

# **PUBLIC HEARING IN RESPECT OF HYDROMAX LIMITED BUSERUKA HYDROELECTRIC POWER PROJECT**

**Location:** Kolping Hotel, Hoima Town

**Date:** Thursday, 18<sup>th</sup> October 2007

**Scheduled Time:** 10.30 am

## **PROCEEDINGS:**

### **OPENING**

1. The chairman of the Public Hearing was the Chairman of the Electricity Regulatory Authority (ERA) who called the meeting to order at 10.50 am.
2. The Public Hearing was officially opened by the Vice Chairman, Hoima District Council who welcomed everybody present to the district and noted that the hearing was a sign that the project was proceeding forward and hoped that it would lead to its implementation in the not too distant future.
3. ERA Chairman also welcomed everybody to the hearing and informed the meeting that the basis of the hearing was to fulfil the requirement of ensuring maximum transparency in the process of licensing projects which was a requirement of the Electricity Act, 1999. He proceeded to highlight the Rules of Procedure to be followed during the public hearing.

## **PRESENTATIONS:**

1. The Secretary/Legal Counsel, on behalf of the Authority, presented a brief of the stages the Hydromax Buseruka Hydroelectric Power (HEP) project had gone through so far in the licensing process as stipulated in the Electricity Act, 1999. It was noted that the applicant, m/s Hydromax, had fulfilled the basic requirements of submitting a satisfactory feasibility study report; submitting a NEMA approved Environmental Impact Assessment (EIA) study; submitting a Water Abstraction Permit issued by DWD; and submitting an initialled power purchase agreement (PPA) with UETCL that was approved by ERA. The public hearing was one of the important stages in the licensing process.
2. The Hydromax Ltd General Manager presented to the meeting an outline of the project. It was noted that the project would cost US\$ 26.8 million. It was a run-of-river project of estimated 9-MW capacity on River Wambabya in Buseruka sub-county of Hoima District. The project included construction of a 46-km 33-kV line to link to the main grid in Hoima town and a small distribution network. He informed the meeting that they opted to develop the Buseruka site over other potential sites studied because of its economic viability and because it had other attractive characteristics like having little environmental impact; no human displacement involved; and the prospect of improving the power supply quality in and around Hoima town. He informed the meeting that when given the go-

ahead, they would be able to start construction in November 2007 and have the plant commissioned by December 2009. He noted that the project would employ up to 150 people directly and another 500 people indirectly. He informed the meeting that 99% of the power generated would be sold directly to the grid while the remaining 1% would be distributed locally to consumers at a price of US¢ 12.35 per kWh. The project was expected to have a commercial operation lifespan of 30 years.

## **PUBLIC REACTION AND COMMENTS**

ERA Chairman received reactions, comments and queries from the meeting which raised the following issues regarding the project:

1. The implementation of the project was welcome as it would enhance development in Hoima District;
2. There was insufficient information dissemination among the stakeholders, especially within Hoima District;
3. There was need for Hydromax to update the EIA report in light of the perceived changes on the ground like changed weather patterns, and the move by Government to develop the mineral oil resources not far from the site, hence the project developers needed to update their mitigation measures accordingly;
4. There was a need for Hydromax to put in place robust plans to ensure sustainable management of the River Wambabya catchments area to enable the project to last its projected life-time of 30 years;
5. There was need for Hydromax to engage in more corporate social responsibility (CSR) activities in the project area, and Hoima District generally.

## **RESPONSES TO PUBLIC REACTIONS**

1. The Hydromax Ltd General Manager reacted to the issues raised by members as follows:
  - a. The company had endeavoured to work hand-in-hand with all relevant district officials and institutions, but if there were other stakeholders that had not received any or adequate information they were more than willing to provide whatever information that was lacking;
  - b. The company would get itself involved in more CSR activities as the project progressed through the implementation and operation stages;
  - c. The company had in place the following plans;
    - ▶ To review the EIA prior to implementation;
    - ▶ To ensure the sustainable management of the River Wambabya catchments area;
    - ▶ To ensure implementation of mitigation measures proposed in the EIA.
2. In further reaction to the comments, ERA informed the meeting that as part of getting Hydromax to participate in CSR activities, the Hoima District leadership can request and agree with them on the payment of royalties from the hydropower plant when eventually it is operational.

## CLOSURE

The hearing was closed by the Hoima Resident District Commissioner (RDC) who noted that:

- ▶ The project was in fulfilment of the Government pledge to support the development of a hydropower plant on River Wambabya;
- ▶ The electricity eventually generated would help in poverty eradication through the introduction of such activities like fish processing and rice hulling, and would uplift the general quality of life in Hoima District;
- ▶ ERA did a commendable job in organising the public hearing so that all stakeholders would be brought on board the project;
- ▶ All should therefore work towards the success of the project.

## RESOLUTIONS

The meeting therefore **RESOLVED** that:

1. The project should be supported to ensure its realisation;
2. When given the go-ahead, Hydromax should hasten to implement the project and have it operational in the shortest possible time, and take advantage of the window of opportunity that Government has provided for implementation of such projects prior to coming online of the Bujagali hydropower project;
3. The flow of information should be streamlined and anybody who is lacking any information should contact the relevant institutions to obtain whatever information they were lacking.