



## **ELECTRICITY REGULATORY AUTHORITY**

**Sensitisation Workshop for Membership of the Uganda  
National Chamber of Commerce and Industry. (UNCCI)**

### **Report**

**Workshop Venue:** Hotel Africana.

**Date:** 12<sup>th</sup> April 2007.

### Executive Summary:

Electricity Regulatory Authority (ERA) together with Uganda National Chamber of Commerce and Industry (UNCCI) hosted a half-day sensitization workshop for members to UNCCI on 12<sup>th</sup> April 2007 at Hotel Africana.

The workshop was a first time event for UNCCI and ERA and it was coordinated and organized by UNCCI. It formed part of ERA's regular consultation process and information sharing with key stakeholders on pertinent issues in the power sector. Additionally the workshop also started the dialogue between both Agencies regarding the electricity / energy challenges facing the business community and the economy in general. The half-day workshop was a success in terms of attendance (see attached attendance list) and discussions.

### Attendance:

- The workshop was attended by a cross section of members to the UNCCI. A total of 73 participants were present for the workshop.

### Objectives of the Symposium:

- To create awareness amongst UNCCI members about ERA's existence, their mandate and challenges faced by the Regulator.
- To commence dialogue with UNCCI members regarding electricity sector challenges facing the business community and the economy in general.

### Presentations (see appendices attached):

The following presentations were made during the two-day symposium: -

- Uganda Policy for the Electricity Sector and the Role of ERA.
- Legal framework for the operations of ERA.
- Economic Regulation of the Electricity Sector.
- Financial Regulation as a tool for regulating the Sector
- Technical Regulation – Monitoring of Quality and Safety of our electricity.
- Overcoming electricity consumer challenges through Consumer Committees.

### Issues and concerns raised during the Workshop:

- Electricity tariffs seem to be highest in Uganda compared to neighboring countries.
- Appreciated the distribution of free energy savers by Government but however would have preferred Government subsidy in form of tax exemption on energy savers so that traders import the bulbs at reduced costs.
- Appealed to Government to explore more alternatives to hydro power generation to mitigate short falls and the current high electricity tariffs charges.
- Appealed to Government to implement strategies to buy down high electricity charges so that Ugandan manufactured products are competitive in the region.

**Ans: On the electricity tariffs – members were informed that these had shot up as a result of the diesel thermal generation undertaken as a short term mitigation measure by Government to curb electricity shortfalls and keep the economy running. However these were temporary measures undertaken by Government during a crisis. In time the diesel generated electricity would be substituted by more permanent Heavy Fuel Oil thermal electricity which is a cheaper form of energy.**

**Members were informed that the current electricity Tariffs are actually heavily subsidized by Government in the different category of consumers as an expression for concern by Government for the electricity consumers.**

**Members were also informed that different alternatives to large hydro power generation were undertaken by Government and are also being encouraged by ERA through renewable energy solutions like mini-hydro generation, Solar, Co-generation from Sugar-Waste (bagasse), and Geothermal exploration.**

- How does ERA monitor these operating companies to operate efficiently? Is it in touch with the Companies i.e. Umeme Ltd?

**Ans: ERA is in charge of monitoring the operating companies and is in touch with all of them. The companies provide regular reports on their operations, which are scrutinized by ERA, and ERA conducts statutory inspections of the facilities of the companies.**

- How were the energy saving bulbs distributed? Why doesn't Government inject more money in a solar project instead of free energy savers?

**Ans: This is a MEMD initiative. The point is noted and MEMD will be asked to explain.**

- Why doesn't the private sector procure the energy savers instead of distributing free ones? Alternatively Government should institute a new Law to stop the importation of high-energy bulbs, and utilize the funds meant to import free energy savers to increase generation. Why don't people pay for their bulbs?

**Ans: The points raised and concerns expressed above by Members have been noted.**

- Members were grateful for the strategies in place to handle the power shortage crisis. Wanted to know more about Government plans and electricity generation through solar.

**Ans: Government is addressing the affordability of solar panels. A plant is desired but the problem is the costs of having it vis-à-vis the size of the market. What is important is to create a market first and then manufacturing will be justified. However, there are already a number of firms that are assembling**

**solar panels and possibly as the market enlarges, these could start full manufacturing. Additionally subsidies will be given to companies taking solar to upcountry destinations. Solar system is not affordable.**

- How are consumers protected from exploitation especially with private ownership of power concessionaires? What are the standards in place?

**Ans: This is the one of the Regulatory roles of ERA. The Electricity Regulator is an independent Agency of Government established to over see the sector. We professionally perform our tasks through tariff approvals, public consultation, receiving complaints that Utilities have failed to handle and monitoring and enforcing compliance.**

- Do tariffs have a chance to go down again i.e. decrease when costs inputs reduce?

**Ans: Yes!**

- Who will oversee the establishment of Electricity Consumer Committees and what are the demarcations of areas of operation for ECCs?

**Ans: The Electricity Regulatory Authority (ERA) does oversee the establishment of Electricity Consumer Committees (ECCs) and undertakes a Memorandum of Understanding with representatives on the committees to execute the tasks assigned to members.**

**Electricity Consumer Committees are first going to be established on a pilot basis in Kampala District along Division levels. For all municipalities nationwide – Committees will be established along Division levels. The plan is to role out to the entire country in time following an evaluation from the pilot District of Kampala.**

- Suggested that ECCs should be dominated by females because as mothers they are better users to grow the electricity sector.

**Ans: This point has been noted. However the selection for representation for domestic consumers will be through a competitive process following an advert for volunteer applications in daily newspaper publications.**

- How are permits issued to wiremen? Are wiremen known? How does the public identify them? How does one distinguish between an Umeme official and a 'Kaamyufu'?

**Ans: Permits to ERA certified electricity wiremen are only issued following a thorough interview process by a panel constituted of ERA and other associated sector representatives. Interviews are both oral and practical and the issuance of a certificate to a wireman is only after all necessary criteria for installation as a qualified wireman is satisfied.**

**Certified ERA wiremen are easily distinguishable from ‘Kaamyufu’ because they hold a valid annual certificate. Likewise all Umeme staff should be easily distinguishable because they hold valid Umeme identification.**

- Why can't electricity be sold through power cards like the telecom companies?

**Ans: This point has already been expressed to the electricity Operating Company. It's being followed up already.**

- Does ERA have inspectors who go around the country to establish if electricity consumers are ok?

**Ans: ERA relies a lot on information from Consumers while monitoring the customer Service component of licensed companies. ERA does have a technical department that inspects and monitors operations of the electricity companies nationwide. However for consumers concerns to be known by ERA – they have to be brought to the attention of the Electricity Regulator. We anticipate that the establishment of ECCs country wide will be an improved method for ERA to obtain feedback from the consumers.**

Discussions:

- Discussions during the workshop were informative and educative.
- Unanswered questions have been noted and will be taken up as action points for the Regulator.

**ACTION POINTS:**

- To establish why Government doesn't inject more money in a solar project instead of free energy savers.
- To establish why the private sector is not subsidized by Government to procure the energy savers instead of distributing free ones.
- To establish why people don't pay for their energy saver bulbs.