

Kudu Project - Namibia

- SAHA is currently the lead commercial advisor for a consortium advising the state-owned Namibian electricity company, NamPower, on a national power generation project (the Kudu Project). The project involves the development of an offshore gas field and gas supply infrastructure and the construction of a large combined cycle gas turbine power station. The electricity generated will supply the growing Namibian domestic market as well as the South African power market through an enhanced transmission grid. Consequently the project includes the export of surplus gas and power to South Africa through nearly 1000km of transmission line and gas pipelines.
- The project is complex and multi-tiered and much of the work revolves around developing project concepts, testing their feasibility, developing commercial positions and assisting in commercial negotiations. The commercial arrangements cover ownership, PPAs, Gas Supply Agreements, transmission contracts, carbon credit mechanisms, operations and maintenance and construction arrangements.
- This work includes developing and testing commercial terms and conditions with acceptable risk allocation. In association with this a large amount of quantitative analysis is required to assess the implications of different decisions throughout the gas to power value chain. This will include financial and commercial modelling of:
 - the upstream development,
 - the power station options, and
 - the pipeline dynamics.
- The integrated nature of the project means that modelling is extended to assessing the financial and commercial impact of options on upstream and down stream counterparties and the financial implications on the parent company.