



# 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.





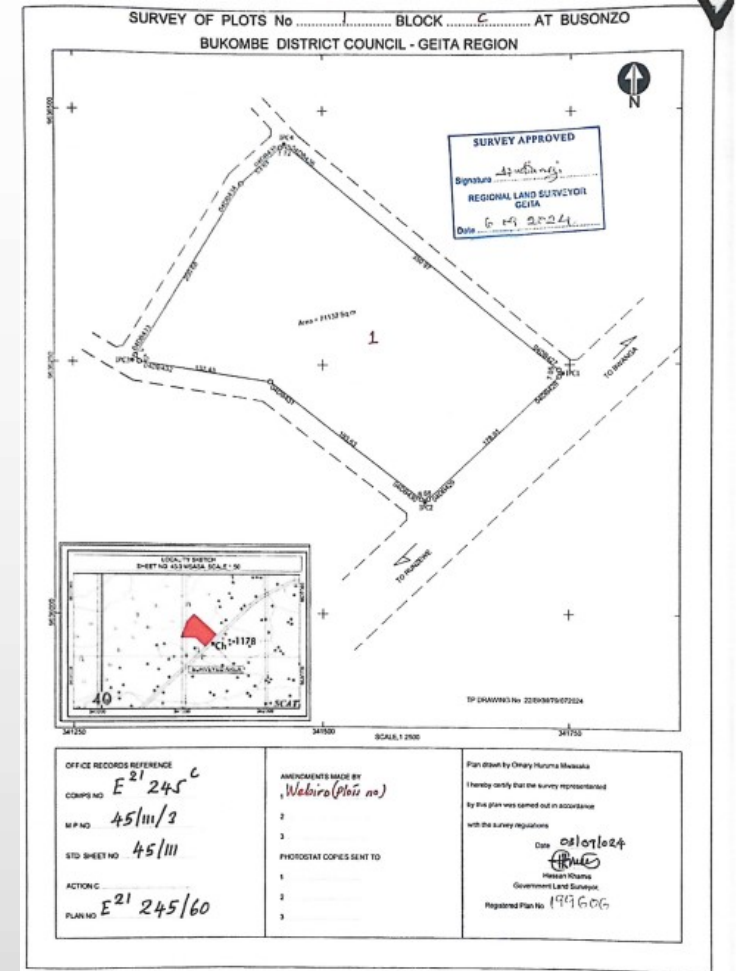
# 1. PROJECT INTRODUCTION

After thorough searching and study, we have located a 18acre land seated at Busonzo village, Lunzewe ward-Bukombe district, Geita 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, metereogical data, environmental and social impact assessment, and financial analysis.

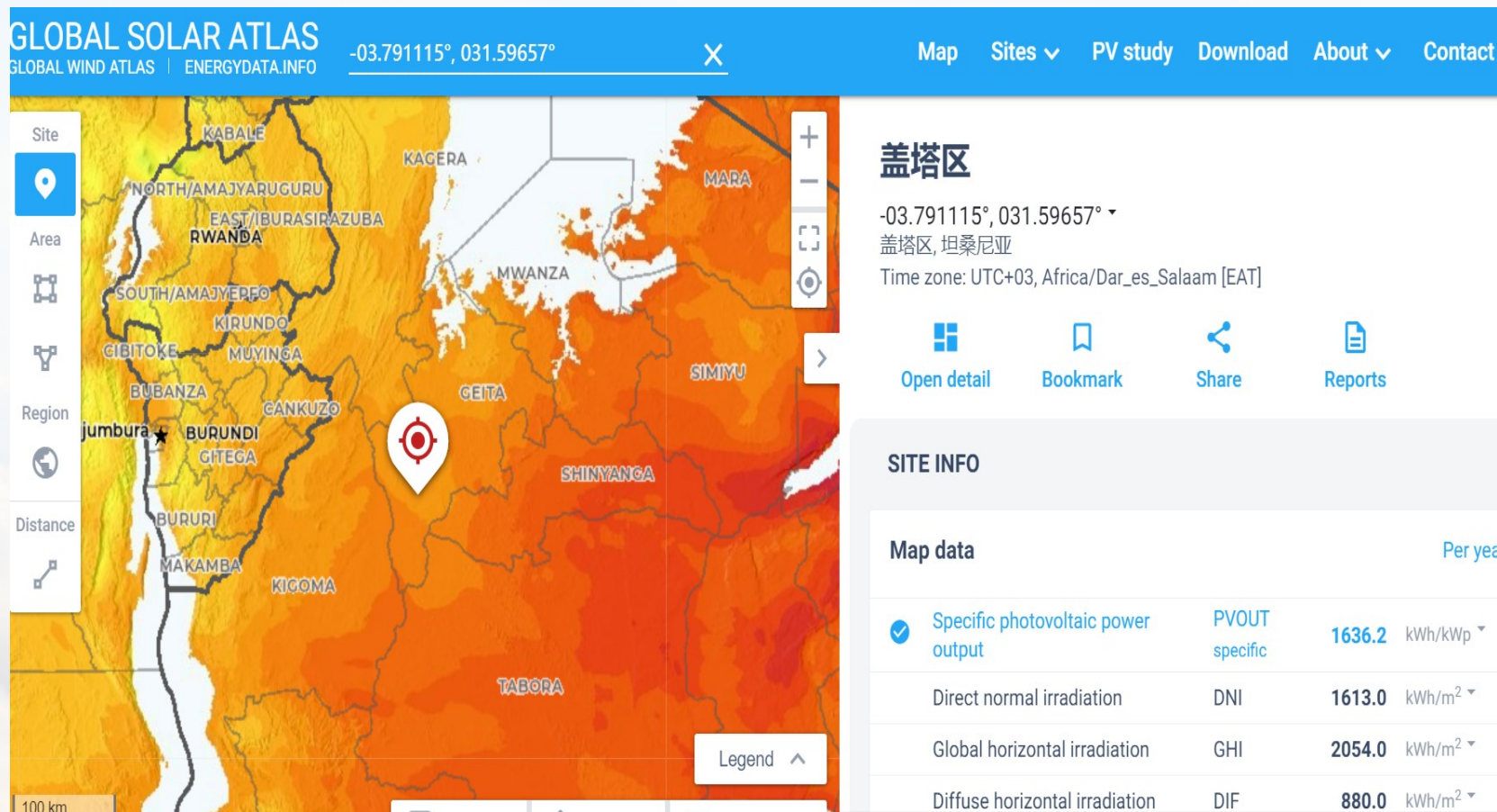
**We have signed the 5MW Bukombe Solar Power Plant SPPA with TANESCO in March 2024. we have started implementing the project.**

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



# 1. PROJECT INTRODUCTION

The solar irradiation could reach around 1700hours per year at Bukombe district, Geita Region.





## 2. PROJECT FINANCIAL PROJECTION

Here is the summary of the finance analysis for the 5MW solar power plant at Bukombe:

<b>Investment funds expenditure breakdown</b>		
Investment breakdown		USD
Land/Building		160,000
Plant (Solar pannels, invertors, pannel footholds,transformer,cctv, control room, etc)		4,000,000
Vehicles		120,000
Furniture&Fittings		40,000
Pre-expenses		150,000
Working Capital		30,000
<b>Total (USD)</b>		<b>4,500,000</b>

<b>Financial Projection</b>		
PV Size	kWp	5,000
Energy purchase (SPPA)	kWh/year	8,500,000
Energy purchase (SPPA)	US Cent	7
Annual Income	USD	595,000
Capital investment	USD	4,500,000
IRR	%	11%
Discount rate	%	10%
NPV	USD	215,757
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 5MW solar power plant at Bukombe:

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
energy generated	kwh/year		8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Energy purchase (SPPA)	0.07 \$/kwh						
Annual Income	\$		595,000	595,000	595,000	595,000	595,000
Operation cost/year	\$		30,000	30,000	30,000	30,000	30,000
<b>(EBITDA)</b>	<b>\$</b>		<b>565,000</b>	<b>565,000</b>	<b>565,000</b>	<b>565,000</b>	<b>565,000</b>
Depreciation(Depreciate in 5 years)	\$		-900,000	-900,000	-900,000	-900,000	-900,000
<b>EBIT</b>	<b>\$</b>	<b>-</b>	<b>-335,000</b>	<b>-335,000</b>	<b>-335,000</b>	<b>-335,000</b>	<b>-335,000</b>
Interest	\$		-90,000	-90,000	-90,000	-90,000	-90,000
<b>EBT</b>		<b>0</b>	<b>-425,000</b>	<b>-425,000</b>	<b>-425,000</b>	<b>-425,000</b>	<b>-425,000</b>
Tax (30%)		0	0	0	0	0	0
Net income	\$	0	-425,000	-425,000	-425,000	-425,000	-425,000
<b>Cashflow Projection</b>							
EBITDA	\$	-	565,000	565,000	565,000	565,000	565,000
TAX	\$	-	-	-	-	-	-
Interest	\$	-	-90,000	-90,000	-90,000	-90,000	-90,000
Principal	\$						
TOTAL CAPEX	\$	-4,500,000					
<b>Net Cashflow</b>		<b>-4,500,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>

### 3. PROJECT IMPLEMENTATION PLAN



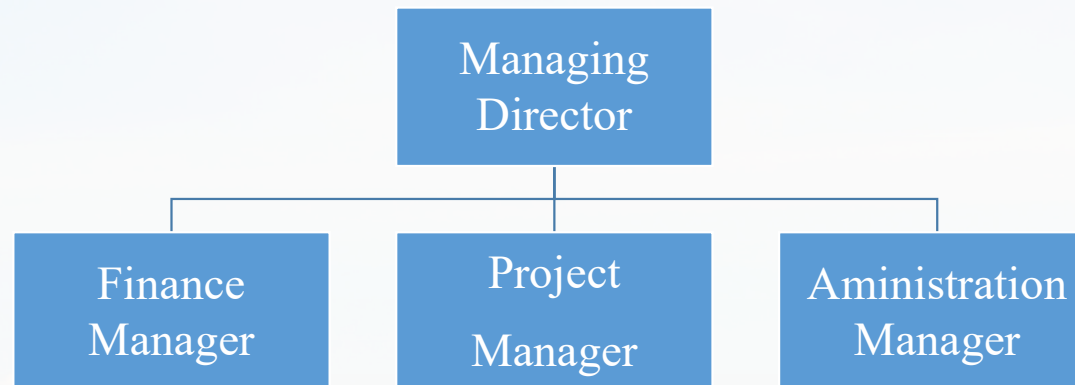
Here is the Project Implementation Plan for Bukombe Power Plant.

Bukombe Solar Power Plant Project Planning														
S/N	Category	Tasks	2024 Q1			2024 Q2			2024 Q3			2024 Q4		
			1	2	3	4	5	6	7	8	9	10	11	12
1	PPA	PPA(Power Purchase Agreement) (sign with TANESCO)			DONE									
		Power Generation and Sales License (apply from EWURA)				ON-GOING								
2	INSTALLATION	Compensation for the Land				ON-GOING								
		Order Equipment				ON-GOING								
		Preparation on the Land					START IN MAY							
		Installation of the Equipment							START IN JULY					
		Commission of the power plant									COMMISSION IN SEP			
3	OPERATION	Daily operation of the Power Plant										START IN OCT		

## 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 50 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