



PROVIDING BUILD-LEASE-TRANSFER ENERGY SOLUTION TO AFRICA

Prof. Michelet Montana, CEO of US-African and European Business Group, talks to Voices of Leaders about why the company's Build-Lease-Transfer (BLT) is a unique offering for customers.

Prof. Montana, you have vast experiences in the energy sector, what have been your career highlights to date?

Well, over the past 20 years I have been involved with some fantastic solar energy projects in different sectors such as agriculture, mining, construction, manufacturing, oil and gas, warehouses and logistics. Throughout my career, the highlight has been the remarkable team I have worked with; we have a fantastic team who make a big difference to our customers.

The Build-Lease-Transfer (BLT) financial model is a unique offering for customers in the industry. Could you provide more details and explain how it works?

Traditional models have existed for many years in the Independent Power Producer (IPP) space, whereby over a period of time the offtake/customer own the asset. In the shorter term projects, the model has been one of rental where at the end of the contract the equipment is taken away.

What I have experienced over the past 20 years is that, more often than not, that same rental equipment is required the year or two after, thus requiring a new rental contract at a high cost.

What we have done is introduce the traditional IPP model to the shorter term projects to provide a fully financed solution. At the end of the day, customers are thereby able to own the assets outright with no upfront payments or balloon payments at the end of the projects.

Do you believe this model could be revolutionary in Africa for various sectors?

Yes, because demand for this solution is high and it is ideal for agriculture, mining, construction, manufacturing, oil and gas, warehouses and logistics. Not only we see it as replicable, but we have a number of clients who wish for us to install it across a number of locations for them.

Could you elaborate more on the significance of being a true strategic partner to clients rather than just a technology provider?

Technology is evolving at an incredible pace and we are in an enviable position to our competitors whereby we have not invested in just one type of technology. We are able to provide short-term, medium-term and long-term solutions. We always aim to provide the most efficient current solutions to our customers and work closely with them year-on-year to improve that efficiency as new technology becomes available.



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What are the future trends to watch for across Africa's energy sector?

It has been a tough few years for Africa utilities, a lack of liquidity in many markets, poor transmission, and ageing of existing plants, coupled with an ever growing demand. I have seen many utilities and energy ministries running a two-tier strategy of keeping the lights on now while trying to build for the future. This has put a huge strain on the balance sheets of most utilities in Africa and future investment will have to come from the private sector. The major trends I see are the growth of microgrids/distributed power, LNG solutions, the continued rise of renewables but battery storage will be the key and the integration of grids across Africa to evacuate power from a country with a surplus to one that has a deficit and is in need of power.

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