

East Delta Electricity Production Co – EDEPC

Basic Information

Project name: power stations

Borrower: East Delta Electricity Production Co - EDEPC

Sponsor: Egyptian Electricity Holding Company – EEHC representing the Egyptian government

Sector: power

Country: Egypt

Financial Product: Project Finance

Alexbank's role: participant

Equator Principles category: A

Project description

In order to meet the country rise in power demand, the government started implementing new power projects. The facility is meant to finance the conversion of two existing open cycle power plants to combined cycle gas turbines. In particular the project consists of the establishment of 12 new gas and steam turbine power units; each is rated at 125 MW with a total rated capacity of 1,500 MW to be utilized in the existing power stations owned and operated by EDEPC.

8 units will be utilized in Al Shabab power station while the remaining 4 will be utilized in Damietta power stations.

Summary of Key Environmental Impacts and Risks

The EPC Contractor El Kharafi shall be responsible, according to the contractual terms, to provide EDEPC an Environmental compliance plan (“ECP”) consistent with all applicable laws/regulations.

The Environmental and Social Assessment has confirmed that environmental and social issues associated with the planned upgrade of the existing El Shabab and Damietta West power plants, from single cycle to combined cycle mode, can be readily assessed and mitigated as part of an Environmental and Social Due Diligence (ESDD). Both power plants have been recently commissioned and operate using state-of-the-art gas turbines. The plants are not located near residential areas and use closed loop cooling systems. EDEPC is currently installing low NOx technology to further reduce NOx emissions.

The Project aims to increase the generation efficiency of the plants in line with international best practice; among others EU's Best Available Techniques (BAT) for power generation. Initial estimates indicate that the Project will result in significant energy efficiency gains which will result in carbon emission reductions per kWh.

Positive Impacts

The project will add significant extra generating capacity to the Egyptian grid and improve the plants' efficiency from c.33% to c.51%. This will help alleviate the on-going energy crisis in Egypt, thus improving the socioeconomic environment for industry, commerce, small businesses and households. It will also result in significant carbon emission reductions.

All electricity produced by the borrower are directly linked to the national grid and thus will help the country improve the power shortfall supporting the industrial growth and residential prosperity.

The new capacities will help the country to meet the rising demand on both residential and industrial sectors by adding 2,000MW, representing more than 7% of the country's total output.