

## Background

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In 2017, Dubai Electricity and Water Authority (“DEWA”) had issued a Request for Proposals for the development, financing, construction, operation, and maintenance of a 200MW Concentrated Solar Power (“CSP”) plant based on the Concentrated Tower (“CT”)’ technology with a minimum of 8h full load storage.

The ACWA Power led consortium submitted an enhanced alternative bid for a 700MW CSP project (along with the base bid), which utilizes both CT and Parabolic Trough (“PT”) technology with thermal storage of up to 15 hours (the “Project”). The consortium was declared successful based on its alternative bid in September 2017 at a levelized cost of electricity (“LCOE”) of US\$ 7.3cents/KWh, which is currently the lowest globally for a CSP project. More recently, 250MW of photovoltaic capacity has also been added to the project to take the overall capacity to 950MW.

Noor Energy 1 P.S.C (“the Project Company”) is an SPV established for the development of the Project, which is owned by DEWA (51%), ACWA Power (24.99%), and Silk Road Fund (24.01%). The Project will be developed on a Build, Own and Operate (“BOO”) basis and its entire capacity will be sold to DEWA under a 35-year Power Purchase Agreement (“PPA”) post Commercial Operation Date.

The Project will be delivered in three phases with the overall completion of the project expected to take place in 2022. Once completed, the Project will be the largest single site CSP project in the world that will provide clean energy to over 270,000 residences in Dubai, reducing 1.4 million tons of carbon emissions a year.

## SCB’s Role

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Total Project Cost is expected to be approx. USD 4.32bn and has been sized with a debt to equity ratio of 56:44. The senior debt was procured using USD denominated term loans from a club of Chinese and non-Chinese lenders. Chinese lenders include Industrial and Commercial Bank of China (“ICBC”), Bank of China (“BOC”), China Everbright Bank, and Agricultural Bank of China (“ABC”), whereas the non-Chinese lenders include SCB, Natixis, and Union National Bank (“UNB”). Chinese lenders also participated in the mezzanine financing for the Project.

## Construction and Operation

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- The Project will be constructed by Shanghai Electric Group Company (“SEGC”) under a construction contract while the engineering and procurement will be carried out by Shanghai Electric Hong Kong Company Ltd (“SEHKC”) under an engineering and procurement contract.
- Operations and Maintenance of the plant will be performed by First National Operation and Maintenance Company (“NOMAC”), an ACWA Power subsidiary established to deliver O&M services to public and private sectors of power and water plants.

## Objectives and SCB’s Partnership

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The Project is of critical importance to the development of the Emirate based on the forecasted demand increase and is vital to implementing DEWA’s strategy of energy diversification and decreasing its reliance on gas-fired generation.

Standard Chartered leveraged its experience in the MENA IWPP and IWP sector, our structuring and documentation expertise and our country knowledge of the United Arab Emirates to assist the Sponsors towards a successful close of this vital transaction.