

GRAND INGA HYDROPOWER HOLDING COMPANY

Main Objective of the Holding Company: Developing Grand Inga Project, Raising finance and Preparing for Construction

With agreement of the government of the Democratic Republic of Congo, the Holding Company (HOLCOM) will take over the leadership of Grand Inga Hydropower Project from the PROCOM at the end of 2014 / beginning of 2015, and manage the development and the construction of the power plants and associated transmission system. It will carry out its activities until around 2030 or later on, once the overall Grand Project is fully operational. Subsequently, its subsidiaries (GENCO and TRANSCOs) would then be established as registered independent Companies, in charge of their respective activities.

Main Tasks of the Holding Company (HOLCOM)

The main tasks of the Holding Company (and its subsidiaries) are to guaranty the implementation and the real success of the overall Project, including:

1. to maintain effectively the unity of the Inga Projects (Inga 1,2,3 and Grand Inga);
2. to coordinate and monitor the development of Inga 3 and Grand Inga Project and associated electricity transmission lines;
3. to define the owners, the operators, and the managers of all the components of the Inga Projects (generation, electricity highways, etc.);
4. to define and negotiate the electricity tariffs with the buyers (in order to cover the Project costs on a commercial basis, with credit worthy buyers);
5. to demonstrate the ability of the consumers to pay their electricity bills;
6. to establish long term commercial agreements for sales and purchasing electricity with African power pools, main electricity consumers and industries and mining Companies;
7. to assure profitability and bankability of the Inga Projects;
8. to prepare the needed arrangements for the development, including the financing, the contracts and agreements, the tenders, the negotiations processes, etc.);
9. to provide credible and bankable off take agreements;
10. to assess the strength of the sponsors, in terms of financial, technical and management capabilities;
11. to carry out detailed design for tendering:
 - studies of the facilities,
 - topography, bathymetry, investigations, small-scale models,
 - environment,
 - approval of the Preliminary Summary Project (PSP), etc.;
12. to launch and oversee the bids for the construction of the hydropower plants and the HV transmission lines:
 - technical specifications,
 - contractor's pre-qualification,
 - consultation and contracts,
 - notice to proceed;
13. to assess bids and award, etc.;

NOTA: The above mentioned activities can be divided into the following phases:

- Phase 1: Preparing the basis for Development (points 1 to 7);
- Phase 2: Raising funds (points 8 to 9); and
- Phase 3: Preparing for Development and Construction (points 10 to 13).

The construction of the power plant is expected to start from 2014/2015.

Main characteristics of HOLCOM

- The Holding Company (HOLCOM) would have subsidiaries: a Generation Company (GENCO) and a number of Transmission Companies (TRANSCOs) to be defined.
- Potential permanent stakeholders could be the involved electricity Utilities, such as: SNEL, WESTCOR, the Power pools and other involved African electricity Utilities, International electricity Utilities, equipment and material constructors, etc.
- Other potential stakeholder could include: private investors, financial Institutions, contractors, regional and multilateral institutions.
- HOLCOM Board will choose HOLCOM CEO.
- PROCOM members will have the first priority to be nominated and selected as members of the Holding Company.