

TANZANIA

ENERGY UTILITY PARTNERSHIP PROGRAM (EUPP)



The Energy Utility Partnership Program strengthens the capacity of utility executives and employees in USAID- assisted countries to effectively manage and operate power systems, run financially viable businesses, develop energy resources, design off-grid power sources, and integrate different types of energy resources into their power grids.

IMPLEMENTED BY

United States Energy Association (USEA)

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The United States Energy Association (USEA) established the Energy Utility Partnership Program with funding from the United States Agency for International Development (USAID). The purpose of EUPP is to strengthen the capacity of utility executives and employees in USAID-assisted countries to effectively manage and operate power systems, run financially viable businesses, develop energy resources, design off-grid power sources, and integrate different types of energy resources into their power grids.

OBJECTIVES

The U.S. Energy Association (USEA) will provide capacity building support to the government of Tanzania through a partnership program working with the Tanzania Electric Supply Company (TANESCO), the Ministry of Energy, the Energy and Water Utilities Regulatory Authority (EWURA), and the Tanzania Petroleum Development Corporation (TPDC) by exposing them to global best practices through workshops, trainings, and executive exchanges. This program is part of the Power Africa Initiative of the U.S. Government. The objectives are to improve the energy sector knowledge of high-level government officials and provide senior utility staff and other stakeholders with best practices and lessons learned in encouraging private sector participation in the energy sector. Partnership topics will include competitive procurement, development of mini-grid policies, enhanced power system and dynamic modeling, and financial modeling of both the energy and gas sectors.

To achieve these objectives, USEA is facilitating capacity building for senior utility executives and other stakeholders in the country to through technical assistance to review and discuss global best practices for competitive procurement. Identify energy experts to provide training on power system modeling to provide the expertise needed for the utility planners to validate simulation model to identify any obstacles to future energy expansion in the country. The discussion of micro grids will be supported by technical assistance on the review of tariffs and training

focused on developing and integrating a step-by-step process for both financial and economic modeling of future energy projects.

COMPONENTS

USEA has assisted TANESCO, the Ministry of Energy, and the regulator with capacity building in the areas of competitive procurement. USEA has facilitated activities in these areas with the following activities:

- 1) Training on Financial Modeling of the Natural Gas Sector for the Tanzania Petroleum Development Corporation
- 2) Workshop on Energy 101: Global Best Practices in February 2019 focusing on energy policy, planning and governance for Members of Parliament.
- 3) Workshop on Global Best Practices: Competitive Procurement held in July 2019 focusing on reverse auctions and global best practices.
- 4) Global Best Practices: Competitive Procurement workshop was conducted in October 2019 as a continuation of the July 2019 workshop and highlighted lessons learned from other countries conducting reverse power auctions.

RESULTS

- Development of a draft action plan for implementing reverse power auctions in Tanzania. This draft plan included establishing a competitive bidding Task Force and a flowchart for implementing reverse power auctions.
- Improved knowledge of how to design and hold a reverse power auction for members of the Task Force.
- Issuance of a prequalification for competitive tenders for a series of future reverse power auctions.
- Continued and ongoing support to the Government of Tanzania resulting in an ongoing tender for 350MW of renewable energy.
- (5) Mid- and senior-level energy sector stakeholders demonstrated an increased understanding on the importance of Power Purchase Agreements (PPAs) as a central document in an Independent Power Producer (IPP). This improved knowledge and understanding will lend stakeholder institutions a better foundation when attracting private investment in the sector.