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## **PRESS RELEASE: RE- VRA'S POWER SUPPLY**

It is understood and agreed that the VRA traditionally performed the role of exports and particularly important at a time where Ghana has excess power. In recent times where the market is unbundled with the various forms of reforms and regulations, it expected that one's allegiance will first be with his home country. Why do we see the contrary, especially in this challenging times?

These reforms have introduced a more structured regulatory framework with the establishment of the Energy Commission and the Public Utilities Regulatory Commission (PURC) as technical and economic regulators.

This evolution underscores the adherence to a regulatory paradigm that mandates specific licensing and permits for operational activities within the electricity sector, as delineated in the Energy Commission's License and Permit Application Manual for Service Providers in the Electricity Sector of Ghana, particularly in section 4.33e on page 15 and best industry practice in the national grid management to ensure about 18% reserve margin. Notably, there has been a situation in the country where the Ministry of Energy, acting through the Energy Commission, intervened to halt an electricity export transaction by one of the Independent Power Producers (IPPs), citing the regulatory provisions mentioned in section 4.33e of the manual on Electricity Export License, stipulating the need ensure the domestic demand is met and the need to maintain a meaningful reserve margin for the sector. Such actions highlight the regulatory body's authority and its commitment to enforcing the sector's rules and guidelines.

Although EMOP is responsible for sharing of the legacy hydro and does it religiously, it is unable to independently monitor the actual sharing of electricity produced by the two legacy hydro dams - Akosombo and Kpong hydro dams. It is extremely important for GoG to resource the Energy Commission and the EMOP to independently monitor the electricity produced by the legacy hydro dams and ensure that ECG and the local market actually receives its planned share of the resource.

We are currently in crisis, Ghanaians are sleeping in darkness, companies cannot operate with a guaranteed power supply, there is a shortage in supply, etc. making the available cheap hydro generation to Ghanaians, the taxpayer, is supreme and must be of prime consideration, irrespective of



your survival concerns. Why should jurisdictions that contribute nothing to Ghana's economy be prospering on a cheap resource? Ghanaians are paying very high tariffs, averaging 14 cents/kWh particularly at peak time, while those neighbouring countries enjoy about half of the tariff. This is not fair to the Ghanaian. Energy Commission will be seen as biased to other participants in the sector, if this export is not stopped immediately for the benefit of the Ghanaian taxpayers. We are aware of situations in the recent past where load shedding is high and at the same time over 200MW of generation capacity is being exported.

The Volta River Authority (VRA) has, on a number of occasions, raised concerns regarding the prioritization of payments to IPPs by the Electricity Company of Ghana (ECG), suggesting a complex interplay of financial obligations and sectoral priorities.

This concern is one of the reasons the cash waterfall mechanism was introduced and being reformed, where regulatory frameworks, operational roles, and financial considerations are continuously balanced to ensure the sector's sustainability and reliability. It is equally important for any interested party to police the collections and ensure fairness in disbursement.

**Dr. Elikplim Kwabla Apetorgbor**

(CEO, Independent Power Generators, Ghana)