

UGANDA WAS RANKED THIRD IN AFRICA FOR THE SUCCESS OF THE GETFIT PROGRAMME



More dams have been constructed in addition to the pioneer Owen Falls Dam in Jinja. Electricity is now more available to most parts of the country

By Nakibuuka Steliah

The status of Uganda's electricity sector today indicates that it has registered remarkable achievements, making it one of the most viable on the African continent. This is attributed to the reforms made in the sector, which ushered in a good regulatory environment.

In 1997, the Government of Uganda initiated reforms in Uganda's electricity sector, aimed at creating its financial viability; providing reliable power to consumers at reasonable prices; seizing power export opportunities and boosting Uganda's socio-economic development.

The reforms saw the disbandment of the Uganda Electricity Board (UEB) and the establishment of the Electricity Regulatory Authority (ERA), in 2000 and other companies such as Uganda Electricity Generation Company Limited, Uganda Electricity Transmission Company Limited, and Uganda Electricity Distribution Company Limited, in accordance with the Electricity Act, 1999. The Act mandated ERA to regulate the Generation, Transmission, Distribution, Sale, Export and Import of Electrical Energy in Uganda.

Entrusted with this mandate, ERA, focused on eliminating all the drawbacks that had crippled the industry, which was then characterised by acute load shedding, low access to electricity, high energy losses among other challenges.

With the support of the Government and development partners, efficiency and growth of Uganda's Electricity Sector was boosted, registering key achievements worth celebrating.

As the regulator of Uganda's Electricity Sector, ERA formulated subsidiary regulations such as the Electricity (Quality of Service Code) Regulations, 2005, the Electricity (Safety Code) Regulations, 2005, among other regulations that created remarkable improvement in efficiency and effectiveness in

Electricity sector has grown in leaps and bounds

service delivery.

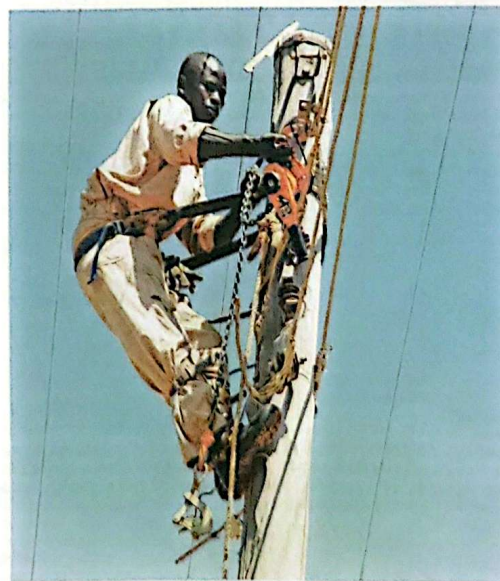
The electricity generation capacity now stands at 929.6 MW from 394.9 MW in 2000 and it is projected to be at 1,800 MW in the next two years.

This implies that with the new and many Government programs aimed at increasing access to electricity, the available electricity will be enough for all Ugandans and even have surplus for export.

Distribution companies

The sector now boasts of the presence of eight electricity distribution companies, operating in various regions of the country, which has increased electricity access from 7% in 2000 to 20% in 2017. The companies include; Umeme Limited, WENRECO, UEDCL, BECS, KRECS, PACMECS, KIL; and KIS. The number of electricity customers has also increased from 405,459 in 2000 to 1,019,453 in 2017. The efficiency of the distribution sector now stands at 83% compared to 5% in 2000.

Remarkable efforts have also been directed towards facilitation of improvements of the distribution and transmission networks. There has been reduction in the energy loss levels, with Umeme Ltd, recording an energy loss reduction from 26.1% at the beginning of its concession in 2005 to 17.5% in June 2017 and more reduction is expected.



More customers have been connected to the national grid

With the existence of the revised Renewable Energy Feed-In Tariff-Phase 3 Guidelines, developed by ERA, project developers, investors and other key institutional stakeholders are now guided on the

crucial components and operational structure of Renewable Energy in Uganda and investment can now be done at ease. The establishment of a predictable and transparent tariff regime by

ERA led to financial viability of the electricity sector. The quarterly Tariff Adjustment Mechanism, which provides for adjustment of Tariffs on a quarterly basis for changes in exogenous factors such as Foreign Exchange Rate, Inflation and International Fuel prices, enabled the industry achieve an effective end-user Electricity Tariff.

Financial stability

This has helped the sector to increase the financial sustainability, reduce the burden of subsidies on the Government, mitigate payment delays by the Transm Company and have encouraged private sector investments in Uganda's electricity sector.

The time for getting a licence developer who wants to invest Sector was also reduced from months.

To crown it all, in June 2016 Uganda was ranked third in Africa for the success of the GETFIT Programme by "Fieldstone Africa Renewables", ranked third in Africa for promotion of policies for energy investment by "Bloom New Energy Finance"-BNEF-Nov-2015, and was recognised advancing access to sustainable energy for all by "United Nations Department for Economic and Social Affairs" (UN-DESA)-Sept-2015.

The big question remains; will all the achievements in the sector will all Ugandans have access to electricity in the shortest time possible and at a cheaper cost? It is evident that the Government of Uganda embarked on improving access to electricity by initiating connection of all sub-county national grid, the introduction of Uganda grid-based Output Based Aid (OBA) project and all the electrification programmes aimed at increasing access to electricity which will eventually bring down electricity tariffs. It is just a matter of time that all Ugandans will have access to clean energy but more so economic development.

The writer with the Regulatory Authority consumer affairs ass