

## Electricity Regulatory Authority.

### Proposed mini hydro project on River Ishasha.

**Public Hearing/ stakeholders meetings (Monday 12<sup>th</sup> December 2005 – Kanungu District Council Hall, Kanungu District.**

#### **Background**

The Electricity Regulatory Authority did receive Notices of Intended Application for Licenses for generation and the sale of electricity on River Ishasha from three firms namely: - Jacobsen Electro As, Kabale Power Co Ltd and Eco Power. All three companies proposed to install a hydro power plant of approximately 5MW to 5.5MW at Ishasha River in Kirima sub-county in Kanungu District. Jacobsen Electro As in addition proposed to distribute electricity to certain un-served areas of Rukungiri and Kanungu Districts. Likewise, Electro-Maxx in consortium with ABB has also expressed some interest in the project. This pointed to the issue of competition, which is a healthy development and is in line with the 1999 Electricity Act objectives.

#### **Invitations to the Public Hearing**

Following receipt of these applications, ERA did invite written comments and submissions on the details of the proposed project from interested parties for 30 days. This exercise was concluded on Friday November 18<sup>th</sup> 2005 at 5:00pm. The adverts were placed in vernacular and English dailies of wide circulation i.e. Daily Monitor and Orumuri Publication. On completion of the 30-day consultation period no response was received on the proposed project. ERA Authority therefore together with Management agreed to conduct a Public Hearing in order to provide an opportunity to interested and affected stakeholders to interface with the intending developers in Kanungu District. Written invitations were extended to district local officials of both Kanungu and Rukungiri districts in addition to radio announcements inviting affected residents. The announcements were placed on local FM stations i.e. Radio Kinkizi and Radio Rukungiri.

#### **The Public Hearing – 12<sup>th</sup> December 2005, Kanungu District Council Hall.**

The signing of the official stakeholder guest book of ERA in which all attendants registered presence preceded the Public Hearing. **The Chairperson Kanungu LC V** - Madam Josephine Kasya, then made a few remarks citing the need for power in the district. She highlighted that Kanungu district has a tea factory that spends close to 600 million in alternative diesel generated power which money would otherwise have

gone to farmers had the district got more reliable and affordable power from Hydro.

**The Chairman of the Electricity Regulatory Authority** explained ERA's role for the day during the hosting of the Hearing stating that the Regulator was a referee at the Hearing who would maintain objectivity. Likewise **the Chief Executive Officer - ERA** provided participants an overview as to why ERA consults affected/interested stakeholders through a Public Hearing. He specifically mentioned the following: -

- ❑ The Hearing enables all stakeholders to have a say early enough in the discussion/approval process.
- ❑ Investors are able to explain to a wider audience the details of their proposals.
- ❑ All parties concerned get an opportunity to make an input to the decision making process.
- ❑ Transparency is enhanced at the hearing.
- ❑ There is great opportunity to explore the un-discovered truths about the project.
- ❑ The Hearing provides a channel for the weaker stakeholders' views to get heard.

**The presentations from the intending developers present:**

Out of the four Applicants only two managed to make it to the Hearing in Kanungu District namely: - Jacobsen Electro As, and Electro-Maxx / ABB. Kabale Power Co Ltd and Eco Power did not turn up. However Eco Power had sent through their apologies for failure to make it in time since they were due to travel from Sri-Lanka. No response was received from Kabale Power Co Ltd.

Both Jacobsen Electro As, and Electro-Maxx / ABB were able to make power presentations during the Hearing to participants as attached herewith. (See annexes A and B).

**Main comments and reactions from persons present:**

The turn up of participants was very good and contributions by way of questions and comments were beneficial to both the developers and ERA.

Issues of concern raised to Electro-Maxx, which is a consortium of five companies, were in relation to commitment and relationship with its various partners. This was clarified by the Managing Director who stated that the company had commitment letters with its partners as a sign of commitment to develop the project as a consortium.

There were also several social issues raised by participants to the investors to include: -

- ❑ Residents wanted to know how the land acquisition process will be handled / managed and how far investor were prepared to work with local district officials and governments at lower levels for the project acceptance purposes.
- ❑ They were keen to know if power would be provided to the surrounding residents to the project site, and what arrangements could be put in place to enable consumers pay in installments for the power connections.
- ❑ Participants also wanted to understand the impact the project would have on the national park close by, and the requirements of local participation in the development of the project.

The intending investors were able to clarify local participation would be identified during feasibility studies for the EIA and utilized to the extent possible. Likewise ERA clarified that it would only provide a licence to an investor following approval of their EIA and a thorough, fair and conclusive land acquisition process. In terms of benefits to locals in the area – it was also stated that direct benefits like jobs, roads, and increased economic activity in the area following the development of the project were anticipated.

ERA also advised 'would be consumers' to have negotiations with investors in regard to credit acceptance for payments of power installations into houses as they had requested.

There was a concern as to who would run the project after its completion. This was clarified that it would be a private IPP and would fall under the category of 'generation' who in turn sell all the power to the bulk supplier – UETCL.

Another concern was towards Jacobsen Electro As whose designs and presentations finding seemed to be backdated as far as 1992. The investor clarified that these provided initial investigations and further studies would be conducted to obtain the recent up-dated information.

**Concluding remarks:**

ERA was able to give investors and participants present the way forward in which the bidding for a permit was clarified.. The hearing ended at 1:30pm and members departed.