

Case Studies - Energy

- Commercial Advisor on Kudu Project, NamPower, 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 an 800MW Combined Cycle Gas Turbine. The electricity generated will supply the growing Namibian domestic market as well as the South African power market through an enlarged transmission grid. SAHA's role involves advising NamPower on all commercial aspects of the project, including: plant and project economics, structuring and negotiating the gas supply agreement, power purchase agreements with Eskom in South Africa, and negotiations with the Namibian electricity regulators.
- Transmission Alternatives: SAHA developed a framework for eliciting and evaluating proposals for alternatives to transmission investments. This included obtaining commitment to the development and maintenance of the required level of performance to ensure that the benefits in terms of reduced grid congestion or improved competition eventuated. This required consideration at a conceptual level of the mechanics of operating in the current market; for instance, through bid or offers, dispatch and settlement.
- Retail Market Review: SAHA undertook a detailed assessment of the structure and competitiveness of the NZ retail electricity market. This assessment included an examination of: retail margins; new entry, mergers and market withdrawal; barriers to entry; market concentration over time (using the Herfindahl Index); and, vertical integration (for the impact that is having on hedge liquidity and participant behaviour).
- Acquisition Advice: SAHA advised Vector's owner (the Auckland Energy Consumer Trust) on Vector's acquisition of the neighbouring electricity and gas distribution company, United Networks, and also the acquisition of a 66 percent interest in Natural Gas Corporation.