



FOR IMMEDIATE RELEASE

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UMEME'S PRE-PAYMENT SYSTEM MUST BE AUDITED AND GOVERNMENT MUST PUBLICISE POWER PURCHASE AGREEMENTS WITH THERMAL POWER COMPANIES

In light of recent events including that of the report that over 92% of electricity metres tested by Uganda National Bureau of Standards (UNBS) between June and December 2017 were faulty in addition to a government request for a supplementary budget to pay for thermal power that Ugandans do not consume, Africa Institute for Energy Governance (AFIEGO) is calling on government to immediately end its exploitation of electricity consumers.

AFIEGO, a registered public policy research and advocacy energy organisation working for the promotion of electricity consumers' rights among others, is calling for an end to this exploitation through:

- (i) An audit of UMEME's Yaka! pre-payment system;
- (ii) Enabling parliamentary and public access to Power Purchase Agreements (PPAs) signed by government with Jacobsen and Electro-Maxx to explore options of cancelling the agreements without costs to the taxpayer.

Failure to adhere to the above demands will result in legal action against government.

This month, parliament's Budget Committee raised concerns over the supplementary budget of Shs 451 billion which government, through the Ministry of Finance, was requesting for. The supplementary request included Shs 106 billion to be allocated to the Ministry of Energy for outstanding payments to Jacobsen and Electro-Maxx, providers of thermal electricity in Uganda. The committee raised concerns because the Ministry of Energy had failed to present the agreements signed between government and the thermal generating firms for scrutiny.

As you may recall, Uganda's government contracted thermal energy generators Aggreko and Jacobsen to supply power to the national grid in 2005 when the country suffered a power deficit

following prolonged drought. The drought saw the water levels in Lake Victoria drastically reduce leading to a fall in electricity generation. In 2012, Electro-Maxx commissioned a 50mw heavy-fuel thermal plant in Tororo to supply power to the national grid.

Following the commissioning of the 250mw Bujagali Hydro Power Plant in October 2012 however, Uganda's need for thermal power reduced and as has been severally highlighted by government officials including the president, Uganda has a surplus supply of electricity of up to 500mw during off-peak hours.

The fact that Ugandans continue to pay thermal power producers in the face of surpluses is highly exploitative and unfair.

This must stop and the Ministry of Energy must make the PPAs with Jacobsen and Electro-Maxx publically accessible to enable parliament to review and explore options of cancelling the agreements without costs to the taxpayer.

Government officials found to be culpable of signing the bad agreements by the parliamentary investigation must be prosecuted.

In addition to the above, the Electricity Regulatory Authority (ERA) in collaboration with UNBS and other relevant government entities must audit UMEME's pre-payment system to rid the sector of consumer exploitation. Several complaints including malfunctioning Yaka! metres, suspicious electricity metres that run too fast and have seen a surge in electricity bills, denial of consumers the right to monitor their electricity consumption through positioning of the Yaka! metres on electricity poles that are inaccessible to consumers among others have been lodged against UMEME.

As promised by UNBS this month, the standards body must undertake a verification exercise to test the Yaka! metres that have already been installed by UMEME for 70% of its customers.

Without this verification exercise, Ugandans stand the risk of being exploited and citizens cannot be assured that they are indeed not paying for more than they are consuming.

We await government co-operation.

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ABOUT AFIEGO

Africa Institute for Energy Governance (AFIEGO) is a registered public policy research and advocacy NGO dedicated to influencing energy policies to benefit the poor and vulnerable. Based in Kampala, Uganda, the organisation was born out of the need to contribute to efforts to turn Africa's energy potential into reality and to ensure that the common man and woman benefits from this energy boom. Through lobbying, research and community education, AFIEGO works with communities and leaders to ensure that energy resources are utilised in a way that promotes equitable development, environmental conservation and respect for human rights.

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