

“POWER AFRICA” & PARTNER COUNTRY ENERGY IN THE NEWS

October 5 – 18, 2014

Article Summaries & Full Clips

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IN THE NEWS: Featured Partner Country Energy News

October 5-18, 2014

AFRICA & REGIONAL NEWS

[Video: Insights into powering Africa](#)

October 17 | *CNBC Africa*
 At the 2014 EY Strategic Growth Forum Africa, CNBC's Victor Kgomoewana talked with General Electric Africa CEO, Jay Ireland to discuss his insights into powering Africa.

[Africa set to switch on gas-to-power potential](#)

October 16 | *Reuters*
 Africa's under used gas reserves, either exported or burnt away into the sky, are set to play a big role in stemming the continent's crippling electricity void, a shift that should boost economies and small-cap energy firms.

[Africa: Three-step action plan to boost sub-Saharan Africa's energy sector](#)

October 15 | *African Review*
 The International Energy Agency (IEA) has suggested a three-step action plan to boost sub-Saharan Africa's economy by 30 per cent in 2040. The report points out that an investment worth US\$450bn in the power sector can help reduce power shortages by half and provide electricity access in urban areas.

ETHIOPIA

[Adama II Wind Farm Generating Electricity on Trial Basis](#)

October 16 | *2merkato.com*
 The Adama II wind farm is said

to have begun operating three turbines on a trial basis and began generating electricity. According to Ethiopian Electric Power, the turbines have each installed capacity of generating 1.5 Megawatt of electricity and the farm has managed to successfully generate 4.5 Megawatt. The wind farm has now reached 81 percent completion rate.

GHANA

[Ghana to Export Electricity to Nigeria, Others](#)

October 7 | *Daily Independent*
 Ghana is planning to export thousands of megawatts of electricity to Nigeria, Ivory Coast and other neighbouring countries that have power deficit. The Ghanaian President, Mr. John Mahama, confirmed the development at the Africa Global Business and Economic Forum held in Dubai United Arab Emirate.

KENYA

[Kenya: Cheaper Energy Could Spur Industrial Revolution](#)

October 11 | *The Star*
 KenGen says it has commissioned 140 megawatts of geothermal energy to be fed into the national power grid. This is part of a 280MW project in four power plants that the company has been putting up and will go a long way to boost the country's installed electricity capacity to over 2,000MW.

[Kenya: Naivasha Power Plant Complete](#)

October 13 | *The Star*
 Work on the 140mw Olkaria IV power plant, Naivasha, is complete and President Uhuru Kenyatta will commission the plant on Friday October 17. The area is already producing 210mw of the expected 280mw.

[Kenya: Thermal Power Generation Rises As Hydro Dries Up](#)

October 7 | *The Star*
 Kenya Power data show thermal sources, which are diesel-fired and thus more expensive, generated 2,024.69 kilowatt-hours, 64.1 per cent higher than the 1,234.17kWh up to August last year. As a composition of the total electricity generated, thermal accounted for 34.5 per cent of the 5,870.51kWh generated in the period, higher than last year's 23.2 per cent.

LIBERIA

No related articles identified

NIGERIA

[Nigeria Needs 6.5 Million Pre-Paid Meters in Five Years](#)

October 14 | *Vanguard*
 Techno Gas and Power, a subsidiary of Techno Oil Limited has hinted that Nigeria's power sector needs at least 6.5 million prepaid meters to meet the energy

needs of electricity consumers and help investors in the sector recoup their investment. For this reason, the company said it has sealed a deal with a Bulgarian Metering Solution company, Incotex to produce 350,000 pre-paid meters yearly in Nigeria.

[Four Nigerian Firms Win GE, USAID U.S.\\$400,000 Off-Grid Energy Challenge](#)

October 16 | This Day

Four Nigerian companies have emerged winners of the Power Africa Off-Grid Energy Challenge sponsored by General Electric (GE), the United States Africa Development Foundation (USADF) and the United States Agency for International Development (USAID), with each of the four companies receiving a grant of \$100,000. The companies all submitted entries on how renewable energy resources can be deployed to power socio-economic activities within communities in Nigeria that are not connected to the country's national grid.

[Nigeria: Fresh Vista for Private Sector Power Generation](#)

October 16 | The Guardian

President Goodluck Jonathan flagged off the construction of the \$1 Billion Azura-Edo Power Plant in Ihojbor, Edo State. The Azura-Edo project is seen as the first of a new wave of project-financed greenfield IPPs currently being developed in Nigeria, and could pave the way for other project-financed IPPs in Nigeria. The project is

the first independent power project in Nigeria to benefit from the World Bank Partial Risk Guarantee and Multilateral Investment Guarantee Agency (MIGA) support.

[Sector Set to Enter Transitional Electricity Market](#)

October 14 | The Guardian

The Nigeria electricity is set to enter the much-awaited Transitional Electricity Market (TEM). The much-awaited market is part of the critical phases of the electricity reform agenda, when all electricity trading arrangements would be consummated through contracts.

[Unido, FG Collaborate On Power for Industrial Clusters](#)

October 14 | Vanguard

The United Nations Industrial Development Organisation, UNIDO, has promised to work with the Federal Government to make power available to industrial clusters to ensure maximum production in the country.

TANZANIA

[Aggreko Supports State On Emergency Power Use](#)

October 11 | Tanzania Daily News

Plans by the Ministry of Energy and Minerals to stop using power from independent emergency producers effective next January, has been supported by one of the major energy solution companies, Aggreko.

[Rural Electrification Drive Gets Major Boost](#)

October 9 | Tanzania Daily News

Four local firms have received 400,000 US\$ grants from the United States African Development Foundation to help enhance rural electrification. The four firms were among 60 applicants of a Power Africa Off-grid Energy Challenge: Round II Winners.

IN THE NEWS - Full Clips

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15. Tanzania: Rural Electrification Drive Gets Major Boost | October 9 | Tanzania Daily News

Africa & Energy - Video: Insights into powering Africa | October 17 | CNBC Africa

Source URL: <http://www.cnbc africa.com/video/?bctid=3842209714001>

Thu, 16 Oct 2014 05:38:20 GMT

In June 2013, the United States Government announced an initiative to bring electricity to over 600 million Africans living without this basic necessity. Dubbed Power Africa, the initiative is supported by African governments, the private sector, and partners such as the World Bank and African Development Bank. Last week at the 2014 EY Strategic Growth Forum Africa, Victor Kgomoeswana sat down with General Electric Africa CEO, Jay Ireland and he gave us his insights into powering Africa.

Africa: Africa set to switch on gas-to-power potential | October 16 | Reuters

Source URL: <http://uk.reuters.com/article/2014/10/16/uk-africa-gas-power-analysis-idUKKCN0I512W20141016>

JOHANNESBURG (Reuters) - Africa's under used gas reserves, either exported or burnt away into the sky, are set to play a big role in stemming the continent's crippling electricity void, a shift that should boost economies and small-cap energy firms.

Sub-Saharan Africa contains some of the fastest growing and most dynamic economies in the world but electricity shortages deter investment, pushing up [business](#) costs and sustaining poverty and inequality.

The World Bank estimates electricity outages on average cost African countries around 2.1 percent of GDP with current output only meeting half of demand and 70 percent of the continent's population living without power.

With the exception of South Africa, which uses [coal](#) almost exclusively to generate electricity, the rest of Africa relies mostly on expensive and dirty diesel imports. Gas is a cheaper and cleaner alternative.

Driven by huge recent finds in East Africa, sub-Saharan gas reserves have more than doubled in the last 20 years to around 310 trillion cubic feet, around 5 percent of global supply, according to the U.S. Energy Information Administration (EIA).

The region's gas output has already grown by 10 percent a year in the last decade, but most of this has been exported by Nigeria, Equatorial Guinea and Mozambique through liquefied [natural gas](#) (LNG) terminals, the EIA says.

However, a shale gas boom in the United States, LNG expansion in Qatar and [Australia](#) and slow growth among consumers has created a global gas glut. Meanwhile LNG projects in Angola, Mozambique and Nigeria are hitting stumbling blocks.

This is prompting a fresh look at using gas domestically.

"I think there is a changing dynamic locally," Ian Ashcroft, gas and LNG analyst at Wood Mackenzie, told Reuters.

"What we've seen in Africa recently is a growing domestic obligation or a realization that there are other benefits to growing your gas infrastructure, including gas-to-power."

RISING POWER

The International Energy Agency (IEA) said in its first Africa Energy Outlook this week that it expects the continent's electricity generation to quadruple by 2040 with gas-to-power growing its share to 25 percent, from 17 percent now.

In West Africa, gas will make up 50 percent of overall electricity output by 2040, the IEA said, driven by reforms in Nigeria, home to the world's eighth largest reserves.

Emerging market-focused investment bank Renaissance Capital (Rencap) said African-focused oil and gas companies would also benefit from rapidly spreading government incentives given to develop oil and gas for domestic use, known as "indigenization".

The bank sees the biggest upside potential in Nigeria's Seplat ([SEPL.L](#)) ([SEPLAT.LG](#)), Lekoil ([LEK.L](#)) and Canada's Africa Oil ([AOI.TO](#)), which operates mostly in East Africa.

Gas is becoming profitable enough to tempt energy firms but remains cheaper for consumers than oil for power generation.

In Nigeria, gas prices have risen from \$1 per million British thermal units (Mbtu), to around \$3 Mbtu in the last three years and should increase further, trade sources say.

A [United Nations](#) backed report released in May calculated gas in East Africa could reach power plants at between \$5-\$15 Mptu, depending how close they were to the source. Diesel can cost African industry \$20-\$40 Mbtu, experts say.

"We believe surging domestic demand coupled with growing regulatory changes take the economics of sub-Saharan gas to a new level," Rencap said in a research note this month.

Further impetus has been provided by U.S. President [Barack Obama](#) who has made cutting electricity shortages his legacy policy on the continent, in a project called "Power Africa", which will include \$7 billion in U.S. financial support.

There remain major hurdles, including implementing commercial gas pricing, building expensive infrastructure and working alongside competing LNG projects.

CHALLENGES

Nigeria, Africa's energy giant, has struggled to overcome these problems but the oil ministry has said using gas domestically is its biggest priority, a drive which has coincided with two LNG projects grinding to a halt.

Nigeria defied many critics by completing a relatively successful privatisation of the state-power company two years ago, while locally-owned oil companies are exploiting gas reserves after buying assets from oil majors in recent years.

Progress on reforms has been slow and government projections to increase power output tenfold by 2020 are unrealistic but changes, including lifting domestic gas prices, are in motion.

"Progress was glacial for three decades. The price of gas was a tenth of the commercially viable price," said David Ladipo, whose company Azura is spending \$750 million to build a 450 MW gas-to-power plant. Seplat is providing the gas.

"It has taken two years for privatisation to progress and we're starting to see the benefits. This year has been the turning point," Ladipo added.

Tanzania has set out energy policy which prioritises domestic gas use over LNG. U.S.-firms Symbion Power and General Electric ([GE.N](#)) have already committed nearly \$1 billion to building power plants there.

Mozambique, which has had the world's largest [natural gas](#) discoveries in a decade, two months ago passed a petroleum law which will force oil companies developing LNG projects, including U.S. firm oil Anadarko Petroleum ([APC.N](#)) and [Italy's](#) Eni ([ENI.MI](#)), to use 25 percent of production domestically.

Mozambique is also carrying out a study, partly-financed by the World Bank, for a pipeline linking its gas reserves to neighbouring countries with the continent's most developed [economy](#), South Africa, offering a huge potential market.

Africa Oil, partnered with Marathon Oil Kenya, said in June it was talking with the Kenyan government about fast-tracking a gas-to-power project at its well in the north of the country, which could hold up to 1 trillion cubic feet of gas.

(Additional reporting by [Simon Falush](#) in London; Editing by [Ed Stoddard](#) and William Hardy)

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Africa: Three-step action plan to boost sub-Saharan Africa's energy sector | October 15 | African Review

Source URL: <http://www.africanreview.com/energy-a-power/power-generation/a-three-step-action-plan-to-boost-energy-sector-of-sub-saharan-africa>

The International Energy Agency (IEA) has suggested a three-step action plan to boost sub-Saharan Africa's economy by 30 per cent in 2040

Natural gas production will reach 230bn cu/m in 2040. (Image source: IEA)

The IEA's comprehensive analysis of sub-Saharan Africa finds that the region's energy resources are more than sufficient to meet the needs of the population, but the resources are largely under-developed. The report shows that three major actions could boost the sub-Saharan Africa economy and deliver an extra decade of growth in per-capita income by 2040.

Firstly, an investment worth US\$450bn in power sector can help reduce power shortages by half and provide electricity access in urban areas. More than 620mn people in sub-Saharan Africa i.e. two-thirds of the population live without electricity, and nearly 730mn people rely on dangerous and inefficient forms of cooking. Average electricity consumption per capita is not enough to power a single 50-watt light bulb continuously, added the report.

The IEA report also finds that investment in sub-Saharan energy supply has been growing, but two-thirds of the total investments since 2000 has been aimed at developing resources for export.

Secondly, there is a need for a deeper regional co-operation and integration. This will facilitate new large-scale power generation and transmission projects, which will enable further expansion in cross-border trade.

Grid-based power generation capacity continues to fall short of what is needed, and half of it is located in South Africa alone. Insufficient and unreliable supply has resulted in large-scale ownership of costly back up generators, added the report.

Thirdly, the region is endowed with renewable energy resources including solar, hydro, wind and geothermal. IEA advised a step towards better management and an effective use of these energy resources, which will in turn generate revenue.

Ethiopia: Adama II Wind Farm Generating Electricity on Trial Basis | October 16 | 2merkato.com

Source URL: <http://www.2merkato.com/news/alerts/3331-ethiopia-adama-ii-wind-farm-generating-electricity-on-trial-basis>

The Adama II wind farm is said to have begun operating three turbines on a trial basis and began generating electricity.

According to the Head of Public Relations at the Ethiopian Electric Power, Misikir Negash, the turbines have each installed capacity of generating 1.5 Megawatt of electricity and the farm has managed to successfully generate 4.5 Megawatt.

The wind farm has now reached 81 percent completion rate. The total outlay for this project is estimated to be U.S. \$ 345 Million, out of which 85 percent of it is covered by the Chinese Exim Bank. The Ethiopian Government on the other hand is going to cover the rest.

A 13 Kilometers long power transmission line with a capacity of carrying 230 Kilo Volt has been constructed. In addition to this, as per Negash, the construction of 33 Kilometers long power transmission line with a capacity of carrying 33 Kilo Volt has been finalized.

Source: Fana Broadcasting Corporate

<http://www.2merkato.com/news/alerts/3331-ethiopia-adama-ii-wind-farm-generating-electricity-on-trial-basis - startOfPage>

Ghana: Ghana to Export Electricity to Nigeria, Others | October 7 | Daily Independent

Source URL: <http://allafrica.com/stories/201410080141.html>

By Anayo Korie

Ghana is planning to export thousands of megawatts of electricity to Nigeria, Ivory Coast and other neighbouring countries that have power deficit.

The Ghanaian President, Mr. John Mahama, who confirmed the development at the Africa Global Business and Economic Forum held in Dubai United Arab Emirate over the weekend , said his government had made huge investments in power generation that would enable the country to export excess electricity to Nigeria and other West African countries .

"We have given priority to electricity generation in our country. We have prioritized energy in such a way that we want to become the hub for power production in West Africa. We want to generate electricity to the point that excess power can be exported to Nigeria, Ivory Coast and other countries that have power deficit," he noted.

To achieve this target, Mahama said his country had secured export-import financing from China as well as special funds from Abu Dhabi to commence series of power generation projects, adding that a third hydropower dam project was already at an advanced stage of completion .

The Ghanaian leader spoke in a panel discussion along with President Paul Kagame of Rwanda and President Mulatu Wirtu of the Federal Democratic Republic of Ethiopia.

"Where Africa faces some of its challenges lies its biggest opportunities. We are leveraging on public-private sector partnership to build infrastructure. Be it roads, electricity, ports or communication systems; if we create the right environment, investors will come. Creating the right environment that will attract foreign direct investment is key."Mahama noted.

In achieving this, the Ghanaian leader joined Kagame and Wirtu to highlight the need for African governments to strengthen anti-corruption agencies in their various countries.

"Issues of accountability and transparency are very important. There must be mechanism to fight corruption. We all have institutions but the major thing is resourcing them to effectively fight corruption and perform effectively," he noted.

According to Kagame, African governments must create a system that is not sympathetic to corruption, saying this would help drive the required Foreign Direct Investment into the continent.

"It is one thing to have the institutions, it is another thing to allow them to work. Governance and structure must be in place to make them to work. African governments must fix infrastructure, investment in development of education and skills, and also enhance connectivity among African countries." he said.

Kenya: Cheaper Energy Could Spur Industrial Revolution | October 11 | The Star

Source URL: <http://allafrica.com/stories/201410130537.html>

By James Mbugua

KenGen says it has commissioned 140 megawatts of geothermal energy to be fed into the national power grid. This is part of a 280MW project in four power plants that the company has been putting up and will go a long way to boost the country's installed electricity capacity to over 2,000MW.

The company will not stop there. Because the wells it sunk yielded much more power than initially expected, it will put up an additional 70MW, bringing the total to 350MW of geothermal to be newly added to the grid.

The net effect of this is that the cost of electricity in the country will gradually reduce as geothermal increasingly becomes the source of electricity consumed, which is considerably cheaper than diesel power plants.

However, it is an Expression of Interest notice in the dailies on Thursday that should generate even more excitement. In the EoI, KenGen is seeking to set up industrial parks in Naivasha near its power plants where industries will be fed directly from Ol Karia at considerably cheaper prices.

Only this month, Cadbury's, a chocolate maker, announced it will close its local manufacturing plant and restructure to distribute products sourced from its factories abroad.

Eveready, the battery maker, also announced it will get its batteries from Egypt henceforth, citing high costs of producing locally.

The price of electricity in Kenya has been a big contributor to these developments. By setting up industrial parks, KenGen will go a long way to address these concerns.

It is also likely to spur a revolution in Nakuru county and propel it to become the country's industrial capital.

With close to 1,000MW expected from Ol Karia in the next year or two, and another 1,000MW from Menengai, it is easy to see how this would play out.

With plenty of land for setting up of industries and cheap power available, the allure for industries to relocate to Nakuru to take advantage of these amenities is rising considerably.

Added to the fact that a lot of power is being loaded from nearby Suswa, the Rift Valley basin may be the future for Kenyan industry.

KenGen is seeking to put up five industrial parks on its land near the Ol Karia power plants. Other companies like OrPower and Centum have interests in developing geothermal power in the area.

With Kenya being one of the six immediate beneficiaries of the US Power Africa initiative, more companies could enter this space.

Already, perhaps attracted to the cheaper power, Chinese textile giant, Jiangsu Lianfa Textile, is setting up a cotton processing plant in Naivasha, where it will farm cotton on 50,000 acres and process it creating about 30,000 jobs in the area.

KenGen and Kenya Power will need to put together business development plans to attract industry to the area, while the county government will need to put in place the necessary infrastructure to support an industrial economy.

Such business development ventures should include carrying out studies to establish the state of industry in countries we compete with, to establish what would be the ideal conditions to avail.

Page 2

They should include joint cooperation with the Kenya Association of Manufacturers which has always complained about the high cost of production in the country, to get their views as to what industrialists would like offered.

KAM can advise as to location, facilities required, power costs, amenities such as housing and roads and any other requirements.

The county government should look into planning residential areas in anticipation of higher numbers of people who would work in the factories set up there. Particularly, it should move to prohibit excessive subdivision of land by speculators and where this has occurred, rezone them into single dwelling to prevent development of narrow, ungainly tenements by profit maximising landlords.

The national government should think of putting up an international airport nearby to support industry as well as the existing floriculture sector in the area. This is key if the country is to achieve its dreams of being industrialised by 2030.

Rebased economic data last week showed manufacturing still plays a distant second-fiddle to Agriculture, which is still contributing about 25 per cent of our total production in the country.

The Ministry of Industrialisation should replicate this model in other areas that have high potential for cheaper energy. Hadodo in Wajir is likely to see the development of natural gas power plants after the discovery of sizeable deposits there.

Already, the Kenya Electricity Transmission Company has been asked to extend its network to Hadodo in recognition of this potential.

A natural gas power plant that was to be built at Dongo Kundu is reportedly to be transferred to the area. A similar case applies for Kitui, where large deposits of coal exist.

Kenya: Naivasha Power Plant Complete | October 13 | The Star

Source URL: <http://allafrica.com/stories/201410140293.html>

By George Murage

Work on the 140mw Olkaria IV power plant, Naivasha, is complete.

The plant will be commissioned on Friday by President Uhuru Kenyatta.

Energy Cabinet Secretary Davis Chirchir said the area is already producing 210mw of the expected 280mw.

He said the 210mw has been pumped into the national grid from Olkaria I and IV power plants ahead of the commissioning.

The CS said plans are underway to replace diesel power as it is expensive.

"We expect to add an additional 70mw to the national grid by next month, which will help reduce use of diesel," he said.

Chirchir was speaking at the weekend during a tour of the Olkaria IV power plant accompanied by Energy PS Joseph Njoroge and Kengen managing director Albert Mugo.

He said the government will carry out a study to determine Kenya's power demand.

Chirchir said the study aims to determine how much power is needed against a rise in demand and a drop in power charges.

He said power supply currently stands at 2,000mw and will rise to 2,300mw in December against a demand of 1,500mw.

The CS said that between July and August, the cost of power had dropped by 20 per cent.

Kenya

Kenya: Thermal Power Generation Rises As Hydro Dries Up | October 7 | The Star

Source URL: <http://allafrica.com/stories/201410071531.html>

By James Waithaka

DIRECTION: Cabinet Secretary for Energy Davis Chirchir with Kenya Power MD Ben Chumo inspect the ongoing maintenance on Ngara Road, Nairobi. Photo/PATRICK VIDIJA

More thermal power has been loaded on to the national grid this year, fresh data show, meaning electricity costs have remained considerably higher despite an increase geothermal capacity.

Kenya Power data show thermal sources, which are diesel-fired and thus more expensive, generated 2,024.69 kilowatt-hours, 64.1 per cent higher than the 1,234.17kWh up to August last year.

As a composition of the total electricity generated, thermal accounted for 34.5 per cent of the 5,870.51kWh generated in the period, higher than last year's 23.2 per cent.

This watered down the impact of increased geothermal generation in the period, which would have offered power consumers relief as it is a cheaper source by far.

Deployment of thermal energy has been attributed to significantly lower hydropower generation owing to insufficient rainfall early in the year. The country over-relies on hydro sources for electricity, making it vulnerable to weather shocks such as drought.

"The country experienced rainfall challenges up to around February and we have not quite recovered since," Kenya Power managing director Ben Chumo told the Star on phone yesterday.

"It is important to appreciate the net effect realised on the energy mix; at the moment, there is a race between thermal on one side and hydro and geothermal on the other. The less hydro generated, the more thermal required."

Hydropower generated in the period decreased by 22.5 per cent to 2,264.73kWh, making up 38.6 per cent of total electricity generated up to August. In a similar period last year, hydro contributed 2,921.43kWh to the grid or 54.9 per cent of total generation.

Cumulative geothermal power produced in the period was 35.7 per cent higher at 1,581.09kWh from 1,164.85kWh in 2013. As a ratio of total generation, geothermal accounted for 26.9 per cent, higher than last year's 21.9 per cent.

Chumo said the country is shifting its energy mix to have more geothermal on the grid, as well as increase the thermal capacity despite it being expensive. Power bills carry a monthly fuel cost charge, which is affected by oil prices and the quantity of thermal generation in a period.

On September 26, Kenya Power gazetted a fuel cost charge of Sh5.71 per unit, a downward revision from the previous Sh7.22 per unit, slightly bringing down the electricity costs.

"Considering the current mix, levels of investment being channelled into hydro are minimal compared to geothermal and thermal. We aim to achieve three of adequate power, reliability and quality, and competitiveness," he said.

Chumo said 210 megawatts of geothermal has been added to the national grid this year and a further 70MW is being "tested" and is expected to come in fully by end of November.

An additional 70MW of geothermal is anticipated by end of December to bring the total capacity injected to the grid this year to 280MW. Further, about 183MW of thermal capacity is planned in Thika and Athi River.

"Despite clamour for cheaper power, there comes a time when reliability is of greater concern than the price. We don't want to be in a situation where we don't have adequate electricity, let alone expensive one," Chumo said.

The objective of overhauling the energy mix, he said, is not to reduce the cost instantly but to create a situation where hydropower is not the dominant source due to increasingly unpredictable rainfall.

Chumo said the fuel cost charge is to be slashed significantly by December to lower power costs in the short term.

Nigeria Needs 6.5 Million Pre-Paid Meters in Five Years | October 14 | Vanguard

Source URL: <http://allafrica.com/stories/201410140393.html>

By Jonah Nwokpoku

Techno Gas and Power, a subsidiary of Techno Oil Limited has hinted that Nigeria's power sector needs at least 6.5 million prepaid meters to meet the energy needs of electricity consumers and help investors in the sector recoup their investment.

For this reason, the company said it has sealed a deal with a Bulgarian Metering Solution company, Incotex to produce 350, 000 pre-paid meters yearly in Nigeria.

Managing Director of Techno Gas and Power, Mr. Collins Onyema who disclosed the partnership to newsmen in Lagos said the country currently has over six million deficit of pre-paid meters in circulation that needs to be addressed.

The partnership became necessary to urgently address the vacuum created by the inability of the erstwhile Power Holding Company of Nigeria, PHCN to provide meters where they are needed.

"We are all aware of the discomfort suffered by millions of electricity consumers nationwide, who are unable to get electricity meters due to no faults of theirs," he said.

He explained that the current Nigeria meter market is worth over N150 billion.

Mr. Oyeama also hinted that the planned Techno Gas and Power meters will bring succour to investors in the sector because they are "tamper proof"

"The practice of many consumers to bypass meters and connect directly would be a thing of the past. The meters would read even when it has been bypassed by customer and at very low voltage," Mr. Oyeama said.

He equally noted that Techno Gas and Power decided to tackle the problem of meter short fall in the sector by entering into the partnership with the European firm to make meters available to Nigerians

Oyeama lamented the difficulties many electricity consumers often go through to get meters stating that "I can now assure Nigerians that the era of 'no meter' or estimated billing will soon be over with the decision of Techno Gas and Power to embark on mass production of meters in partnership with Incotex."

He further hinted that his firm and Incotex has held exploration talks with electricity Distribution Companies, DISCOs in Enugu, Ibadan, Ikeja and Eko DISCOs to ensure smooth business relationship.

Nigeria: Four Nigerian Firms Win GE, USAID U.S.\$400,000 Off-Grid Energy Challenge | October 16 | This Day

Source URL: <http://allafrica.com/stories/201410161200.html>

By Ejiofor Alike

Four Nigerian companies have emerged winners of the Power Africa Off-Grid Energy Challenge sponsored by General Electric (GE), the United States Africa Development Foundation (USADF) and the United States Agency for International Development (USAID), with each of the four companies receiving a grant of \$100,000.

The companies - Ginpheed Nigeria Limited, Quintas Renewable Energy Solutions, Sky Resources and Topstep Nigeria, all submitted entries on how renewable energy resources can be deployed to power socio-economic activities within communities in Nigeria that are not connected to the country's national grid.

The Nigerian companies joined 18 other grant winners from Liberia, Ghana, Tanzania, Ethiopia and Kenya. Over 300 entries were received across the continent.

Ginpheed Nigeria, a company based in Cross River State, emerged as one of the winners with its innovative solution to the Ginpheed Farm's energy needs.

By constructing a bio-digester to convert animal manure into biogas to be used for electricity generation for cottage industries in the surrounding communities, Ginpheed is successfully putting an end to the electricity challenge of that community.

Quintas Renewable Energy Solutions is solving the challenge of access to grid energy in the Ofosu community of Ondo State, which lacks access to grid electricity, but has a strong local farming industry.

The company plans to develop a 500 kilowatt biomass power plant which will take advantage of the community's agricultural and forestry residue, including sawdust from the four area sawmills that currently rely on expensive diesel for power.

The new power plant will include a steam turbine, generator, and gasifier with a combustor, and the electricity will be paid for through pre-paid meters.

On its part, Sky Resources Limited, is promoting renewable energy technologies for the Nawgu community of Anambra State through a solar-powered micro grid.

The community is not connected to the national electricity grid and grid extension is unlikely for some time.

Over 75 micro- businesses are expected to benefit from this initiative, and the \$100,000 grant could extend the number of beneficiaries even further.

Topstep Nigeria, with its focus on renewable energy and energy conservation, is catering for the needs of Babban Gona Agricultural Franchise in Kaduna State.

The outfit is a 2,000 member strong farmer cooperative located in the Makarfi and Ikara Local Government Areas of Kaduna State.

In order for the member farmers to increase their income, they need to increase market value of their produce by adding value to their produce through post-harvest processing.

Currently, they do not have access to reliable electricity. Topstep is addressing this constraint by expanding the current solar maize mill processing station.

The project is increasing the existing processing capacity to 1,400 metric tonnes of maize per year by installing five processing stations located near the farmers' fields. Speaking at the elaborate event, held on Tuesday night in Lagos, the United States Ambassador to Nigeria, Hon. James F. Entwistle commended GE and partners for making practical efforts to bring the Power Africa initiative to life in the continent.

He said the fact that some communities were already benefitting from this effort in Nigeria and Kenya was very fulfilling for the US government. The ambassador called on the winners for the year to make judicious use of the \$100,000 grant in impacting on their respective communities. GE Africa's Global Supply Chain Leader, Mr. Phil Griffith, said GE was very impressed with the quality of the projects and the thinking that has gone into them. "This further validates our belief that adequate investment in human capital is a key driver of socio-economic growth anywhere in the world," he said.

Nigeria: Fresh Vista for Private Sector Power Generation | October 16 | The Guardian

Source URL: <http://allafrica.com/stories/201410160908.html>

By Emeka Anuforo

Abuja — GOING by estimates of the United Nations, Nigeria's population will reach 230 million within the next 20 years, and the total grid-based power generation capacity must rise during this period, by at least ten folds to meet the demand.

The Federal Government, in November 2013, completed the privatization of the power sector with the handover of Power Holding Company of Nigeria (PHCN) power plants to private sector purchasers.

The privatization programme is regarded as one of the most comprehensive and ambitious power sector privatization and liberalization programmes in the world.

But so far, the private sector only took over existing government assets, many of which were in critical condition. Research shows that the Nigerian Electricity Regulatory Commission (NERC) has, over the years, issued over 60 licensed independent power plants (IPPs), with over 13,000 potential megawatts locked up as unending challenges continued to plague their take-off.

Some of the challenges which they had raised in the past were the issues of guarantee that the power they produce would be mopped up by an off-taker and also the right regulatory environment that attracts heavy local and international financiers.

On August 23, 2011, the Presidency inaugurated the Board of the newly established Nigerian Bulk Electricity Trading Plc (NBET, or Bulk Trader it is technically referred to in the sector) with Coordinating Minister of the Economy, Dr. Ngozi Okonjo-Iweala as the Statutory Board Chair. NBET is designed as a special purpose vehicle for carrying out, under license from the Nigerian Electricity Regulatory Commission (NERC), the bulk purchase and re-sale function as contemplated by the Electricity Power Sector Reform Act of 2005.

NBET purchases electricity from the generating companies through Power Purchase Agreements (PPAs) and sells to the distribution companies through Vesting Contracts. The generation companies include the recently privatized PHCN successor companies, the NIPP power plants developed by the Niger Delta Power Holding Company, the already existing Independent Power Producers (IPPs) and the new IPPs.

NBET has now been capitalized to the tune of \$800 Million, signifying a great boost to the attractiveness and upside potential of the successor companies and other new investors in the sector.

At the weekend, potential investors heaved what looked like a sigh of relief for private sector emergence as key drivers in the expected growth in generation capacity, as President Goodluck Jonathan flagged off the construction of the \$1Billion Azura-Edo Power Plant in Ihovbor, Edo State.

The Azura-Edo project is seen as the first of a new wave of project-financed greenfield IPPs currently being developed in Nigeria, and would hopefully pave the way for other project financed IPPs in Nigeria.

It is, indeed, the first independent power project in Nigeria to benefit from the World Bank Partial Risk Guarantee and Multilateral Investment Guarantee Agency (MIGA) support.

The execution of the template, industry standard, power purchase agreement (PPA) between the Nigeria Bulk Electricity Trader (NBET) and Azura Power has been described as a path breaker amongst the first wave of project-financed IPPs and a concrete demonstration that the wholesale generation tariffs adopted by NERC are now seen as bankable by the international finance community.

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The plant is the first of a new wave of large scale, project financed, green field IPPs currently being developed in Nigeria with debt and equity sourced from a consortium of local and international financiers.

First phase of the project is expected to generate about 450 Mega Watts of electricity by 2017, while the phase 2 would involve conversion to combined cycle to increase capacity to 670 MWs, and 1500 MW in the longer term plan of the project.

About 14 banks and financial institutions from eight countries are investing in the project, which is owned by Azura Power Holdings Limited.

President Goodluck Jonthan, who performed the official foundation laying ceremony of the power plant, described it as a major milestone in the nation's power sector reforms programme, noting that government was happy to associate with Azura as this model of private sector investment in new generation capacity, represents the next logical step in the nation's vision for uninterrupted access to power for our people.

The President noted: "This project is a first in many ways. It is the first fully financed private sector power plant to get to this final stage, under the new framework facilitated by our reform instituted agencies. It is the first power generation project to receive the World Bank Partial Risk Guarantee and Multilateral Investment Guarantee Agency (MIGA) support. It is also the first signal from the global financial industry, that the years of work that the Federal Government has dedicated to the reform of the power sector, in order to attract private sector developers and financing, is finally yielding results.

"Indeed, this 450megawatts of new generation capacity, has attracted almost a billion dollars, mainly in foreign direct investment, into the power sector; comprised of \$700 million in construction of the power plant, and \$300 million in associated gas supply infrastructure. I am greatly encouraged today, at the progress made so far, towards reforming the power sector, since I launched the Road Map on Power Sector Re

"We sought to fulfill the intent of the Electric Power Sector Reform Act of 2005, which strives to liberalize the sector and bring in private sector ownership, management and financing to the industry. And we understood that electricity would be the catalyst for the growth of the economy, which would ultimately improve the lives of millions of Nigerians.

"The Power Roadmap has set out the key foundational issues that needed to be addressed, to remove the obstacles to private sector investment, thereby enabling sectoral growth. The major objectives of the Roadmap were to strengthen the industry regulator, the Nigerian Electricity Regulatory Commission (NERC); create a bulk trader as a credit-worthy buyer and reseller of electricity needed for investments in generation; conclude the privatization of the unbundled Power Holding Company of Nigeria (PHCN) successor generation and distribution companies, and resolve the associated labour issues; put in place a management contractor for the Transmission Company of Nigeria (TCN); and create the right environment for fuel-to-power investments."

The President went on: "We also recognized that the fastest way to improve power supply, in the near term, was by completing the National Integrated Power Plant (NIPP) projects, which had been suspended for a number of years. Subsequently, we have addressed every one of those issues by: reconstituting and empowering an independent Nigerian Electricity Regulatory Commission; establishing the Nigerian Bulk Electricity Trading Plc (NBET) as 'The Bulk Trader' and a credit worthy off-taker by capitalizing it to the tune of more than \$800 million; concluding the privatization of the PHCN successor companies through a globally adjudged transparent process, and settling all the labour liabilities; adjusting the framework for gas-to-power towards greater production and reduction

in flaring. Just this August, I commissioned the private sector-developed gas processing plant in Akwa Ibom which testifies to the progress we have made in this direction; and finally, we have completed majority of the NIPP projects. Near here, in close proximity to the Azura power project, is the 508MW Ihobvor NIPP power generation plant, which has been generating power since last year."

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The Azura project, Jonathan went on, demonstrates that the nation had laid a strong foundation on which we are building a sound and sustainable electricity industry, with great expectations for robust growth in the sector.

He stressed: "However, success in any endeavour does not happen by accident, but is facilitated by sound decisions, conscious effort, and immense persistence. We are committed to irreversibly repositioning the Nigerian power sector as a pivot for the attainment of the nation's developmental targets. We are also maintaining our policy push for increased diversification of our energy, expanding investments in large hydro power projects through public-private partnerships, and the provision of necessary support to accelerate the exploitation of our coal resources.

"Let me at this juncture reassure all, that the Federal Government will continue to ensure that the growth of the electricity industry becomes self-sustaining and sustainable. My administration is fully committed to continuously improving the framework and enabling environment based on sound policy formulation, access to long-term low interest finance, and transparent and consistent regulatory guidelines.

"However, such a framework can only be robust when the private sector works in partnership with the public sector. I would like to take this opportunity to thank the government and good people of Edo State for fervently supporting this project.

"I commend the Ministries of Power and Finance and the Coordinating Minister for the Economy, who is also the chairman of the board of Nigerian Bulk Electricity Trading Plc (NBET), and our partners at the World Bank and USAID for providing the credit and technical support to the Bulk Trader. I congratulate also the sponsors of the Azura Edo IPP project and NBET, for a job well done."

He charged the host community to partner with government to protect investments in their communities, stressing how such investments had longer benefits to their people.

His words: "Let me also appreciate the dedication and hospitality of the Chiefs and the people of Ihobvor for being gracious hosts, not just to the Azura project but also to the NIPP Ihobvor power plant as well. When communities work in partnership with government and the private sector, they thrive, and the entire country benefits.

"I want to use this opportunity to call on all the local communities around the country who are hosts to several federal, state and even private sector projects, that have been hindered by community disruptions, to recognize that in partnership there is development and so, everyone must play their role."

He urged the sponsors of their project and their contractors to ensure that the estimated completion date of early 2017, is met.

Managing Director of the Nigerian Bulk Electricity Trading Company (NBET), Mr. Rumundaka Wonodi, explained that the NBET-Azura Power Purchase Agreement guarantees that NBET (the Bulk Trader) would off- take 100% of the plant's output for the next 20 years.

His words: " The Azura-Edo IPP, which is NBET's first greenfield project, is important to the Nigerian power sector reform process. It is significant in that it sets the precedent for other independent power plants to follow. Projects such as these help achieve Mr. President's power reform targets, as it paces the way for millions of Nigerians to access power in the medium term. NBET is committed to working in partnership with local and international investors and development partners."

Mr. Sundeep Bahanda, co-founder of Amaya Capital and Dr. David Ladipo, Managing Director of Azura, in a joint statement said: "This ground breaking ceremony is a major milestone in our project development timeline, and the President's endorsement a strong demonstration of the critical importance of this project to the Nigeria power sector reforms. By working closely with the government over a number of years the Azura-Edo project has been used to develop many of the template contracts and documentation that will be used in project financed power projects over the coming years."

In the words of Okonjo-Iweala: "We have set about attracting new investors into the sector to build new power plants and add to the already existing generation capacity. This is where independent power projects such as the Azura-Edo IPP come in."

Minister of Power, Chinedu Nebo said: " The Azura-Edo IPP is a testament to the new possibilities in the Nigeria Electricity Supply Industry. It is a landmark project fully backed by the government."

Nigeria: Sector Set to Enter Transitional Electricity Market | October 14 | The Guardian

Source URL: <http://allafrica.com/stories/201410151429.html>

By Emeka Anuforo

Abuja — AFTER months of delay, the Nigeria electricity is set to enter the much awaited Transitional Electricity Market (TEM).

The much awaited market is part of the critical phases of the electricity reform agenda, when all electricity trading arrangements would be consummated through contracts. Operators are to be bonded by contracts and respect for contracts. During this era, every power producing asset, or any electricity supply would come under a contract, with heavy penalties metered out for failures.

The Nigerian Electricity Regulatory Commission (NERC), has announced that the nation had met all the conditions required for this critical phase, and that the Commission would immediately advise the Minister of Power, Prof Chinedu Nebo, to make the statutory declaration that the market had entered TEM.

By this development, Nebo would in few days from now declare the market open for trading on the terms of TEM.

Nigerian Electricity Regulatory Commission (NERC) has said that Nigeria's liberalised electricity market is now ready to go into the next stage of its transitional phases, the Transitional Electricity Market (TEM).

NERC Chairman, Sam Amadi, said in Abuja that the sector would now enter a very critical phase that would ensure better delivery for consumers.

The final condition for TEM was the establishment of a market Dispute Resolution Panel (DRP) which it has done.

Inaugurating a 12-man DRP set up as part of the CPs by the Commission to mediate on conflicts of interests between market participants in Nigeria's Electricity Supply Industry (NESI), the NERC stressed the other informal CPs that were not listed in the interim market rules but were necessary for the market to operate optimally are been finalized by the Commission.

Under TEM, Distribution companies are also required to activate extant vesting contracts with the Nigerian Bulk Electricity Trading Plc (NBET), while generation companies would activate their Power Purchase Agreements (PPAs). The Gas Supply Agreements (GSAs) with gas suppliers would also be activated.

His words: "By today's event, we have met the last condition precedent for the commencement of the Transitional Electricity Market (TEM) as prescribed by the market rules.

"Now that we have completed the last of the formal conditions precedents and we are effectively handling the informal conditions precedent, NERC is poised to recommend to the minister of power to declare the commencement of TEM at a named date."

Amadi continued: "In the days ahead, we will notify the minister of power to make such declaration. We are confident that the Nigerian electricity market is ready to successfully enter the transitional stage.

"The formal CPs include the approval of grid codes and market rules, establishment of an independent regulator, establishment of market operation and system operation with functional capabilities and the establishment of a market dispute resolution mechanism.

"Today's celebration marks the completion of the formal CPs. NERC recognises that there are some informal CPs not listed in the market rules but necessary for the optimal working of the market. These include a fully cost reflective tariff, confirmation of reliable gas supply to power plants and validation of gas supply and power purchase agreements."

Amadi stressed how efforts by his Commission, Central Bank of Nigeria (CBN), ministries of power and petroleum resources to deal with the market's legacy debt and revenue shortfall in a sustainable manner were part of moves to deal with the non-market rule conditions precedent.

The dispute resolution counsellor, Dr. Mamman Lawan, heads the dispute resolution panel with the following as members: comprise of Nnenna Ahakannah, Ejekam Nnenna, Adeyemi Oyedele,

Hussani Mohammed, Boma Ozobia, Adeyemi Akinsanya, Tamuno George, Sadiku Folorunsho, Olufunmi Roberts, Okechuckwu Chiazor, Ezekiel Osarieme and Augustine Mamadu.

They are reported to be engineers, economists and legal practitioners and have undergone screening on conflicts of interests. They are on a five years, two renewable terms tenure of appointment.

NERC however noted that while they are mandated to mediate on matters relating to the market codes, the panel will not be allowed to entertain any matter relating to amendment of the market rules and charges of the market and system operators.

Nigeria: Unido, FG Collaborate On Power for Industrial Clusters | October 14 | Vanguard

Source URL: <http://allafrica.com/stories/201410140419.html>

By Chris Ochayi

The United Nation's Industrial Development Organisation, UNIDO, has promised to work with the Federal Government to make power available to industrial clusters to ensure maximum production in the country.

UNIDO Country Representative, Mr. Patrick Kormawa, who disclosed this in an interview in Abuja, noted that the major goal of government to create jobs for the teeming youth will be realised if industrial clusters had power.

He also revealed that UNIDO in collaboration with other development partners have funded a \$5 million, five tonnes per hour rice production in Ebonyi State.

Kormawa said UNIDO has big donors agencies like the European Union, EU; the World Bank; French Agency for Development; African Development Bank; and the German International Agency, to turn around the state of power supply in Nigeria.

According to him, "UNIDO is a technical agency that stands to promote inclusive and sustainable industrial development, and why are we interested in power? We are interested in power because without power industrialisation remains a mirage. Without power, we cannot lift the majority of Nigerians out of poverty which means industrialisation will not happen.

"If you look around the world, prosperity and access to power are highly correlated, so that is one point. Now UNIDO, its interest here is to work with the Federal Government to ensure that power is available to industry clusters and when industry clusters have power, of course the major goal of government which is job creation for the teeming youth would be achieved.

"Now UNIDO is the co-chair of the donor coordination group on power, and the donor coordination group on power comprises of big donors in this Nigeria. You have the European Union who has a huge programme on power, which is also supporting the power sector. We have the World Bank who is contributing towards the power sector development in this country.

"We also have the French Agency for development, they are also investing huge amount of money in the power sector. We have the African Development Bank. We have the German International Agency.

"All of these are working together as a group to ensure that there is what we refer to as development assistance to the Nigerian Government in terms of the power sector yielding the necessarily impact. That there is coordination among the team to make ensure that they can provide the needed support that is required by the government.

"Take for instance, throughout the privatisation process, some of these agencies supported the federal government in terms of analysis, in terms of capacity building and in terms of linking them up with financial institutions. These are some of the supports the group is making for the country.

"In particular for UNIDO, the organisation that I lead, our interest is to support the development of renewable energy sources in Nigeria. Why is that important to us? It is important because Nigeria has the three major sources of energy from which we can have renewable energy. They have abundant number of rivers which have the potential to provide energy.

"We have been able to map all those potential areas together with the Federal Ministry of Power, and we have just provided a map. Hopefully, we would be calling an investors' forum to showcase what the potentials are, what the investments required are, and what are some of the incentives that government is giving so that the private sector can engage in them.

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"Second, is the area of solar. You know this country is blessed. In the northern part of this country, you have longer sunlight even down to below the Niger. All of these areas from Sokoto down to the South of the Niger have abundant sunlight. So how can we promote investment in solar energy so that household in rural communities can also enjoy the benefit of electricity?

"The third area is what we call biomass, waste either from municipalities can also be used to generate energy. For that particular programme, UNIDO has done a prototype in Abakiliki, Ebonyi State, and now we are working with the Governor of the state, Chief Martins Elechi, to have a five megawatts project. And he has already awarded the contract and by the next 18 months that power plant would come on board.

"Why is that important? In his development programme, he has put in place what he calls a rice processing cluster knowing that Abakiliki is known for rice. He has galvanised all the rice millers in the three separate locations, and he wants to ensure that they have uninterrupted supply of power.

"The most important and most interesting thing here is that, the waste from the rice processing is used as a substrate to produce energy. That will really reduce the cost of rice processing in that area and will make rice available to the Nigerian populace at an affordable price. Those are some of the examples that UNIDO is introducing into the country.

Kormawa, who said UNIDO is not involved in funding projects directly, explained that, "in terms of money, as I mentioned to you, UNIDO is a technical institution. We do not give money directly, but our partners that we work with support the programmes. So working with UNIDO, we provide the technical assistance.

"For instance, the programme in Ebonyi may never have come on board without our assessment of how that state can be a leading quality rice producer of this country."

Tanzania: Aggreko Supports State On Emergency Power Use | October 11 | Tanzania Daily News

Source URL: <http://allafrica.com/stories/201410131246.html>

By Finnigan Wa Simbeye

PLANS by the Ministry of Energy and Minerals to stop using power from independent emergency producers effective next January, has been supported by one of the major energy solution company, Aggreko.

Aggreko Managing Director for East Africa, David Edwards, said his company will look at different investment portfolios available in the country other than focusing on emergency power generation.

"It's good that the government will stop using power from emergency power producers because it shows stabilization of the national grid," Mr Edwards said on Thursday evening, while inaugurating a modern warehouse and main offices in the country.

He said the country's vast natural gas discoveries will open up a whole new avenue of investment areas which Aggreko will exploit, saying a stabilised national grid will also help spur economic growth.

"Aggreko will continue investing in this country which has abundant natural resources and a steady economic growth," pointed out Edwards.

Aggreko which supplies 40MW of power to the national grid and US based Symbion Power which supplies 100MW account for almost 80 per cent of the 26bn/- bill which state owned utility, Tanesco pays emergency power producers.

Edwards also said he is not opposed to lowering power tariffs as proposed by Ministry of Energy and Minerals once natural gas fired plants at Kinyerezi start generating feeding the national grid next December.

"It's a good thing if the production cost is covered because of use of natural gas," he noted, saying the Glasgow based company not only generates and supplies power, but also manufactures, services and dismantles power generation plants.

Tanesco Board Chairman who is a retired Tanzania Chief of Defence Forces, General Robert Mboma, wrote a letter to Ministry of Energy and Minerals last November, informing the parent ministry that after expiry of the Aggreko and Symbion contracts, Tanesco will not renew them.

"This decision has been made by the board to avoid losses caused by hiked power tariffs and capacity charges by independent power producers," Gen. Mboma said in the letter which Ministry

has supported. Recently, Minister for Energy and Minerals, Professor Sospeter Muhongo said the decision made by Tanesco's board of directors will not only affect Aggreko and Symbion but all other independent emergency power producers.

"The fact is that these contracts will expire this October and Tanesco has no reason to renew them because of the natural gas powered generation which will feed the national grid by next December," Prof Muhongo said.

Aggreko employs over 6,000 people operating from 202 locations globally including over 190 in East Africa which includes Tanzanians. In 2013 we served customers in about 100 countries and had revenues of approximately GBP 1.6bn (USD 2.5bn or Euros 1.9bn).

Aggreko also installs and operates power plants, generating capacity for electricity produced, design and manufacture equipment specifically for clients needs at its factory in Dumbarton, Scotland.

Tanzania: Rural Electrification Drive Gets Major Boost | October 9 | Tanzania Daily News

Source URL: <http://allafrica.com/stories/201410090762.html>

By Finnigan Wa Simbeye

FOUR local firms have received 400,000 U\$ (over 600m/-) grants from United States African Development Foundation to help enhance rural electrification.

At a presentation ceremony held in Dar es Salaam on Wednesday and presided over by Energy and Minerals Minister, Professor Sospeter Muhongo and USADF President and Chief Executive Officer, Shari Berenbach, the four local firms were among 60 applicants of a Power Africa Off-grid Energy Challenge: Round II Winners.

"I congratulate our four local companies and urge them to use the grant fruitfully," said Prof Muhongo who paid tribute to US based technology giant, General Electric Inc and United States Agency for International Development for supporting the initiative. Prof Muhongo said the government has given priority to rural electrification to tame poverty which is mainly caused by lack of energy.

"In that respect we commend GE Africa, USAID and USADF for supporting us in this endeavour," the Minister noted affirming that the government's goal is to ensure that more rural people are connected to the national grid.

The four local winning companies include Jamii Power Limited, L's Solution Limited, Lung'ali Natural Resources Company Limited and Space Engineering. USADF chief, Ms Berenbach said over 300 entries from six African countries applied for the annual grant. "The purpose of the challenge is to make available small business proposals of innovative ideas for rural electrification.

The idea is to support these entrepreneurs with seed funding so that they can later get commercial funding," said Berenbach. She said the grants are mainly focused on renewable energy projects targeting rural populations in six African countries to assist provide power supply to such groups of productive people.



"This is a one off grant which we hope will assist these entrepreneurs break into the commercial power generation market," the USADF chief noted. The six African countries include Ethiopia, Ghana, Liberia, Kenya and Nigeria.

According to details provided by the four local companies; Jamii Power will expand its 11 kilowatts generation system to 33kW while Space Engineering will develop a hybrid solar biomass power plant to generate and distribute 40kW of electricity to 592 households.

Lung'ali Natural Resources will develop a small hydro-power system to supply power to more than 242 households and also provide loans while L's Solution will build a 12 kW solar powered mini grid to connect 120 households, 10 businesses, three health centres and four schools to electric supply.