

New study outlines how Tanzania could double power generation

By Perege Gumbo

ALATEST research has suggested an ambitious power generation plan that would more than double the current production capacity over next ten years.

The sketch contains a mixed grill of short and long term suggestions whose implementation requires an investment of well over USD 907 million into the energy sector.

The report has been compiled by the city-based think tank Economic and Social Research Foundation (ESRF).

It was essentially trying to tally Tanzania's future energy needs in line with the power supply and access targets as predefined by the Millennium Development Goals (MDGs).

The authors view the current 557 MW capacity as being too little for Tanzania to achieve its Mkukuta-based MDGs. They estimate that power generation capacity has to go beyond 1,235 MW mark if the country were to do away with power crises once and for all.

The government, as well as donors have been shouldered the tasks of upgrading proposed energy generation and supply strategies.

First track spending should be on emergency procurement and development of gas-fired plant at Ubungo, Tegeta, Ilala and Mnazi Bay whose combined power generation is 145 MW, it says.

Investment into distribution infrastructure that would connect Mtwara, Lindi, Ruvuma and Kigoma regions into the national grid must be given priority.

Official statistics show that Tanzania Electric Supply Company (Tanesco) incurs an annual 10bn/- in losses for running an inefficient thermal power generation technology in the four regions.

Likewise, the report suggests early development of Kiwira and Mchuchuma-Katewaka coal-fired plant, with expectation that phase one of this projects could inject into the grid 100 MW of power.

Much as power importation from Zambia was option, some major rehabilitation of the grid be undertaken to reduce power transmission losses.

The long-term solution was to develop the Ruhudji 358 MW and the Rumakali's 222 MW hydropower projects has been highly

recommended for a complete solution to the power problem.

The Dar es Salaam-Kinyerezi Greenfield 200MW gas-fired power generation and the Mchuchuma second phase coal-fired plant for the generation of 200MW are among the projects suggested.

"The cumulative financial resources required for electricity up to the end of MKUKUTA in 2010 is USD1,538 and USD3,213 million by year 2015" the report adds.

The costing reveals significant resource gap, which needs intervention of the donor community for the implementation of the Mkukuta alongside the MDGs.

The available gap averages 55 percent of current resource allocation on the energy sector during the Mkukuta period. However the large amount of the required resourced would be needed in 2008/09 to complete major energy supply interventions.

The experts have called for deliberate mobilization of additional resources from both the government and the donor community.

The government has particularly been urged to increase domestic budgetary allocation to the energy sector.

This according to the report entails increasing revenue collection and plugging all revenue leakages including reviewing current tax exemptions and channel the collected revenues into the energy sector.

The study reasons that the energy sector is critical for facilitating Tanzania's development process and without adequate and reliable energy, economic growth will be reduced if not halted altogether as all sectors require energy to function efficiently" the report state in part.

The Mkukuta needs assessment and costing is a joint endeavour of the government and the United Nations country team that is being supported by the Millennium project to identify policy priorities in Mkukuta with the view to linking them to sector strategies.

It aims at generating approximate estimates of resources needed to meet the target to develop a snap shot of long-term strategy for achieving MDGs by 2015.