

MINISTERIAL STATEMENT

ON

ELECTRICITY GENERATION COUNTRYWIDE

BY

THE HON. MINISTER OF ENERGY, MR NKHUWA, MP

Mr Speaker, I wish to thank you most sincerely for according this opportunity to present a ministerial statement regarding electricity generation in the country. Electricity generation in the country remains a topical issue with wide spread interest. As you all aware, electricity is a critical enabler to economic growth and sustainable development.

Sir, in the last sitting, the House may recall that I rendered a ministerial statement in October and December, 2019 on the Floor of this House on the electricity situation in the country, where I highlighted that the seasonal rainfall focused experienced for 2018/19 Season posed hydrological challenge. The rainfall over the South/Western half of the country had been poor with most part of the Zambezi and the Kafue basins receiving below normal rainfall.

Mr Speaker, by December, 2019, average electricity general capacity in the country stood at 1,410 MW of which 1,216 MW was from the Zambian Electricity Corporation Limited (ZESCO) and 198 MW was from the independent powered producers. At the time, the total recommended generation capacity was 1,412 MW of which 1,032 MW was expected to come from ZESCO Limited and 389 from the independent power producers. However, we only managed to receive 198 MW from the Independent Power Producers (IPPs) causing a shortfall of 182 MW.

Due to this shortfall, ZESCO Limited had to raise its contribution from the recommended 1,032 MW to 1,216 MW, which represented 184 MW or 18 per cent over generation from ZESCO Limited power plants.

Mr Speaker, to offset the shortfall of 182 MW caused by the non-availability of electricity supply from the independent power producers, we began to import 300 MW from Eskom Power Company of South African in November, 2019. This power import was a mitigation measure to

cushion the impact of the power deficit on the economy. However, due to similar challenges, Zambia and the Republic of South African experienced during the same period, we only managed to import an average of 218 mW none firm power daily from 2200 hours to 0500 hours until 3rd December, 2019 at a total cost of US\$15.5 million.

Sir, you may recall that we had made an initial payment of US\$20.5 million. This implies that we shall continue to get power to get power from to exhaust the remaining balance of US\$5 million. The limitation of power importation into the country can also be attributed to limited transmission willing path especially from Zimbabwe Power Company and Nampower Network of Namibia.

Mr Speaker, due to the continued hydrological challenge, electricity generation continued to reduce and by December, 2019, the national power deficit stood at 810 MW. This implies that customers had to experience Load shedding for a minimum of ten hours. As of 18th February, 2020, the averaged electricity generation was at 1,641 MW comprising 1,238 MW from ZESCO Limited and 403 MW from the IPPs. The total recommended generation was 1,502 MW of which 1,031 MW and 471 MW was expected contributions from ZESCO and IPPs respectively. The post variance between the recommended and the actual generation was mainly due to over generation at Kariba North Complex to meet the demand and other operational constraints.

Sir, currently, the power deficit remains at 810 MW and therefore, load shedding for a minimum of 10 hours has been scheduled for different customer categories under distribution.

Mr Speaker, as water in falls in the Kafue Gorge River system improves, the electricity generation profile for Kafue Gorge and Itazhi-tezhi power cooperation will be adjusted accordingly and benefits will be transferred to the customers.

Therefore the critical indicators on the system include the following;

Water level Status;

By 18th February, 2020 water levels in the three water bodies were as follows;

- (a) Kariba Reservoir was 1.45 m above minimum operating level. Representing 10.08 per cent full compared to last year, we were at 43 per cent full.
- (b) Itazhi tezhi Dam was 8.16 m above minimum operating level representing 18.9 per cent full; and
- (c) Kafue Gorge Reservoir was 1.38 m above minimum operating level representing 20.2 per cent full.

Currently Water Utilisation Kariba Complex

ZESCO limited at Kariba complex has been allocated 11 billion m³ of water for the year 2020. Compared to 17 billion m³ of water allocated in year 2019. The water allocation for the year 2020 is equivalent to an average hourly generation of 275 MW throughout the year. The Kariba North Bank has the got the capacity of 1080 MW.

Mr Speaker, despite the challenges in the southern part of the nation, a total average of 26.6 MW from small hydro power plants is expected to be generated. Water inflows into these small hydros is expected to steadily rise due to rainfall activities in the northern part of the country and hence increased generation is anticipated going forward. These small hydro power stations include; Lunzua which produces 14. 8 MW, Chishimba falls which produces 6 MW, Musonda falls 10 MW, Lusiwasi 12 MW and Shiwang'andu with 1MW.

Sir, the forecast from February 2020 going forward indicate that average electricity generation is projected at 1,510 MW of which 200 MW is expected to from imports during off-peak times. This is against the forecast peak demand of 2,300 MW for the year 2020 and hence a current deficit of 810 MW currently being reflected.

In order to cushion this deficit in the short term the following projects and interventions are expected to be actualised.

- (a)* Kafue gorge lower 750 MW currently 80 per cent complete is set to be commissioned, first unite 150MW generation by end of second quarter 2020;
- (b)* Lusiwasi Upper 15 MW is currently at 98 per cent complete is expected to be commissioned its 15 MW generation before the end of quarter one 2020;
- (c)* load shedding for minimum of ten hours as is scheduled for different customer categories;
- (d)* zero rated taxes on solar equipment and gas stoves have been introduced;
- (e)* banned the use of incandescent bulbs; and
- (f)* we have developed a resource map for solar and wind to quicken and encourage investment in solar and wind.

Mr Speaker, allow me to conclude my statement by stating that Zambia's economy is largely dependent on energy sector and electricity is the major source of energy. In this regard the Government through the Ministry of Energy will continue to implement measure that will accelerate the generation of electricity country wide.

Mr Speaker, I thank you.