

Ignite Power's Subsidiary Westa Solar Secures \$15 Million Investment from AFRIGREEN to Expand Across Africa's C&I Sector

Ignite Power secures \$15M from Afrigreen to expand solar energy in West Africa's C&I sector, leveraging innovative tech and financing to drive sustainability

LAGOS, NIGERIA, December 4, 2024 /EINPresswire.com/ -- [Ignite Power](#) has secured \$15 million in senior debt financing from Afrigreen Debt Impact Fund ("AFRIGREEN"), a leading renewable energy investor focused on Africa, for its subsidiary Westa [Solar](#), which specializes in commercial and industrial (C&I) solar energy. This substantial investment will fuel Ignite's



ambitious expansion plans, targeting vast, underserved market segments across West Africa by offering innovative and flexible financing solutions to businesses. The investment begins with an initial tranche of \$4 million, followed by a \$11 million disbursement contingent on the

deployment of the first phase and confirmation of the parties' mutual intent. This agreement will drive the company's mission to accelerate the adoption of solar energy in the region, starting with a focus on Nigeria.

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Yariv Cohen, Ignite Power CEO

Ignite Power's financing model, which includes Power Purchase Agreements (PPAs) and leasing options, allows businesses to adopt solar energy solutions without the need for significant upfront capital investments. These financing offerings enable customers to access clean, reliable, and affordable energy solutions, unlocking market

potential across a region where energy challenges are profound. With unreliable grid electricity and soaring diesel costs, the demand for alternative energy sources has never been higher. The company's tailored financing options remove the traditional financial barriers that have

prevented many businesses from transitioning to solar energy, thus opening up enormous growth opportunities in the C&I sector.

The potential for solar energy in Africa's C&I sector is enormous, with Nigeria, the continent's largest economy, leading the way. With an industrial sector plagued by frequent power outages, unreliable energy supply, and high operating costs associated with diesel generators, solar energy offers not only cost savings but also greater operational reliability.

Solar solutions provide businesses with uninterrupted power, reducing downtime and operational inefficiencies. The environmental benefits of transitioning away from diesel-based generators are also critical, as solar energy provides a clean, renewable, and sustainable solution to Nigeria's energy woes. Moreover, with the cost per kilowatt-hour of solar energy being significantly lower than diesel generators, solar systems present a highly competitive alternative that many businesses are eager to explore.

In a market like Nigeria, where access to affordable financing is limited, the innovative hedging structure developed for this transaction is particularly noteworthy. In collaboration with the International Finance Corporation (IFC), the agreement includes a unique hedging instrument that allows Ignite Power to receive funds in USD but repay based on the Naira-equivalent amount at the time of repayment. This hedging mechanism is designed to mitigate the risks associated with currency fluctuations, a significant challenge in a country where the local currency, the Naira, has experienced considerable depreciation. By insulating Ignite Power and its customers from exchange rate volatility, this instrument provides a more stable financial environment for project deployment and long-term operations.

This financing agreement sets Ignite Power on a strong growth trajectory. Westa, its C&I subsidiary, has already deployed 3 MW of solar energy in West Africa and, with this new investment, aims to expand its operations significantly. Yariv Cohen, Ignite Power CEO, addressed the importance of the investment: "This partnership with Afrigreen represents a landmark opportunity not only for our company but also for the entire solar sector across West Africa. The demand for clean, reliable, and affordable energy solutions has never been greater, particularly in Nigeria. With this financing, we can offer businesses innovative financing solutions, eliminating upfront capital requirements and making solar energy accessible to a wider market. This is an unprecedented opportunity to establish the next generation of the energy sector in West Africa—distributed, 100% sustainable, and clean."



Westa Solar's Managing Director, Vincenzo Capogna, commented: "The potential for solar energy in the commercial and industrial sectors in Nigeria is immense. Businesses are struggling with unreliable grid power and rising fuel costs, and we believe that Westa Solar's solutions will provide them with a more reliable, cost-effective, and environmentally friendly alternative. This investment enables us to move faster and bring more projects online, helping to transform the energy landscape in the region."

Afrigreen fund advisor's Managing Director, Alexandre Gilles, also expressed excitement about the collaboration: "We are proud to support Ignite Power, a visionary and highly capable player in the C&I solar market. The company's track record of delivering high-quality projects, combined with the immense market potential in Nigeria and West Africa, makes this partnership an exciting opportunity for us. Our investment is aligned with Afrigreen's mission to support impactful renewable energy projects, and we look forward to seeing the positive impact that this financing will have on the region's energy landscape." He also commented on the innovative hedging instrument developed with the IFC for the deal, emphasizing the significance of creative financing solutions: "Innovative financing mechanisms like the one developed for this transaction are crucial for supporting impactful operations in emerging markets. By mitigating currency risk, we are creating a financial structure that enables companies like Ignite Power to expand their clean energy solutions more effectively, even in challenging economic environments. This type of financial innovation is key to unlocking the full potential of the renewable energy sector in West Africa."

The West African C&I solar market is poised for significant growth, with estimates suggesting the potential for over 500 MW of installed capacity in the coming years. The region's burgeoning industrial and commercial sectors are increasingly turning to solar energy to combat the high costs and environmental impact of fossil fuels. With Nigeria at the forefront, Ignite Power's expansion is expected to contribute to a broader energy transition across the region, providing reliable, sustainable, and cost-effective power to businesses of all sizes.

The \$15 million investment from AFRIGREEN will not only increase Ignite Power's footprint but also accelerate the deployment of solar energy solutions that will drive economic development and environmental sustainability across West Africa. By combining innovative financing options with cutting-edge solar technology, Ignite Power and Westa are well-positioned to lead the transition to renewable energy in one of the world's fastest-growing markets.

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