



## COSECA PRESS STATEMENT

30<sup>th</sup> October, 2023

COSECA is a civil society in the Energy Sector whose interest is to ensure that Ghanaians get the full benefits of investments made to the power sector from time to time and ensure that the entities in the Energy Sector deliver quality and affordable electricity services to Ghanaians. This involves the following:

1. Optimizing the energy mix through monitoring of the hydro resources and its utilization to achieve competitive prices for Ghanaians.
2. Monitoring the output of power producers and their sustained existence in Ghana to support electricity demand; and
3. Support the Energy Sector to introduce transparency in both upstream and downstream activities for the benefit of the consumer

Our present review has identified some disturbing findings to the effect that the blessings of rains this year which has enabled the optimal generation from the hydro sources, have not benefited us although the ordinary Ghanaian has suffered the consequences of the abundant rains.

The rains that have caused floods to ordinary Ghanaians ironically have not improved the generation mix with an increased hydro component that potentially can reduce the tariff to the benefit of Ghanaians. COSECA strongly believes that the generation mix has to be rationalized to ensure that the benefit of increased hydro generation is passed on to Ghanaians and not the export market. This situation needs to be rectified using the automatic adjustment mechanism to redistribute over and under recoveries to the benefit of Ghanaians.

We have also noticed with concern that the Distribution Companies performance is attributed to not only internal operations but affected by other factors which are outside their control. For instance, the lack of a level playing field in the wholesale market amongst key players in the generation and transmission sector competing and outplaying the distribution sector participants.

COSECA believes it is imperative that immediate action be taken to address these issues to ensure a level playing field for all market participants; and that the generation and transmission sector players stay within the jurisdiction and the confines of the law without straying into distribution grid to supply directly to bulk customers without addressing the related issues of stranded assets and cross subsidization.

In addition, COSECA has observed that only ECG contributes to the provision of reserve margin (18% target as per Energy Commission) required for maintaining reliability of the transmission grid. The cost associated with this reserve margin capacity requirements is substantially borne by customers of ECG, with no payment made by the other bulk customers supplied by VRA and other load serving entities in the deregulated market as their load share allocation. Meanwhile, PURC has also not made any compensatory payments in the tariff to cover the cost of these associated ancillary services in the tariff review.

Furthermore, we have observed that although ECG has increased revenue through the implementation of the digitization and the Loss Reduction Project, it has not translated entirely into addressing the issues of customer metering, boundary and distribution metering and other customer service performance metrics. The Government will need to support ECG with the necessary assistance to address these issues and repackage ECG for

enhanced performance, through internal restructuring in the first instance, and prior to considering any other forms of external participation in the retail distribution sector.

SIGNED

Dr. Steve Manteaw

Kofi Bnetil

Kwame Jantuah

Nana Yaa Jantuah

Kofi Kapito