

## Uganda top in attracting renewable energy investors

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Aggreko thermal plant in Mutundwe



New vision

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**Uganda has been ranked 10th out of the 55 countries in world and third among African nations in this year's Climatescope rankings, thanks to reforms in the electricity sector that have attracted investment and the fledging GET FiT programme.**

Climatescope is a country by- country assessment of countries in Africa, Asia, Latin America and the Caribbean on their past, present, and future ability to attract investment for clean energy companies and projects.

Clean energy includes biofuels, biomass and waste, geothermal, solar, wind and small hydro (up to 50MW) – but not large hydro. In Africa, Uganda is only beaten by South Africa and Kenya in the Climatescope index.

According to the report, Uganda performed best on Parameter III, achieving 75% low-carbon value chains. The report notes that Uganda's non-large hydro clean energy sector attracted \$307m (about sh829b) from 2006-2013, though annual investment ranged from \$135m (sh365b) in 2008 to zero last year.

Uganda has a liberalised power sector, but its electrification rate remains modest at 14%. The Rural Electrification Agency is working to connect over 500,000 new customers to the main or independent grids, or to solar PV systems over 2013-2022, the report notes.

Uganda's electricity sector was liberalised in 1999 when the Electricity Act was passed, unbundling the monopoly of a statutory corporation, the Uganda Electricity Board. ERA recently embarked on a donor funded project, the Global Energy Transfer for Feed-in-Tariffs (GET-FiT) programme.

The first two rounds of the programme have seen the licensing of close to 10 projects to supply over 100MW. Prof. Anton Eberhard of the University of Cape Town, also a member of the Investment Committee, GET FiT Uganda, notes that the country is in the fore front of electricity reforms in Africa and has attracted a great deal of international interest.

Under the GET Fit, Uganda aims to fast-track about 20 small renewable projects a year, through a results-based top-up on Uganda's existing feeding tariff, as well as grant funding for solar PV projects.

Donors such as Norway, the European Union, UK's DFID, Germany and the World Bank have committed \$70m (about sh245b) as guarantee scheme to enhance the bankability of the power plants.

The money will be used to subsidise the cost of the resulting power by providing between US cents 0.5 to two per unit of electricity. Construction of the projects is set to start in December 2014 and be completed in two years.

Licensed projects include Nyamwamba (9.2MW), Rwimi (5.5MW), Kikagati (16MW), Kakira (20MW), Siti 1 (5MW), Siti 2 (16.5MW), Waki (4.8MW), Nengo Bridge (6.7MW), PH industrial Farms (1MW), Lubilia Kawempe Hydro (5.4MW), Muvumbe (6.5MW), and the 11.9MW sugar and Allied Industries power plant. The winning bid for a separate 8-acre 50MW solar farm is set to be announced in one month.

Fifteen companies have been granted permits to carryout feasibility studies. The energy projects will add the much-needed clean generation capacity, strengthen regional grids and result in emissions reductions of over 11 million tonnes of Carbon dioxide gas annually.

Uganda needs to generate 42,000MW of electricity from all hydro, petroleum and gas sources,

geo-thermal and nuclear sources, using uranium to become an upper middle income country, according the Vision 2040 master plan.