# Local firm to refine oil

By Chris Kiwawulo

Uganda's first indigenous power producer Electro-Maxx is planning to set up a plant to refine crude oil into heavy fuel to be used in generation of cheap electricity.

The firm, that runs a 50MW heavy-fuel oil thermal plant, has committed sh500b to produce affordable energy.

Electro-Maxx, a wholly-owned subsidiary of Simba Group, recently applied to the Electricity Regulatory Authority (ERA), which granted it a licence to import and refine crude oil into heavy duty oil that it will use to run its power generators.

Electro-Maxx chief executive officer Charles Muhumuza told *New Vision* that his company had already secured the licence from ERA to import crude oil.

"We have been importing heavy fuel oil for the last six years. Now, effective October 1, 2018, we are going to import crude oil and refine it into heavy duty oil, which is cheaper," he stated.

Muhumuza said they will supply cheaper electricity at 8 US cents per kWh (under sh288 per kWh). The current generation cost of electricity from heavy-fuel oil is 18 US cents (sh550) per kilowatt per hour (kWh).

According to Muhumuza, the new rates "would be a quantum leap in attaining affordable electricity that will spur economic growth and job creation".

## BETWEEN THE LINES:

- **ERA has given Electro-Maxx a licence to import and refine crude oil into heavy duty oil.**

Electro-Maxx's investment is aimed at reducing electricity tariffs from the current 18 US cents per kWh to 8 US cents per kWh in line with President Yoweri Museveni's policy direction to bring down the cost of a unit of electricity to 5 US cents per kWh for manufacturers.

The company will sell electricity to the nation effective October 1, 2018.

Simba Group chairman Patrick Bitature, welcomed the development, saying: "This is a paradigm shift in strategy with support of the NRM government policies."