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The Ethiopian Electric Power (EEP) and Enel Green Power (EGP), the Italian company that is set to sign a power purchase agreement to develop a 100MW solar power plant near Metehara town in the Oromia Regional State at a cost of 120 million USD, are going to acquire land from the regional state.

In October 2017 EEP announced that the leading European renewable energy developer, Enel Green Power, has won the bid to build a 100MW solar power plant near Metehara town, located 230km east of Addis Ababa in East Shoa Zone. The area enjoys high levels of solar radiation. The company would build, own and operate the solar power plant. According to the draft agreement, EEP would buy all the electric power generated by Enel Green Power for 20 years.

Strategy and Investment Director with EEP Mekuria Lemma told *The Reporter* that EEP and EGP have been negotiating on the details of the power purchasing agreement. The parties have signed a letter of intent two months ago.

Mekuria said that EEP has requested a 200-hectare plot of land near Metehara town where the solar power plant will be built. “The Oromia Regional State Investment Bureau has been very cooperative to us,” Mekuria said. The Oromia Investment Bureau on Thursday wrote a letter to zone and wereda administrations requesting them to handover the required land to the infrastructure project. Mekuria hopes that EEP and EGP would secure the land in the coming few weeks. “Once we secure the land we will sign the PPA. It will happen very soon,” he told *The Reporter*. The draft PPA was endorsed by the Ethiopian Electric Authority.

According to Mekuria EGP, would undertake community development work on 50 hectares of land. “It could drill water wells, supply electric power or do irrigation work based on the community needs,” he said.

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The Ethiopian government’s second Growth and Transportation Plan (GTP-II) is expected to generate nearly 12,000MW of new hydro, wind, geothermal and solar capacity in partnership with the private sector, with the aim of meeting the country’s electrification needs while diversifying its generation mix in line with the government’s energy plan for the years up to 2020.

Antonio Cammisecra, CEO of Enel Green Power, previously told *The Reporter* that it will take his company 14 months to complete construction and start generation. The Metehara power plant is expected to enter into operation in 2019. Once up and running, the facility will be able to generate approximately 280 GWh per year, while avoiding the emission of around 296,000 tons of CO2 into the atmosphere.

Enel Green Power is a subsidiary company of Enel Group established in 2008 in Rome Italy. Enel Green Power develops renewable energy sources including hydro, solar, wind and geothermal energy sources in

Enel Green Power has teamed up with a local investment firm, Orchid Business Group, to develop the Metehara Solar power plant. Orchid has a twenty percent stake in the solar project and it will co-invest in the project. Orchid Business Group PLC is an Ethiopian company primarily operating in the areas of infrastructure, construction and logistics. The company was established by a renowned Ethiopian businesswoman, Akiko Seyoum Ambaye, 16 years ago. Orchid will be the contractor that will build some parts of the power plant.

The EGP-led consortium will be investing approximately USD 120 million in the construction of the solar plant. The European Investment Bank pledged support to the Metehara Solar energy development project.

The country's installed generation capacity has reached 4,280MW – 92 percent hydro, six percent wind and two percent thermal. EEP plans to develop a total of five solar plants with an aggregate generation capacity of 800 MW of solar energy in the GTP-II.
