

Tororo power firm, ERA opt for out-of-court deal

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KAMPALA. Tororo PV Power Company Ltd, an affiliate of Industrial Promotion Services (IPS), wants to settle out of court a case it had filed against the Electricity Regulatory Authority (ERA). It gives no reason for the move.

The two parties are now meeting to decide on who should pay the costs incurred as a result of the suit, which the company filed in the Electricity Disputes Tribunal (EDT) in 2016.

Both parties will appear before the tribunal on

September 20 to brief the tribunal on the status of the negotiations.

Tororo PV Power Company Ltd had petitioned the tribunal after ERA granted it a licence to produce 10 megawatts, instead of the 50MW the company had applied for, using solar.

It argued that a feasibility study it had conducted had indicated a 50MW solar power plant would be viable, but ERA said solar energy is intermittent and would affect the reliability of supply, in case there is no backup, hence power rationing, which the regulator would want to avoid.

Though Tororo PV Power Ltd

gives no reason for its desire to withdraw the case, electricity distribution utility Umeme's 2012 petition against ERA took four years to be concluded. Therefore, Tororo PV Power Company Ltd might not want to wait that long.

Umeme's petition came on the heels of ERA's amendment of the Umeme's Supply of Power Licence.

The amendment meant Umeme would have to pass onto the Uganda Electricity Transmission Company Ltd (UETCL) the 'excess revenue' it would collect whenever more power was sold than had been projected.

Before the amendment, Umeme used to retain the revenue from the excess energy sales. Umeme in 2016 sought for a consent judgment, after, according to one account, realising the tribunal was likely to dismiss Umeme's petition.

The Renewable Energy Policy of Uganda, 2002, indicates that Uganda has the potential to generate up to 200MW using solar.

But according to ERA, the grid can take no more than 100MW of solar energy onto the grid. So far, one solar power plant - Access Uganda Solar, a 10MW plant - has been commissioned.