

TUESDAY 16 APRIL/ PARALLEL SESSION 4B

16/17 April 2024
Amsterdam

RR
MM
2024

PEACE RECS: IMPACT & OPPORTUNITIES FOR GROWTH IN AFRICA

Valuing
consumer
action



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About Energy Peace Partners

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Mission

Leverage climate solutions and innovative finance to promote peace in fragile regions

Team expertise

- Renewable energy
- Peacebuilding
- Climate Security

Role

- Authorized I-REC country issuer
- Exclusive issuer of P-RECs
- Facilitating transactions*

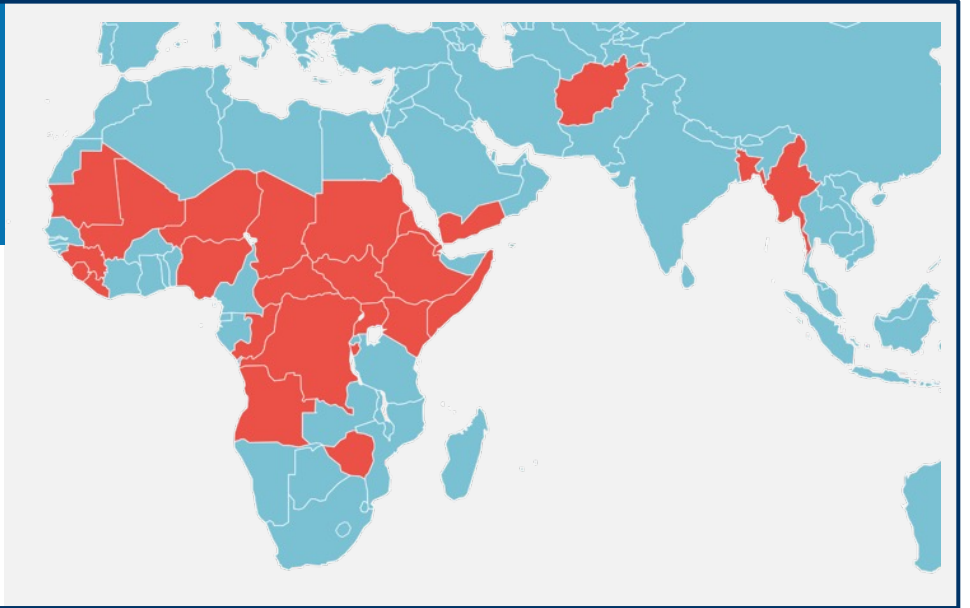


Photo credit: Nuru

Challenge: Limited RE Investment in Fragile States

Least electrified countries are most vulnerable to **conflict & climate impacts**. Yet **less than 5%** global renewable energy investment reaches these nations.

- Of ~ **800 million people** lack access to electricity, **86%** live in **fragile states**.
- **Uncertain political and economic environments deter RE investors and limit access to affordable finance**



What we do

We catalyze RE investment in **conflict-affected, energy poor** communities by:



Deploying innovative finance
to support emerging projects



Programs:

Peace RECs

High-impact renewable energy credits (RECs) that connect projects in fragile states with multi-billion dollar Energy Attribute Certificate market.



Building the case
for RE as a tool for peace



Peace Impacts of Renewable Energy

New framework to quantify the social and peace impacts of P-REC-supported renewable energy projects.

Powering Peace

Research and advocacy initiative with the Stimson Center focused on catalyzing local electrification by accelerating UN peacekeeping mission RE transitions

The opportunity

Renewable energy provides more than power

RE can generate positive socio-economic benefits

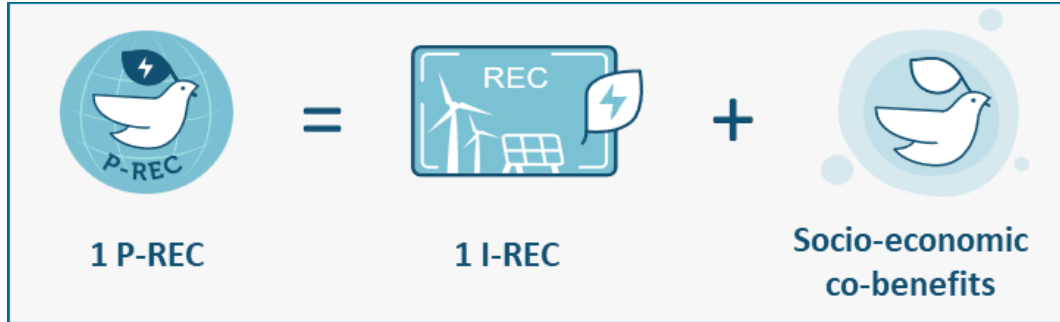
- Increases economic opportunities
- Improves health and education outcomes
- Enhances safety and security
- Creates peace dividends
- Offers new entry points for cooperation
- Advances global climate, sustainable energy and peace agendas



RE can decrease negative fossil fuel externalities

- Reduces illicit revenue to conflict actors from diesel and charcoal
- Reduces deforestation by providing clean heating and cooking options
- Reduces carbon emissions

P-RECs serve as a catalyst for buyers



➤ **Impactful, purpose-driven procurement:** expand clean energy access plus deliver peace and development-related co-benefits to communities in fragile countries

➤ **Avoided emissions optimization:** enable communities to reduce or leapfrog over reliance on diesel, coal, and charcoal

➤ **Value chain decarbonization:** cover value chain partners' electricity use in EPP target countries with renewables to reduce Scope 3 emissions

➤ **Purchaser-enabled procurement:** provide catalytic funding for new distributed mini-grids and community projects (e.g., public street lighting)

New procurement option maximizes decarbonization and positive human impact for every MWh of RE procured globally

P-REC Impact

As of Q4 2023

- ❑ **\$1 million** in revenue unlocked for high-impact projects in fragile countries
- ❑ **125,000 people benefiting** from P-REC-supported projects, including first-time electrification, public streetlights, and hospital electrification.
- ❑ **12 communities reached in 5 countries** (Chad, DRC, Nigeria, Somalia and South Sudan)
- ❑ **6 RE project developers**, primarily local companies, have sold P-RECs to fund transformative projects



Renewable energy opportunity and impact



WASHIMA MEDE
CEO, Prado Power
Feb 26, 2024



IBRAHIM ZAKARIA
CEO, ZIZ Energie
Mar 4, 2024



GULED GIAMA
Chairman, Cabudwaaq
Electric Company (CECO)
Mar 11, 2024

P-REC Project Developer Profiles

These profiles give face to the people behind the on-the-ground work and their stories.



**DESALEGN
GETANEH
WOLDEARIAM**
Humanitarian Energy
(HumEn)
Mar 18, 2024



NAIM ODEH
Chief Technology Officer,
Kube Energy
Mar 25, 2024



**HERITIER
BAGONZA**
Senior Manager of Business
Development, Nuru
Apr 1, 2024



CHRIS GREENE
CEO, Meds & Food for Kids
Apr 8, 2024

P-REC Aggregation Facility

Path to scale





- \$10.25M financing facility supporting a portfolio of RE projects in underserved markets in Africa.
- Facility aggregates and resells P-RECs in voluntary RE markets
- Builds on **growing market demand** for high impact RE procurement
- Increases access to finance by **paying RE developers upfront** for future P-RECs

Impact



- **\$90M** for new RE projects unlocked
- **82MW** in new RE capacity created
- **2.5M** people connected
- **3.4M mt CO2e** avoided
- **1,877** direct jobs created
- **4-5%** increase in levels of sustainable peace

P-REC Pipeline and Available Supply

<p>Authorized Issuer in</p> <ul style="list-style-type: none"> <input type="checkbox"/> Chad <input type="checkbox"/> DR Congo <input type="checkbox"/> Haiti <input type="checkbox"/> Ethiopia <input type="checkbox"/> Somalia <input type="checkbox"/> South Sudan <p>Actively sourcing in</p> <ul style="list-style-type: none"> <input type="checkbox"/> Nigeria <input type="checkbox"/> Uganda <input type="checkbox"/> Sierra Leone* <input type="checkbox"/> Mali* 		<p>Chad</p> <p>Source: 1.5MWp off-grid solar Volume: 2,000 P-RECs annually P-RECs fund: Public streetlights</p>
		<p>Haiti</p> <p>Source: 372kWp off-grid solar Volume: 548 P-RECs annually P-RECs fund: Meds for Kids humanitarian nutritional packets</p>
		<p>Nigeria</p> <p>Source: 350kWp off-grid aggregated solar Volume: 560 P-RECs annually P-RECs fund: Productive use hubs</p>
		<p>Somalia</p> <p>Source: 2.8MWp off-grid solar Volume: 3,500 P-RECs annually P-RECs fund: electricity distribution lines to public hospital</p>

New tools and incentives for buyers

Leapfrog Alliance: a dozen nonprofits launched this initiative to create a targeted exemption for “geographic matching” rules for a company’s procurement if it supports clean energy in unelectrified or under-electrified communities.



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New tools and incentives for buyers

1. “Experienced P-REC Sellers” Distinction

Helps buyers identify advisory firms that can support them with understanding the role of P-RECs in their clean energy-related impact strategy and with executing P-REC transactions efficiently. Three advisory firms—3Degrees, ACT, and Becour—have obtained this distinction.



2. Guidance for reporting P-RECs in ESG Disclosures developed with Columbia University

3. P-RECs as evidence for SBTi “call for evidence” on the importance of EACs

Energy Peace Partners

Positioning P-RECs within the Sustainability Landscape
P-RECs and Effective ESG Reporting:
An Analysis of ESG Disclosure and Opportunities

by
Anna-Lena Hesselmann
Benjamin Ritter
Jiachen Jiang
Radhika Ajayan

COLUMBIA
SIPA
School of International
and Public Affairs

December 1, 2023

P-RECs as Evidence of the Importance of EACs for SBTi “Call”

Last week, nonprofit Energy Peace Partners (EPP) submitted five pieces of research-based evidence and comments to inform SBTi’s Call for Evidence on the effectiveness of Environmental Attributable Certificates in Climate Targets (EACs).

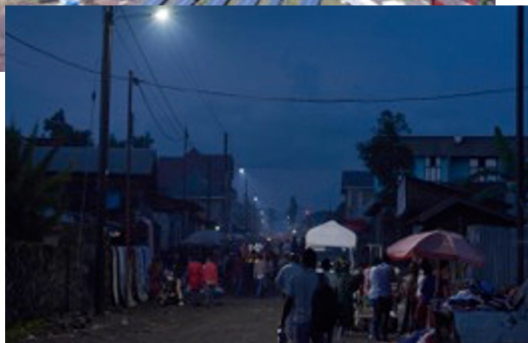
EPP’s submission to SBTi highlights the importance of energy attribute certificates (EACs), including EACs that are Peace Renewable Energy Credits (P-RECs), to support the decarbonization of the global power sector. EPP’s submission details how EACs enable additional financing for renewable energy and verifiable claims for corporate renewable energy procurement.

More specifically, EPP’s five research-based evidence submissions include:

- Peace REC Project Case Studies:** To provide background context about the role of P-REC to high-impact, high-risk renewable energy projects in the world’s most fragile countries and review three case studies of completed P-REC transactions with corporate renewable energy customers that highlight the role of P-REC.
- Peace REC Project Social Impact Tracking:** To contextualize insights that EPP gathered from the first two pilot data collection efforts associated with research about the positive social impacts delivered from P-REC projects as an example of the potential impact of EACs.
- Literature review – Energy Access, Renewable Energy, and Social Impact Issues:** To share insights about how greater renewable energy access—supported through corporate renewable energy procurement of P-RECs and other EACs—has the potential to mitigate the burden of energy poverty, conflict, and climate vulnerability.
- Renewable energy and peace – Empirical analysis of pilot data write paper:** To share insights about how operation and development of renewable energy projects—enabled by P-RECs and other types of EACs—is one such potential long-term tool for peace building, particularly in “fragile” countries (i.e., countries that have low rates of electrification, are climate vulnerable, and conflict affected).
- Case study – Peace RECs for Verifiable ESG Claims & Disclosures:** To clarify the applicability and relevance of P-RECs and EACs more widely for verifiable claims for various voluntary and regulatory frameworks for environmental, social, and governance (ESG) disclosures based on research conducted in collaboration with Columbia University.

Examples of executed P-REC transactions

DR Congo
Microsoft - Nuru



Streetlights, connections,
Partial Minigrid CapEx

South Sudan
Block - IOM



Hospital solar
electrification

DR Congo
Google - Nuru



Partial CapEx
rural minigrids

Maximizing the social impact of decarbonization





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Email

 lwamune@energypeacepartners.com

 Energy
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EAC Markets in Africa



Regional Power Development



Source: EAPP

Barriers

- Market boundaries rules
- Technical criteria e.g. 15-year commissioning or re-powering date limit.
- Infrastructural barriers- inadequate supply networks & supply options.
- Low awareness levels about the benefits, options, or mechanisms of RECs may result in a poor uptake.
- Inadequate legal and regulatory frameworks. e.g. lack of policies.
- Low demand from buyers.
- High taxation can hinder uptake.

Opportunities for promotion of EAC Markets

- ❑ Electricity Market reforms to encourage regional EAC markets- regional power pools.
- ❑ Development of enabling regulatory framework.
- ❑ Tax exemptions can be useful in promoting investments in RE- allowing EACs to be considered within the RE categorization.
- ❑ Entrenching Impact procurement for African sourced- higher prices.