



THE REPUBLIC OF UGANDA

MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

SPEECH FOR LAUNCH OF THE ENERGY WEEK AND EXHIBITION 2018

ENG. IRENE MULONI, MINISTER OF ENERGY AND MINERAL DEVELOPMENT

VENUE: KCCA GROUNDS LUGOGO

DATE: 25TH SEPTEMBER 2018 | TIME: 11.00 A.M

**Honourable Ministers and Members of Parliament,
The German Ambassador to Uganda,
The Ambassador of the Kingdom of the Netherlands to Uganda,
Permanent Secretary MEMD,
Government Officials,
Distinguished Guests,
Energy Exhibitors,
Members of the Press,
Ladies and Gentlemen.**

1 INTRODUCTION

- 1.1 It is with great pleasure that I welcome you all to today's launch of the Energy Week and Exhibition 2018 which started yesterday on the 24th of September, 2018 ending Saturday the 29th of September, 2018.
- 1.2 The Energy Week is an annual event organized by the Ministry of Energy and Mineral Development. This year's Energy Week is the 14th Edition. Allow me to extend my gratitude towards the people who have marched with us as we commemorate the Energy Week 2018 and more so the Uganda Police Band who have led us through the Energy March.
- 1.3 I wish to recognize the important contribution of Ministry technical staff led by the Permanent Secretary for making sure the Energy Week is held annually until now.
- 1.4 To the exhibitors, I would like to thank you for bringing the technologies, and information regarding the sustainable energy use to the Ugandan population.
- 1.5 The overarching goal of the Energy Week 2018 is to sensitize the general public about different ways of utilizing energy resources in a sustainable manner and to facilitate the exchange of ideas and discussions on pertinent energy related issues.
- 1.6 By so doing, the Ministry's mandate of Establishing, promoting the development, strategically managing and safeguarding the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development is fulfilled.

2 THE OBJECTIVE OF THE ENERGY WEEK 2018 IS TO:

- 2.1 Provide a platform for engaging stakeholders and establishing dialogue on the many challenging aspects of energy and minerals sector;
- 2.2 Promote the private sector's involvement in the development of the energy and minerals sector;
- 2.3 Increase public awareness on the efficient utilization of Uganda's energy and mineral resources so that they can become better stewards in the utilization of all forms of energy;
- 2.4 Achieve more efficient and coordinated actions of government, private sector and civil society towards increasing sustainable energy use for the development of the country;
- 2.5 Promote the sale and utilisation of renewable energy and energy efficient technologies - this will in turn support the private sector in the promotion of their products.

3 THE THEME:

- 3.1 The theme for this year's energy week is **"Transforming Uganda's Energy Sector through Innovation, Investment and Integration"**.

4 UPDATES ON NEW DEVELOPMENTS IN THE UGANDA'S ENERGY SECTOR

- 4.1 Government is making significant progress towards achieving the NDP II targets for increased power generation capacity as follows:
 - a) Fast tracking the construction of Karuma Hydro power plant 600MW and Isimba Hydro Power Plant 183 MW towards completion. The construction progress stands at:
 - Karuma Hydropower Plant is at 80% complete as at the end of August, 2018. Project completion date is set at December, 2019;
 - Isimba Project is 90% complete as at the end of August, 2018. Project completion date is set at March, 2019.
 - b) Seventeen (17) small renewable energy projects under the GET FiT program expected to add 156MW to the National Grid. To date 81.7MW of these renewable energy projects have been commissioned. Additional 30.7MW will be completed this FY2018/19 and the rest are at various stages of construction to be completed by the end of 2020.

- c) Other Projects to be developed with the Private Sector include: 50 MW from Cogeneration using bagasse; 50 MW Power generation from Solar PVs; 150MW Thermal Power Plants using Uganda's oil resources; 30 MW power plant from Peat; 30 MW Power plant from Municipal waste; Oriang (392 MW) and Kiba (300 MW) Hydro Power Plants, Ayago (840MW) as private developments.

4.2 A number of transmission lines have been earmarked to evacuate power from the generation plants and these include:

- Tororo-Opuyo-Lira 132kV; Mbarara-Nkenda 132kV; Bujagali-Tororo-Lessos 220kV; Karuma –Kawanda 400kV; Bujagali – Isimba 132kV; Mutundwe – Entebbe 132kV; Mirama-Kabale 132kV; Gulu-Agago 132kV; Lira-Gulu-Nebbi – Arua 132kV; Masaka-Mbarara 400kV; Kampala Metropolitan 220/132kV
- 25 Industrial parks have been earmarked for development to increase on the power demand and Electrification of four of these is at different stages ie. Namanve South substation - 80% complete, Luzira substation-25% complete, Iganga substation -70% complete and Mukono substation-78%, complete Namanve South-Luzira - 7%, Namanve North-Namanve South – 10%, Mukono T-off - 20%, Iganga T-off - 16%).

4.3 Government is also promoting the adoption of other renewable energy technologies such as:

- Biogas systems especially in schools for cooking applications;
- Solar PV technology under Energy for Rural Transformation for lighting health centers and schools, water heating and water pumping;
- Wind energy technology which is currently under study in the Karamoja region;
- Geothermal energy which is estimated to have a potential of 450MW.

4.4 Government will soon introduce the Energy Efficiency and Conservation Act to provide for the legal, institutional and regulatory framework for energy efficiency and conservation in Uganda. The draft bill is now available for review by stakeholders.

- 4.5 Cabinet approved the refinancing of the Bujagali Hydropower plant debt with the view of reducing the end user tariff. It was noted that the cost of the Bujagali project debt was a key driver to the high tariff because of its relative short term tenor of 12 years from the start of construction. The other major contribution was the Corporate Income Tax that BEL was to start paying in 2017.
- 4.6 Therefore three major strategies have been pursued in the bid to bring down the tariff:
- Waiving Corporate Income Taxes (CIT) for power generated from the Bujagali hydro power plant for the period 2017/18 to 2022/23.
 - Refinancing of the Bujagali Hydro Power Plant Debt from the 5 year to 15 year debt recovery period.
 - Increasing the plant factor of the generation plants by increasing demand.
- 4.7 Government engaged the lenders and after the refinancing, the Bujagali generation tariff reduced from an average of US cents 9.61/kWh to an average of US cents 7.91/kWh for the period 2018 to 2032.
- 4.8 The benefits arising from the debt refinancing of Bujagali have been allocated to the extra-large industrial customer category in line with H.E. the President's directive aimed at ensuring that our manufacturers are competitive.
- 4.9 Consequently, in July this year the tariff for the extra-large industrial customers reduced by 15.0% with the off peak tariff reducing to US cents 5/kWh.
- 4.10 The Corporate Income Taxes (CIT) waiver decreased the Bujagali Tariff from an average of US cents 13.83 per kWh to an average of US cents 10.62 per kWh. It is assumed that the CIT waiver will be sustained for the entire 15 year Bujagali Energy Limited debt recovery period. The benefits of this waiver were applied across all the customer categories which helped to mitigate the end user tariff increment by an average of 18.3%.
- 4.11 The Ministry is further undertaking other initiatives to reduce the electricity tariff; such as;
- Growing the power demand by, extending power to industrial parks, accelerating access through implementation of the new connection policy;

- fast-tracking rural electrification through electrification of the 491 sub counties to accelerate access and contribute to demand growth;
- Upgrading and extending high voltage (HV) interconnections within the East African region for power trade purposes.

4.12 The recently passed Government free-connection policy is intended to increase the number of domestic and commercial consumers on the national grid. The consumer will need to have their premises wired and pay the inspection fee while Government will provide the necessary infrastructure.

4.13 The sector is facing a number of challenges which cause delays in the implementation of energy projects and interruptions in power supply. These include;

- Land acquisition issues: these issues have caused delays in the completion of the Isimba and Karuma Hydropower Projects especially the evacuation lines.
- Vandalism of the power infrastructure; A case in point is the recent partial national black out caused by the collapse of four towers that evacuate two major circuits on Nalubale-Kampala due to vandalism. This Interference with the electricity supply network causes power blackouts, threatens the security of our homes, increases the cost of doing business and electricity tariffs, and disrupts vital health and education services.

5 THE ENERGY WEEK 2018 ACTIVITIES;

5.1 Energy Exhibition 2018

An Energy exhibition commenced here at the KCCA grounds Lugogo yesterday, the 24th of September 2018. It will end this Saturday the 29th of September 2018. Exhibitors will show case their products and services for example renewable and energy efficient technologies and products, petroleum products, energy innovations, information, opportunities and demonstrations, etc. The exhibition aims at creating awareness and promoting latest technologies, services and opportunities in the Energy sector. The exhibition seeks to benefit all energy players including domestic consumers, industries, real estate players and the transport sector. The Exhibition will run all week from 24th to 29th September 2018. Entrance to the exhibition is **FREE**.

5.2 Power Forum 2018

The Power Forum 2018 is a one day event to be held on Wednesday the 26th of September 2018 at Pearl of Africa Hotel in Kampala. Stakeholders in the power sub-sector will convene to discuss current issues of public interest and strategize on the way forward for sustainability of Uganda's power sub-sector. There will be a mini exhibition at the Power Forum that will act as a networking platform for exhibitors to showcase their products and services.

5.3 The Annual Joint Sector Review 2018

The Joint Sector Review 2018 has been scheduled to take place on Thursday 27th to Friday 28th September, 2018 and will facilitate high level discussions on sector governance, accountability, planning and financing. The key deliverable of the Joint Sector Review will be Undertakings for the next financial year.

6 CONCLUDING REMARKS

6.1 As I conclude ladies and gentlemen, let me take this opportunity to launch the Efficient Cooking Awareness Campaign - Kyuusa Enfumba Yo.

6.2 You will agree with me that cooking on three stone fires is harmful to the health of our people as they inhale the smoke and get burns which puts their lives at risk while cooking. This is especially true for women and children who spend most time in the kitchen.

6.3 Therefore, to protect our people's lives, this campaign is a way of promoting and incentivizing the use of improved and efficient cookstoves. This campaign will be brought to you by the Ministry of Energy and Mineral Development with support from The Ministry of Foreign Affairs of the Netherlands in Partnership with GIZ, under the Energising Development (EnDev) Programme.

6.4 We hope the general public will use this opportunity to bring forth the energy issues/ concerns related to energy in order for the appropriate institutions to address them.

6.5 The general public is invited to actively participate in the Energy Exhibition at these KCCA grounds Lugogo to learn about the various energy efficient appliances and renewable energy technologies so that they can make informed decisions.

6.6 Use the Energy Week 2018 to buy energy efficient appliances that consume less energy and the latest renewable energy technologies and services. Remember that while efficient appliances may cost a bit more, their energy consumption is much lower than inefficient technologies. For example the latest bulb, the Light Emitting Diodes (LEDs) save 85% of energy and have a life span of 15 years.

- 6.7 In a special way, I wish to recognize the important contribution of my Ministry Technical Staff led by the Permanent Secretary for making sure the 14th Energy Week is held.
- 6.8 Special thanks go to our sponsors who include among others; KCCA, Umeme Limited, Eskom Uganda Limited, Bujagali Energy Limited, USAID/Power Africa, GIZ – PREEEP, World wide Fund for Nature and Environmental Alert.
- 6.9 With those few remarks, I thank you for your attention and I declare the Energy Week and Exhibition 2018 launched.

For God and My Country!