

PIDG company InfraCo Asia and Albario Engineering establish joint venture Prism Energy, giving a boost to the development of Pakistan's distributed solar sector

Prism Energy (Private) Limited ('Prism'), an end-to-end renewable energy solutions provider, recently commissioned its first commercial and industrial (C&I) solar energy facility in Faisalabad, Pakistan. The development and implementation of the 248kW facility was led by the Prism team, with the support of InfraCo Asia, its contracted developer team Equicap Asia, and Albario Engineering Private Limited (AEPL).

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With its high solar irradiance, there is tremendous potential for Pakistan to harness solar power to meet its energy needs. According to the World Bank, utilising just 0.071 percent of the country's area for solar photovoltaic (PV) power generation would meet Pakistan's current electricity demand. However, much of Pakistan's abundant solar resource remains untapped, with renewable sources currently fulfilling only around 4% of the country's energy needs. In order to achieve its national target to generate 30% of its energy from renewable sources by 2030, Pakistan will require greater private sector investment in renewable energy infrastructure, including high-quality, distributed solar solutions.

InfraCo Asia, a Private Infrastructure Development Group (PIDG) company, and AEPL have entered a joint investment and development agreement establishing Prism Energy – a joint venture company, to develop and implement commercial & industrial (C&I) solar projects across Pakistan, thus providing new and improved access to clean and renewable energy sources. Prism aims to introduce international best practice to distributed solar development in Pakistan, by leveraging the development expertise of InfraCo Asia and its contracted developer Equicap Asia, as well as the on-ground experience of its local partner AEPL.

The Prism team brought into operations its first C&I solar energy facility in January 2021, providing electricity to the Pearl Towers in Faisalabad, Pakistan. The 248kW facility is part of Prism's larger C&I solar platform, through which its shareholders are aiming to roll out C&I solar projects at scale. By demonstrating the commercial viability of high-quality, net metered C&I solar solutions, InfraCo Asia and AEPL expect to crowd-in greater private sector investments for Pakistan's distributed solar sector.

The newly commissioned solar plant, which is built on two rooftops of the Pearl Towers in Faisalabad, supplies affordable, reliable and renewable energy that is able to meet the energy needs of the commercial complex during the day. This includes the operation of its shopping mall, restaurants and offices. It is expected that the solar plant will enable energy bill savings for Pearl Towers, and improve the overall sustainability of operations by reducing its reliance on electricity from the national grid, which is primarily derived from the burning of fossil fuels. The solar plant is also expected to improve the reliability of energy access by reducing each client's reliance on the grid, which suffers from frequent power outages.

"We are delighted to be part of the transition towards solar energy sources with Prism Energy and appreciate the Prism team's professionalism and support in the process. Pearl City Towers is one of the largest commercial projects in Faisalabad, and we are proud to lead in the city's sustainability journey. The solar plant will help reduce our energy bills significantly" said Ibtasam Iqbal, CEO of Pearl Group.

Following the implementation of the Pearl Towers project, Prism Energy is looking to replicate its success across Pakistan, with several larger-scale distributed solar projects of up to 5MW currently in the pipeline.

Prism provides turnkey renewable energy solutions – developing C&I rooftop and ground-mounted solar plants on a commercial basis, with no upfront costs to the site owners. Electricity generated from the solar plants is sold to the site owners under a long-term (15-20 year) offtake agreement, at tariffs that are discounted in comparison to those offered by state-owned distribution companies in Pakistan. The net metering arrangement will also enable clients like Pearl Towers to sell surplus energy back to the national grid, resulting in further cost reduction.

At present, high development risks continue to be associated with Pakistan’s distributed solar sector due to the lack of regulatory support and high-quality developers. Through the Prism Energy joint venture, InfraCo Asia, through Equicap Asia, and its joint venture partner AEPL aim to de-risk the development of distributed generation solar power projects in Pakistan by introducing international best practice at each stage of the development and implementation process. Coupled with proven models of offtake agreements, Prism Energy will demonstrate the commercial viability of developing distributed solar plants to world-class standards in Pakistan. In so doing, InfraCo Asia and AEPL aim to pave the way for other private sector investors and developers to implement high-quality solar power infrastructure, and thus promote the uptake of equivalent renewable energy solutions.

Allard Nooy, Chief Executive Officer of InfraCo Asia said: “We are very heartened by the safe and healthful progress made by the Prism Energy team during this challenging time. Through the joint venture, InfraCo Asia is working with AEPL with an aim to develop up to 40MW in aggregate solar power generation capacity – thereby demonstrating the commercial viability of a world-class, distributed solar model for Pakistan. We hope that this will pave the way for greater private sector investments in renewables, and support Pakistan’s ambitions to transition towards generating 30% of its energy from renewable sources by 2030.”

Ahmad Najeeb, Chief Executive of AEPL expressed, “We are excited to commission our first project with Prism Energy and look forward to executing a strong pipeline of projects in 2021 and 2022. At Prism, we are strongly committed to build, own and operate green energy projects across the country.”

Arooj Asghar, CEO of Prism Energy & Country Head – Pakistan at Equicap Asia, added, “This is a significant milestone for our team, to successfully manage and commission the project in a safe and timely manner. We expect a strong and positive response from the market considering the needs of businesses in Pakistan, the lack of reliable and economical power, and the strong development practices we bring to the table.”

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About InfraCo Asia and Equicap Asia

1. InfraCo Asia Development Pte Ltd (InfraCo Asia) is a commercially managed infrastructure development and investment company of the Private Infrastructure Development Group (PIDG).
2. Headquartered in Singapore, InfraCo Asia catalyses greater private sector investment in infrastructure across South and Southeast Asia by providing funding and development expertise. InfraCo Asia funds early-stage development activities to realise socially responsible and commercially viable infrastructure that contributes to sustainable and inclusive economic growth.
3. Equicap Asia is mandated to provide development services for originating, developing, and financing highly developmental and commercially viable infrastructure projects in South Asia, under InfraCo Asia's Developer Services Programme. Equicap Asia is incorporated in Singapore and operates out of 5 offices across South Asia, including Islamabad in Pakistan. Each Equicap Asia team member has engaged in all stages of a project lifecycle, in various capacities as shareholders, lenders, developers or consultants, and thus, provide valuable experience and deep insight to help navigate the challenges of infrastructure development.
4. InfraCo Asia is currently funded by four members of PIDG – the governments of the United Kingdom, the Netherlands, Switzerland and Australia.

For more information, please visit www.infracoasia.com, www.equicapasia.com

About PIDG

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 157 infrastructure projects to financial close and provided 209 million people with access to new or improved infrastructure. PIDG is funded by six governments (the UK, the Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC.

PIDG Technical Assistance (TA) can provide technical assistance and capital grants to the PIDG companies to meet a range of needs associated with an infrastructure project's life-cycle. PIDG TA can also provide up-front viability gap funding grants to support PIDG projects that require concessional funding to make a project with strong development impact financeable.

For more information, please visit www.pidg.org.

About AEPL

Albario Engineering Pvt. Ltd, is a One Window Solution Provider in the fields of Energy, Industrial Solutions and Infrastructure. The Group excels in diversified business activities, ranging from Engineering, Procurement & Construction (EPC), Electro-Mechanical Contracting, Civil Construction, Operations & Maintenance, Turnaround and Rehabilitation Services, Real Estate Infrastructure Development and Manufacturing of transformers.

The Company is a humble contributor in supporting its Foreign OEM & Construction Partners and EPC Companies in building over 10,000 MW Combined Cycle, Thermal and Renewable Projects across Pakistan and in the Region. AEPL is managing O&M of over 6,000 MW Power Projects on a long-term basis, covering both Fossil and Renewable Technologies.