

FRIDAY 13TH MAY, 2022

POWER PLANNING TECHNICAL COMMITTEE (PPTC)

PRESS RELEASE

For Immediate Release

CLARIFICATION:

RE: NPP CLAIMS ON EXCESS CAPACITY DISPLACED AS THE COUNTRY FACES IMMINENT DUMSOR

Introduction

On May 9, 2022 the Hon. John Abdulai Jinapor (MP), Ranking Member (Mines and Energy Committee) issued a press release quoting the 2022 Electricity Supply Plan to make claims that Dumsor is imminent, and alleged that the NPP Government had made baseless and unfounded allegations that Ghana has excess electricity generation capacity which the country does not need, leading to the payment of about GHC 17 billion in excess capacity bills.

We need to say that we find the entire content of the press release to be an utter misrepresentation of the contents of the Supply Plan report. We find the following issues raised worthy of response and accordingly submit these clarifications on the 2022 Electricity Supply Plan recommendations that were quoted.

REBUTTAL TO THE CLAIMS

We refer to the items numbered “1 - 5” in the Press Release and comment as follows:

Item no. 1

“An estimated amount of MMUSD 872.8 will be required to purchase Natural Gas to run the thermal plants (i.e. a monthly average of MUSD 72.74)”.

Item no. 2

“The provision for LCO, diesel and HFO during the gas outage period leads to a total of US\$ 988 Million required for fuel purchase in 2022”.

The submissions numbered 1 & 2 are consistent with the planning considerations as contained in all previous year versions of the Electricity Supply Plan and should not be misconstrued.

Item no. 3

Relocation of the 250 MW Ameri Power Plant from Takoradi to Kumasi reduces transmission system losses significantly. It also improves the voltage regulation in Kumasi & its environs and aids export.

The Ameri Power Plant is an existing plant which is only being relocated to enable the nation yield greater benefits from its operation. It does not constitute additional capacity.

Item no. 4

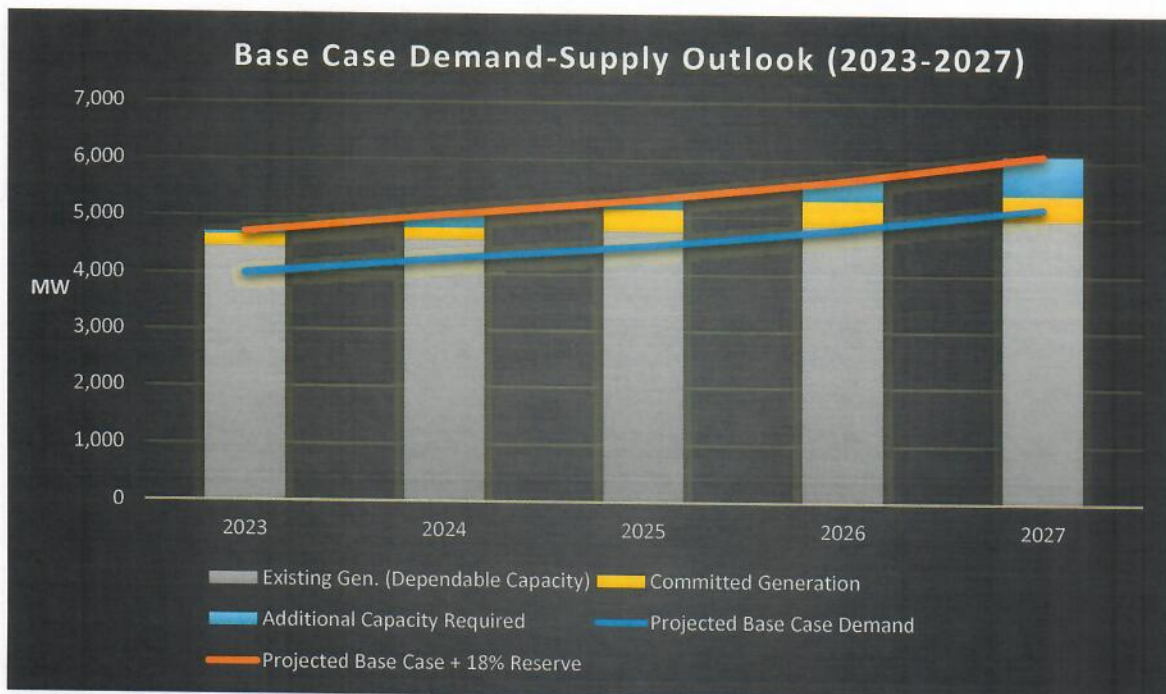
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“The existing generating capacities will not be adequate to serve the projected demand with 18% reserve margin for any of the planning years”.

The press release projects of Imminent Dumsor. Indeed, the 2022 Electricity Supply Plan shows that as at the beginning of 2022, total installed generation capacity in Ghana is 5,265.1MW and the dependable capacity is 4,706MW. The Supply Plan again projects the peak (highest) Ghana demand projected for 2022 - 2026 to be 3,545.27 MW, 4,256 MW, 4,491 MW and 4,793 MW respectively. The installed capacity is therefore far higher than the projected peak demand for each of the years. Furthermore, the dependable capacity is also higher than the projected peak demand. This shows that there cannot be imminent DUMSOR in Ghana!!!

It is noteworthy that “Dumsor” will only occur when the actual demand is higher than the generation capacity. The additional capacity recommended is only required to provide extra capacity to serve as reserve.

Please note that the analysis referred to in the article above only concerns demand/generation at the peak time (night). Consequently, solar generation capacities which are typically not available in the night are discounted in the stack of generation (put at ‘zero’). Additionally, the generation capacities used in the analysis are the dependable capacities, which are less than the actual Installed Capacities. Accordingly, actual installed capacities are much higher than the generation capacities used in the analysis.



The chart above, represents the base case demand-supply outlook for the planning years 2023 - 2027.

From the Chart above, the only time Dumsor will occur is the year when the “Projected Base Case Demand” (in blue colour) is higher than the “Existing Generation (Dependable Capacity)”, in grey colour. This from the chart is clearly in 2026.

Item no. 5

“Additional generation capacity will be needed from 2023 specifically 184 MW, 187 MW, 114 MW and 337 MW. Additional generation capacity will be needed in 2023, 2024, 2026 and 2027 respectively.”

The issue raised intimates a requirement for 184 MW, 187 MW, 114 MW and 337 MW for the years 2023, 2024, 2026 and 2027 respectively is only referring to a sensitivity analysis on capacity requirement in the event that the Bui Hydro Plant is able to run only two (2) units instead of three (3) during the peak period. This situation is rare, and was analysed only as a sensitivity scenario, in the unlikely event of such a situation.

The press-release also states that:

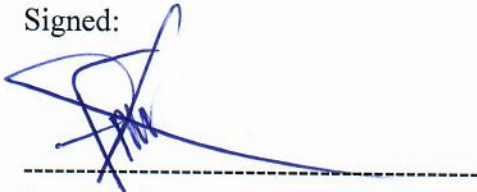
“... It is equally revealing from the report that the claim that Ghana has excess Gas leading to capacity payments are false. Indeed, the report rather recommends that efforts are made to increase available Gas supply.”

The recommendation in the 2022 Electricity Supply Plan for arrangements to increase gas supply volumes is not implying procurement of new gas facilities. It was only alerting that Demand is growing and therefore there is a need to make arrangements to increase volumes of gas supplied from the already existing gas facilities which have the capacity to supply more than the volumes currently being supplied.

Conclusion

In conclusion, there is no imminent Dumsor as has been alleged and there is capacity already available to increase gas supply for extra generation in Ghana. Accordingly, the issues quoted cannot be cited to discredit the assertion of excess capacity on the Ghana power system.

Signed:



Ing. Frank A. Otchere
Chairman, PPTC