

Shedding light on remote locations

The remoteness of site and power infrastructure means reliable access to power is a luxury for mining projects in Africa, leading to greater dependence on alternative power sources.

In most cases this would involve building a standalone power plant but according to rental power supplier Aggreko, such an option brings with it its own challenges.

While building a power plant may offer the best bottom line outcome for a company, James Shepherd, managing director, Aggreko South and East Africa, argues that renting power offers companies much more flexibility, vital during the construction and ramp-up stage of projects when cash flows are tightest.

Shepherd says renting eliminates a number of factors which can blow budgets out of control for mining companies.

“One of the most important factors to take into consideration when purchasing a power plant is to understand who will operate and maintain the equipment; it will only run optimally if it is operated correctly. The investment in training or in staff who already have the expertise is costly and time consuming.”

Similarly, Shepherd says, rental power mitigates against risk associated with equipment failure. If the plant fails, it is the rental company which is responsible for repairs and replacement.

Rental power also gives mining companies more scalability than 100%-owned power plants.

“Rental equipment packages can be scaled up or down dependent on the power requirement of the moment. This means that the company only ever pays for the amount of



Aggreko has supplied power to African projects for 15 years

power that is actually being used, and packages can be tailored to their specific needs.

“Another benefit to this flexibility is that the equipment can be in place within a matter of days if necessary, whereas purchasing a power plant can involve lengthy waiting lists.”

Aggreko's own entry into the African mining space started 15 years ago and with project development on the continent at its highest ever level, the company is keen to develop its business across Africa.

“We have opened a number of new facilities in order to service customers on the ground. Mining has become a significant part of Aggreko's business in the region, as companies continue to see the benefits of rental power versus the option of purchasing.

“A purchased power plant may be a sensible long-term solution for many companies, however, it is also common for Aggreko to work with customers in the interim phase, when operations must be kept on track. Many of these interim contracts can turn into more permanent relationships, as companies realise the benefits of renting, with constant access to skilled technicians, no risk of operational down time and no need for large sums of up-front capital.”

Recent projects in Africa have included a 20MW package for the Bisha Mining Share Company, a JV between the Eritrean Government and Canadian gold producer Nevsun Resources Ltd and a 10 MW power package for Vale SA's Moatize coal mine in Mozambique. There the plant was commissioned in under six weeks, allowing Vale to meet development on schedule.

“The power package was designed to be flexible, so that it could synchronise with national grid, as well as function in island mode, meaning that the package could function independently should power from the grid not be available.”

– Dominic Piper



The Bisha gold JV in Eritrea has benefitted from 20MW supplied by Aggreko