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Karuma dam works to take at least 10yrs

Risky. A delay means government would have to come up with medium term sources of power to meet the increasing consumer demand.

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KAMPALA. Electricity consumers will have to wait even longer for relief from the power crisis since the 600MW Karuma dam project will take at least 10 years to complete, an energy expert from the United Kingdom has said.

The project estimated to cost \$2.2b (about Shs6 trillion) will start in May and according to the original government plan, should be complete in five years, but Mr Neil Pinto, the chief executive officer of Power Planning Associates Ltd, a UK firm contracted to work on the project, Karuma would take a minimum of 10 years to complete.

"Bujagali is estimated to have cost \$1b. My estimate is that Karuma will cost \$2.2b. There are several engineering challenges that are going to be presented by Karuma such as long tunnels that shall have to be built," he said.

Mr Pinto said unless government establishes new electricity plants by 2014, Ugandans would

be in exactly the same position in two years that they are presently in. He proposed that government builds heavy fuel oil power station in the meantime because it can be done faster.

Mr Pinto was on Wednesday speaking in Kampala during a public dialogue organised by the Makerere University Economic Policy Research Centre brainstorm on energy sector reforms.

Electricity demand is growing at 10 per cent annually whereas generation is growing at 4.7 per cent, which has partly led to power shortage and subsequent load-shedding in the country.

The chairperson of Parliament's Committee on the National Economy, Mr Stephen Mukitale, said government had 'over-hyped' large hydro-electricity projects at the expense of other energy sources. He said Parliament is considering compelling citizens to use solar energy.

The proposal would require that before a residential plan is approved, it should have solar panels. He said this was meant to save the little power that is generated for other purposes.

While Energy Minister Irene Muloni said power subsidies had reached "unsustainable levels, especially given the need to invest in new generation capacity and increasing access to rural areas."

UEDCL to share in Umeme deals

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KAMPALA. The Uganda Electricity Distribution Company Ltd (UEDCL) wants a say on what items power distributor Umeme Ltd invests in.

UEDCL board chairman Gad Gasaatura said they had in the past come across claims by Umeme that turned out to be inaccurate.

"We should have some input on whether they are buying Prados (luxury cars) or investing in transformers," said Capt. Gasaatura while addressing a public dialogue on Electricity Sector Reforms in Kampala on Wednesday.

He added that it would be more prudent for UEDCL and Umeme to be in touch since it is the former's assets that the latter is using.

He said whenever UEDCL would write to the Electricity Regulatory Authority (ERA) and Umeme, it would never hear from the two.

"We are stuck with them (Umeme). And when you run to ERA, it claims that it is independent," added Capt. Gasaatura.

He said there was need for a mechanism to monitor whether ERA sets lower benchmarks for the investor, knowing that this is a mono-investor and a mono-distributor.

Under the Lease Support Agreement, UEDCL was supposed to monitor the use, efficiency and input at least once a year. ERA oversees the power sector.

However, it has consistently said that it does not micromanage the utility and that, to an extent, it goes by Umeme's claims.

Capt. Gasaatura, however, said he was not calling for cancellation of the Concession Agreements between government and Umeme.

Umeme last year engaged in a publicity blitz through which it claimed that it had invested at least \$150 million (Shs360 billion) on the network by the end of 2011.

Last November, Parliament heard that Umeme claimed to have invested \$29m (Shs75.4 billion today) on non-core items over the last five years and passed them off as investment in the distribution system.