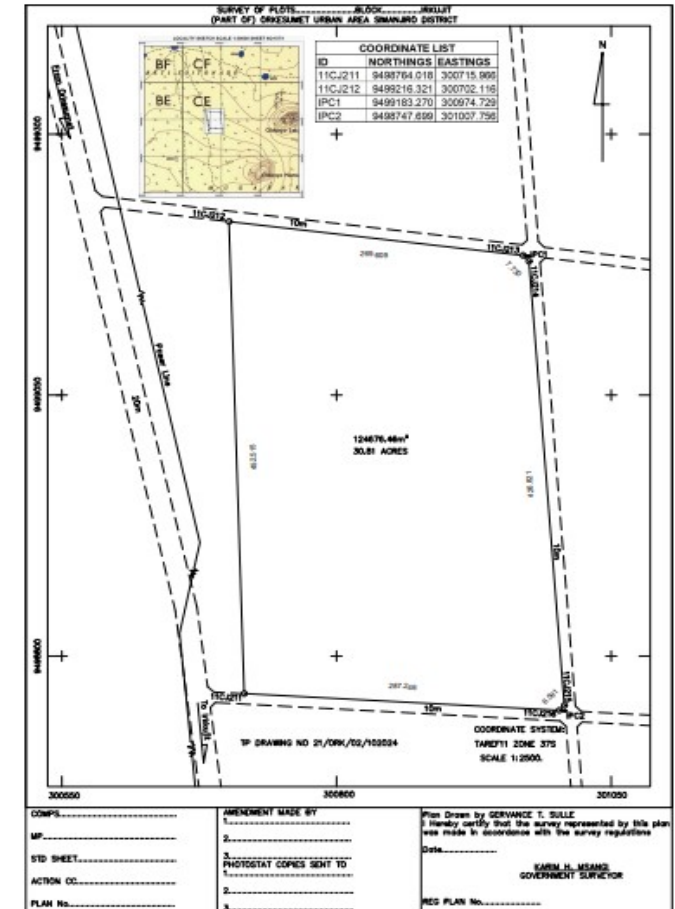
# 1. PROJECT INTRODUCTION

After thorough searching and study, we have located a 30acre land seated at Irkujit-Orkesumet, Simanjiro district, Manyara Region.

We have submitted a complete Feasibility Study report to TANESCO, including detailed design, interconnection and load flow study, architecture and civil drawing, geophysical survey report, geotechnical report, meteorological data, environmental and social impact assessment, and financial analysis.

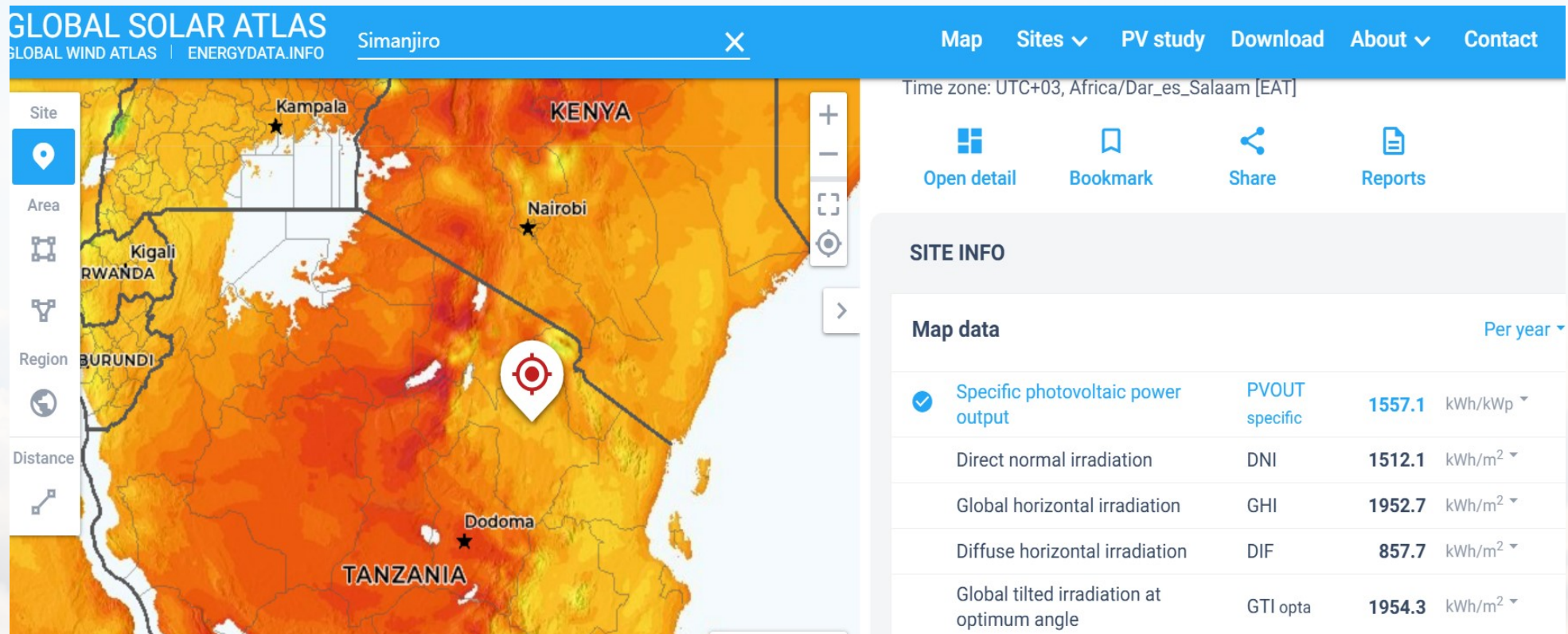
**We have signed the 7MW Simanjiro Solar Power Plant SPPA with TANESCO in September 2024. We have started implementing the project.**

**The Standard Power Purchase Agreement (SPPA) will last for 20 years. During the 20years, all the electricity power generated in the solar power plant will be sold to TANESCO solely.**



# 1. PROJECT INTRODUCTION

The solar irradiation could reach around 1600 hours per year at Simanjiro district, Manyara Region.





## 2. PROJECT FINANCIAL PROJECTION

Here is the summary of the finance analysis for the 7MW solar power plant at Simanjiro:

Simanjiro Investment Breakdown	
Investment breakdown	USD
Building	200,000
Plant (Solar pannels, invertors, pannel footholds,transformer,cctv,c control room, etc)	5,600,000
Civil Work	420,000
Vehicles	150,000
Furniture&Fittings	100,000
Pre-expenses	200,000
Working Capital	200,000
<b>Total (USD)</b>	<b>6,870,000</b>

Financial Projection		
PV Size	kWp	7,000
Energy purchase (SPPA)	kWh/year	16,280,600
Energy purchase (SPPA)	US Cent	7
Annual Income	USD	1,139,642
Capital investment	USD	6,870,000
IRR	%	8.57%
Discount rate	%	8%
NPV	USD	636,154
TAX	%	30%

Base on the assumption of :

1. the tariff is USD7cent/kwh;
2. the SPPA will be valid for 20 years;
3. it's grid connected solar power plant.



## 2. PROJECT FINANCIAL PROJECTION

Here is the 5 years financial projection for the 7MW solar power plant at Simanjiro:

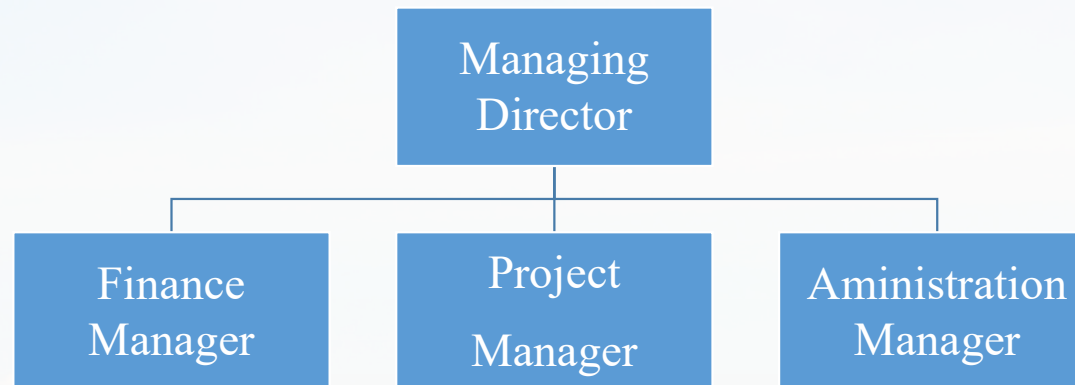
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
energy generated	kwh/year		16,280,600	16,280,600	16,280,600	16,280,600	16,280,600
Energy purchase (SPPA)	0.07 \$ /kwh						
Annual Income	\$		1,139,642	1,139,642	1,139,642	1,139,642	1,139,642
Operation cost/year	\$		30,000	30,000	30,000	30,000	30,000
(EBITDA)	\$		1,109,642	1,109,642	1,109,642	1,109,642	1,109,642
Depreciation(Depreciate in 5 years)	\$		-1,374,000	-1,374,000	-1,374,000	-1,374,000	-1,374,000
EBIT	\$	-	-264,358	-264,358	-264,358	-264,358	-264,358
Interest	\$		-96,180	-96,180	-96,180	-96,180	-96,180
EBT		0	-360538	-360538	-360538	-360538	-360538
Tax (30%)		0	0	0	0	0	0
Net income	\$	0	-360538	-360538	-360538	-360538	-360538
<b>Cashflow Projection</b>							
EBITDA	\$	-	1,109,642	1,109,642	1,109,642	1,109,642	1,109,642
TAX	\$	-	-	-	-	-	-
Interest	\$	-	-96,180	-96,180	-96,180	-96,180	-96,180
Principal	\$						
TOTAL CAPEX	\$	-6,870,000					
<b>Net Cashflow</b>		<b>-6,870,000</b>	<b>1,013,462</b>	<b>1,013,462</b>	<b>1,013,462</b>	<b>1,013,462</b>	<b>1,013,462</b>



## 4. ORGANIZATION CHART



Here is the planned organization Chart for BXC Tanzania Ltd.



In charge of the daily operation on the Finance section, to follow the Compliance Guide line for c o m p a n y operation.

In charge of installation of the solar power plant, and the daily operation of the solar power plant when it's commissioned.

Assisting MD to practice the daily o p e r a t i o n , including HR management, all kinds of licences, permit, and other matters.

1. During the instalation of the project, around 70 workers will be recruited;

2. During the operation of the project, around 10 workers will be recruited for the daily operation and maintenance of the solar power plant.

3. All the workers will work under Project Manager.



THANKS

Looking forwards to move to next step with you!

BXC TANZANIA LIMITED