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Paschal Phelan fulfils the promise of jobs in De Aar, and his Renewable Energy leadership has paid off for the local community.



The Phelan response to Government's Solar Programme is now completing the first phase of its commitment to the area. The COD (Commencement of Delivery) of the energy generated by the first 94.5MW of a 300 MW planned farm is now experiencing its practical payoff on the ground in the Northern Cape. Paschal Phelan and his company Solar Capital was awarded preferred bidder status in the first round of the Renewable Energy tenders in December 2011. The construction of the first farm in this project has involved the installation of over 1,000,000 solar panels at its De Aar farm in 2012 and 2013, as the initial phase of one of the world's largest solar farms that will total 4,000,000 panels upon completion. This 75MW farm alone will generate enough electricity to power approximately 14,000 South African homes per annum, as well as save an annual 150,000 tons of SA harmful carbon emissions.

The impressive team at the South African company Solar Capital Group lead by Paschal Phelan has concluded a number of major initiatives. Solar Capital De Aar (SCDA), is 40% Black owned. Seventy five percent of the BBBEE ownership, in an initiative supported by the South African Banks, will be held in Trust for the De Aar local community, and the employees of SCDA. In addition, Paschal Phelan has guaranteed the Department of Energy that it will spend 10% of its income in De Aar on local social and economic initiatives, which will amount to over R118 million.

Apart from its acquisition of a 2,300 hectare farm on the outskirts of De Aar, Paschal Phelan has purchased a 2 000 sqm factory on a 4 hectare site in the centre of the town. In addition, Phelan is building a factory at Ritchie just south of Kimberley as well as advancing a water piping project that could alter the face of agriculture in the Northern Cape.

Mr Paschal Phelan, as CEO of Solar Capital, commented that in order for the proper skills transfer and training programmes to be undertaken, there is a significant need for international and South African professional support. “De Aar is not readily accessible on a daily basis and our feasibility study indicated that the correct hospitality offering did not meet the needs of these professionals. In order to meet the requirements of these professionals Phelan Energy Group has purchased The De Aar Hotel, and a major renovation has taken place that has now resulted in a modern, four-star, 45 bedroom hotel which is run by our Cape Royale Hotel, Cape Town operation. In addition, the hotel has amenities as required by international professionals including a new restaurant operated by one of South Africa’s leading brands. The new hotel, named The De Aar Royale Hotel, now employs over 75 people directly as well as another 50 providing services such as laundry and other supplies to the hotel.

Paschal Phelan has also powered ahead with significant plans to impact the social and economic fabric of De Aar and other locations such as Ritchie and Loeriesfontein.

Paschal Phelan commented that the “dire local social and economic deprivations required immediate action, and we have delivered our contribution in large measure: We are showing our commitment at Solar Capital with immediate action locally which is already having an impact:

The first farm now employs more than 450 persons during this 12 month build completing in February 2014, and then it will need the creation of 55 permanent jobs maintaining the panels and the equipment for its expected 35-year lifetime.

- The new local factory manufactures ‘mountings’ which are an essential element of all solar panel installations and will initially employ over 100 locals. The factory is a pure Paschal Phelan initiative to do his part in alleviating the dire employment situation in De Aar and its surrounding territories. In addition, the local Community Trust will have a significant stake in the venture. The promoters of the factory plan that it will not only produce for the SA market but export to mainly Europe.



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From an initial employee base of 20, this factory, which will be located on the outskirts of Ritchie, will grow to around 50 employees. Mr Matteo Minelli, the Senior contractor of Paschal Phelan commented: “We are delighted to join Paschal Phelan in this major investment and we look forward to using this springboard to enter the exciting South African solar market where we can use our successful expertise.”

Dr. Danny Jordaan, Chairman of Solar Capital, is working with the South African Soccer Federation in De Aar and the Northern Cape on a number of initiatives focused on providing hope and training through the medium of football. Dr Jordaan commented that “sports initiatives are important for the local youth. However the key requirements to revive this community in sustainable employment initiatives, that will trigger economic activity that will grow into local vibrancy, pride and opportunity. The key to this is the utilisation of the local resource of agriculture and now the new local resource of sunshine.”

One of the key challenges is that De Aar, which has good local fertile land, is remote from the key consumer markets of Johannesburg and Cape Town. Paschal Phelan has acquired premises in De Aar which will form the local centre of their proposed De Aar Community Produce Co-Operative. This Community owned co-operative will provide the two key missing ingredients for local ‘market gardening’, of a guaranteed and market price for local produce. By providing the transport links to the key markets and making the supply chain more efficient, Paschal Phelan will provide a guaranteed market price for local produce under the new ‘Township’ brand, ranging from a premium of 50% on volume items to a 200% premium on select items. The produce will be assembled at the new retail store and from there shipped to the key markets where Paschal Phelan has already secured outlets with key hotels and restaurants. Local Producers will be certified as ‘Township’ brand suppliers and Paschal Phelan is currently recruiting a suitable Agricultural Advisor to work with local producers to develop the types of produce, from vegetables, to flowers, eggs and fruits to meet the requirements of the markets.

Mr Paschal Phelan agrees with Dr. Jordaan that the sustainable exploitation of agricultural resources is key to helping resolve the unemployment needs in Northern



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South Africa. Mr. Phelan commented that the fertile land is largely available in these rural communities. However, the key to sustainable exploitation of the land is adequate water. Local scarce water resource simply does not allow for micro food production. Paschal Phelan has launched a study to examine the feasibility of a 'water highway', to pipe water from the Orange River. This highway would have 'off ramps pipes' to key local communities. This would open up the opportunity for labour intensive micro farming, utilising the land, sun and water in a managed intensive way which has succeeded in many locations worldwide such as the Kibbutz's in Israel." Mr. Phelan continued: "The resources and the markets are there. However, it will take vision and determination to make it happen, and the Paschal Phelan team is ready for this challenge."

These developments form part of the **Paschal Phelan De Aar Community Revival Programme.**"

Mr Phelan commented that De Aar has been a proud vibrant rural town with world class railway skills until it was abandoned by that sector in 1990. He said: "Since then, it has become a jobless Community without hope or future vision. This has led to a variety of social difficulties, perhaps the most notable is Foetal Alcohol Syndrome. There has been an outstanding voluntary organisation lead by Professor Dennis Vijleon from Cape Town University, based in De Aar, which has done tireless work to remedy this situation with very limited resources. Paschal Phelan, already, a significant financial contributor to this initiative, has now agreed a full financial sponsorship programme with the Foundation for Alcohol Related Research (FARR) to assist them significantly expand their current programmes and secure their future funding requirements." Other initiatives underway by Paschal Phelan are the twinning of De Aar with towns in Italy and Ireland. This will develop ties that will generate pride and practical international contact for future initiatives.

Professor Vijleon added that "our organisation has been on the brink of closure as the international support that our programmes have been receiving has virtually dried up. Paschal Phelan's funding will ensure an expanded future for this vital need in the De Aar Community."

About Solar Capital

Solar Capital (Pty) Ltd is a subsidiary of Phelan Holdings (Pty) Ltd a prominent South African based International Investment and Development Company, with the vision to become a market leader in the production of solar energy in Southern Africa. Based in Cape Town, Solar Capital has built up a local and international proficiency



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in renewable energy, in order to realize its mission. Southern Africa has some of the highest annual solar radiation levels in the world. Solar Capital has invested in real estate and technology with the potential to develop the continent's most valuable energy source from the sun.
