



CASE STUDY

Build-Operate-Transfer Power Plant Contracts

FTI Consulting provided assistance to the Energy Ministry of a West African country in two new Combined Cycle Gas Turbine projects negotiated with international energy companies as part of Public-Private Partnerships (PPP). FTI Consulting's experts reviewed and amended the economic clauses and the financial models for the benefit of the State, and represented the Ministry in negotiations with the private investors.

SITUATION

Two new Combined Cycle Gas Turbine projects were negotiated by the Energy Ministry of a West African country with international energy companies under a PPP framework, for a combined engagement of ~\$1 billion.

OUR ROLE

FTI Consulting reviewed and amended the economic clauses of the draft PPP contracts. We also audited and amended financial models provided by the project developers. FTI Consulting provided benchmarks on rate of return, CAPEX, OPEX (incl. Insurance), risk sharing, to offer tailored recommendation to optimise costs and adjust parameters to best-in-class market conditions. FTI Consulting also conducted 4 multi-day negotiation sessions with the private investors to define economic equilibrium, adjust expected costs, and propose gain-sharing economic mechanisms.

OUR IMPACT



FTI Consulting represented the Ministry in negotiations, which led to the identification of XOF 163bn / EUR 250m in savings for the State. The two projects have been sanctioned with commercial operations to commence in 2021.

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