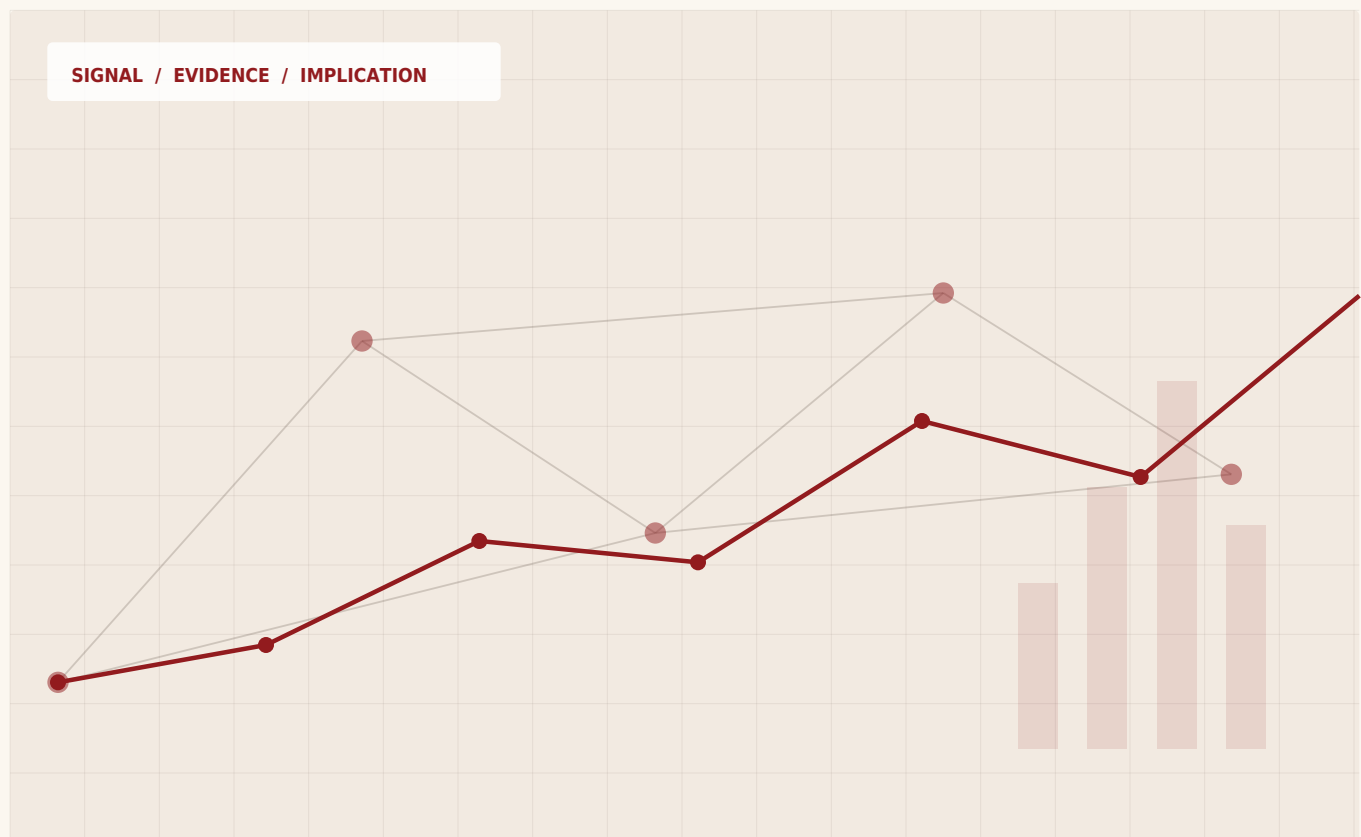




Bankable

Beyond Hydro: Nine years of pipeline; one deal near close.



01

THE NUMBERS BEHIND THE GRID MIX

Ethiopia's grid is clean but not diversified, and the official counts of what is installed do not agree.

97.4% Share of FY2024/25 generation from hydropower; wind supplied the other 2.6% <i>EEP Facts in Brief 2024/25; 29,468 GWh total</i>	5.6% Non-hydro share of installed capacity in 2025, against a 2030 target of at least 15% <i>National Energy Compact (World Bank, Mission 300), 2025</i>	18% Realised capacity factor of Ethiopia's wind fleet in FY2024/25; Kenya's was 50% <i>InfoPlate calculation; EEP; EPRA; FY2024/25</i>	300 MW Aysha 1, the first wind IPP, approved by the AfDB board on 15 July 2026; EEP's pipeline is about 3,000 MW across 20 projects <i>AfDB, Jul 2026; EEP, Jan 2026</i>
---	--	--	--

DATA INTEGRITY NOTE: Sources differ and the differences are shown. Installed capacity is 9,730 to 9,761 MW and wind 469.84 to 524 MW across EEP, press reports and the Compact, so capacity factors use EEP year-end capacity and are approximate. Official 2030 targets conflict: 14,000 MW and 15% non-hydro capacity (Compact), 16,058 MW (NDC 3.0, Sep 2025), 25% non-hydro generation (Energy Outlook 2025). Aysha 1 costs \$508M (AfDB) or \$620M (EEP); its tariff is unpublished, so dollar scenarios are InfoPlate illustrations at the Outlook's 5 to 7 cents; the 3,000 MW pipeline is single-source (EEP). Taranis's Corbetti commitment is a convertible loan toward a prospective \$27M equity investment (PIDG); the Tulu Moye restart is unconfirmed. US imports of Ethiopian solar above \$300M by December 2025 is a petitioners' claim (AASMT); the preliminary ruling is due 150 days after the 17 July 2026 notice. IRENA counts 868 MW of non-hydro renewables against EEP's 536 MW, probably off-grid solar.

02

TWO FINDINGS THAT REFRAME THE CASE

THE GRID IS CLEAN, NOT DIVERSIFIED

Hydropower supplied 97.4% of FY2024/25 generation and wind 2.6%; EEP's fact sheet reports no output from its 7.3 MW geothermal plant, its 25 MW waste-to-energy plant or any solar. The case for the other 3% is insurance, not decarbonisation: in a dry year hydro plants get 20 to 25% less water (Energy Outlook 2025), and EEP's FY2026/27 plan cites El Niño, which may cut reservoir inflows by up to 20%.

THE CONSTRAINT IS A LENDER, NOT THE WIND

Nine years after Ethiopia's 2017 PPP framework, and seven after a \$200M World Bank guarantee programme aimed at over 1,000 MW of private wind and solar, EEP still describes Aysha 1 as its first utility-scale renewable project under that framework. It took 23 months from PPA (August 2024) to AfDB board approval (July 2026), has no published tariff and, as of this edition, no announced financial close.

03

THREE MORE FACTS ON THE RECORD

- **The 2030 targets disagree:** At least 15% of capacity and 14,000 MW (Compact), at least 25% of generation (Energy Outlook 2025), 16,058 MW (NDC 3.0). On the Compact's arithmetic Ethiopia needs about 1,550 MW more non-hydro capacity, 8.6 times the 180 MW its wind fleet added from 2016 to FY2025/26, while EEP's own FY2026/27 target of 9,770 MW is only 18 to 40 MW above current capacity. (MoWE; EEP; Industrial Info, Sep 2026)
- **Cost per megawatt is untested:** Aysha 1 is \$1.7M to \$2.1M per MW (\$508M by AfDB, \$620M by EEP) and Exim-financed Aysha II was \$2.1M (\$257.3M, 85% from Exim Bank of China); the Compact budgets \$973M for 802 MW of unfunded wind, \$1.2M per MW, so Aysha 1's cost would add \$0.4B to \$0.7B. (AfDB, Jul 2026; Capital Ethiopia, Feb 2022)

- **Solar is a factory story:** Toyo's 2 GW cell plant in Hawassa began production in April 2025; US petitioners say imports of Ethiopian solar rose from zero in June 2025 to over \$300M by December, and Commerce opened a circumvention inquiry on 17 July 2026. EEP's 2024/25 fact sheet lists no solar capacity; mini-grids total 14.4 MW. (pv magazine USA, May 2026; AASMT; Federal Register; MoWE)

04

ANALYSIS: WHO CARRIES THE DOLLAR RISK

Insurance, Not Demand

Week 31 showed Ethiopia has hydro to spare: its Kenya link ran at about 9% of design throughput. Wind is therefore not filling a shortage; it hedges hydrology, and the hedge is priced against the cheapest alternative. The Energy Outlook 2025 puts hydropower at 3 to 5 US cents per kWh and wind and solar at 5 to 7. EEP's three doors paid about 6.7 cents on the wire, 2.9 at the server and 1.5 to 1.7 at the meter in FY2025/26 (Week 31, at 151 birr per dollar), so only export sales clear a 5 to 7 cent wind tariff, and the domestic utility, which took 56% of volume (The Reporter, Aug 2026), pays about a third of its low end at the meter.

The Fleet Underdelivers Its Wind

Ethiopia's wind farms produced 761 GWh in FY2024/25 from about 470 MW, a capacity factor near 18%, down from about 30% in 2019 and 19% in 2024 (MoWE; EEP). Kenya's 436 MW produced 1,908 GWh, 50%, or 2.7 times as much per megawatt (EPRA, FY2024/25). The sources do not say why Ethiopia's output fell; grid availability, curtailment and turbine availability are the due-diligence questions, and EEP's power-reliability indicator was 84% in FY2025/26, the only one below 90% (The Reporter). New sites promise far more: Aysha II's 467 GWh on 120 MW implies 44% and Aysha I's 1,189 GWh on 300 MW implies 45%. Investors should ask whether the PPA pays for energy the grid cannot take.

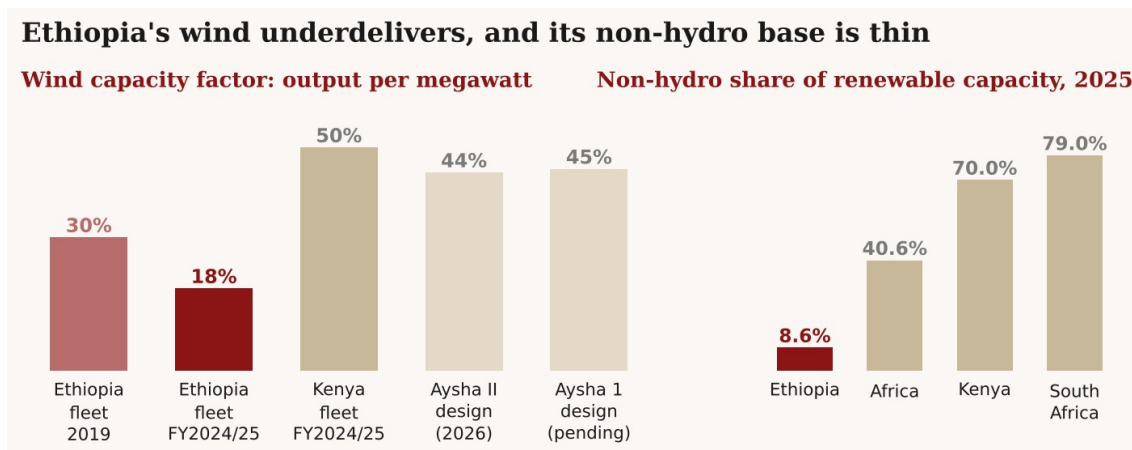


Figure 1: Wind capacity factor (output over year-end capacity and 8,760 hours) and non-hydro share of renewable capacity. Source: MoWE; EEP; EPRA; Addis Fortune (Aysha II); AfDB (Aysha I); IRENA 2026; InfoPlate calculations.

Who Carries the Dollar Risk

Aysha I's tariff is unpublished, but the arithmetic is bounded. At 1,189 GWh a year, 5 to 7 cents implies \$59M to \$83M of annual payments (an InfoPlate illustration, not a disclosed price), or 12.5% to 17.5% of the \$475.5M in foreign currency EEP earned in FY2025/26 (Week 31). Whether payment is in dollars is not published, but a 2022 PPP board rule provides for foreign developers to be paid in dollars (The Reporter, May 2022), and EEP said in January 2026 that the National Bank of Ethiopia had clarified offshore transferability and convertibility, a lender concern. The AfDB's package is up to \$110M (\$80M AfDB, \$20M Clean Technology Fund, \$10M SEFA), with the bank co-leading with IFC and helping mobilise \$381.1M more;

against a \$508M cost, about \$17M is unexplained and the equity split is unpublished (AfDB, Jul 2026; InfoPlate arithmetic).

The state has little room to carry the risk itself: the IMF programme's ceiling on new non-concessional debt, which covers public enterprises, is zero, with a Koysha exception of up to \$950M (fifth review, Board approval 1 July 2026), and the Compact puts utility cost recovery below 60%, targeting 100% by 2028. The dollars must come from EEP's foreign-currency sales, 71% of which came from data centres and crypto miners, a stream that includes the crypto line the utility said in 2025 it would phase out (Week 31). Tulu Moyo's developers have asked for foreign-currency guarantees, dollar profit transfer and New York Convention arbitration (The Reporter, Jan 2026), and the Water and Energy Minister's address to the 15 October renewable energy summit named access to finance and foreign exchange among the conditions for growth (ENA).

The Counter-Argument and the Kenya Benchmark

The optimistic case needs three caveats. Geothermal's record is mixed: Tulu Moyo's PPA dates from 2017 and 2020, and EEP says the developers drilled six wells without finding viable steam, while they cite security and lender appetite; Corbetti is in exploration drilling, with a June 2026 Taranis agreement for a prospective \$27M equity investment toward 150 MW (PIDG). ACWA's 2.526 cent solar tariff, awarded in 2019, never reached financial close and was terminated in 2022, so a low bid is not a bankable price. And variable output has costs: Kenya Power said on 11 August 2026 that wind and solar supply 34% to 36% of its energy at day peak and low load, that take-or-pay contracts have pushed their share above 20% against a benchmark of about 15% of firm capacity, and that extra dispatch costs pass to consumers.

Kenya shows both sides. Its non-hydro share of renewable capacity is 70.0% against Ethiopia's 8.6% and Africa's 40.6% (IRENA, end-2025), geothermal supplied 40.9% and wind 12.3% of its FY2025/26 generation (EPRA), and it runs 943.7 MW of geothermal against Ethiopia's 7.3 MW (EPRA; EEP; FY2024/25). Kenya's integration bill is the problem Ethiopia would meet later; its financing gap is the problem it faces first.

05

EDITOR'S OUTLOOK

Grade the beyond-hydro case a sound hedge on an unfinished financing base. Ethiopia does not lack wind: the Aysha sites are designed for capacity factors of 44% to 45%. It lacks a first closed deal that discloses its price, its currency and who pays when the grid cannot take the energy. Until then the pipeline of about 3,000 MW is a list, not a market, and the 2030 target needs about 8.6 times the non-hydro capacity the last decade delivered. Capital can help where the risk is contractual: payment security, convertibility and dispatch terms matter more than turbines.

InfoPlate's Week 31 edition (Current Account) showed what the grid earns in foreign currency; this edition asks who owes dollars against it. Watch Aysha 1's financial close and whether its tariff and currency terms are disclosed; confirmation of the Corbetti and Tulu Moyo restarts; the REI4P procurement pipeline the Compact schedules for 2025 to 2028; the Commerce preliminary ruling on Ethiopian solar, due about 14 December 2026; and EEP's 9,770 MW target for FY2026/27. Week 33 turns to the Djibouti dependency.

InfoPlate Media and Consulting

A Division of OBSINET GROUP