

Private sector produces 70% of



Minister of Energy and Mineral Development Eng. Irene Muloni

Eng. Irene Muloni, the Minister of Energy and Mineral Development, attended the 2018 Africa Energy Forum (AEF) in Mauritius. It was on the sidelines of this forum that the African Development Bank released the Electricity Regulatory Index. The index ranked Uganda's Electricity Regulatory Authority (ERA) as the best regulator in Africa. Benon Ojiambo had a chat with the minister about what the recognition means to the industry and the consumers.

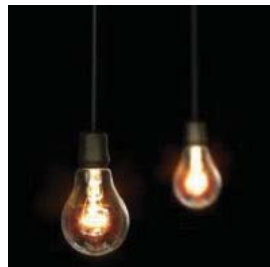
Q What does this recognition mean?
This recognition means that Uganda's electricity sub-sector is in the right direction. It emphasises the need for effective regulation that must be in place to develop the energy sector.

As a country, when we embraced liberalisation and privatisation, we needed the private sector to come and participate.

After the unbundling of former Uganda Electricity Board (UEB), the Government decided to privatise the generation and distribution segments because of the need to invite the private sector.

If the Government does not have enough money to invest, it looks out to partners to help invest. Once you have the private sector, you need to create a levelled playing field because of the competition.

We are currently the leading country in the region because we have 19 independent power producers generating about 70% of the country's electricity. This means that the private sector



have appreciated the environment that guarantees return on their investments.

This is because we ensured that the legal, regulatory, institutional and the fiscal regimes are all in place. For example, the regulator and financial laws are in place.

Another key factor is the cost-reflective tariff where all costs incurred during delivery of the electricity in generation, transmission and distribution are recovered through the end-user tariff. This makes investment into the sector viable and predictable. We are happy that others shall learn from us.

There is a feeling that the regulator's policies are only to the licensees' benefit, what do you have to say about that?

No, the regulator is supposed to be impartial and take care of the interests of all stakeholders; customers, private sector and government.

Our role as government is to provide an effective and affordable electricity service. That is why the Government gives it framework under which every person operates.

Though the regulator operates at an arm's length, we monitor what they do closely.

Where we need to intervene, we give policy directions in the open because they are always gazetted. Their role is to ensure that there is a win-win situation and take care of every stakeholder's interests.

There is efficiency in the market because performance targets are set for the utility companies.

Currently, we are struggling with lowering the tariff to respond to the president's directive of ensuring that manufacturers do not pay more than \$5 cents per unit.

It is not a small issue because before you arrive at the tariff,

Uganda's power

OUR ROLE AS GOVERNMENT IS TO PROVIDE AN EFFECTIVE AND AFFORDABLE ELECTRICITY SERVICE. THAT IS WHY THERE IS A FRAMEWORK UNDER WHICH EVERY PERSON OPERATES.

you have to input the budgets of the entities that go into extending this service. This explains why the regulator has to open all those entities' books to allow only permissible expenses. To do this, you must have the interests of the people at heart not solely the private sector that invests in the sector.

The Government's target now is increased access to electricity to improve the livelihoods of the people. We recently passed the free connection policy which seeks to connect at least 60% of the population to electricity in the next 10 years from the current 22%.

We are also expanding the network. The Government has

secured loan of about \$200m from the China EXIM Bank for rural electrification. This is aimed at connecting every sub-country to the grid.

The report cites decision making in tariff determination, development of appropriate licensing framework to support off-grid systems and low access to clean energy as some of the areas that need improvement.

What are you doing about this? There is already effort on all those fronts. Introducing off-grid and mini-grid projects is the way to go because we do not have to wait for the Government to extend electricity



ERA Chief Executive Officer Eng. Ziria Tibalwa Waako with Muloni. Photos by Ronnie Kijjambu

to every part of the country.

The country has been zoned by the Rural Electrification Agency (REA) and we have invited the private sector to come and set up projects especially, solar in the respective areas.

This shall help us accelerate our reach to the people as much as possible.

The electricity equation is premised on how much electricity is generated divided by how many people are connected to consume if you want to have a low price as much as possible. The more the consumers, the cheaper the price of electricity. There is also a plan of developing industrial parks across the country.

How to report an electricity complaint

By Vision Reporter

Day in day out, there are different complaints from electricity consumers against electricity utility companies, majorly Umeme. They range from billing-related issues, power blackouts, long waits for power connection.

According to Diana Nambi, the principal publicist at the Electricity Regulatory Authority (ERA), 519 and 380 residual complaints registered were received by the agency in FY2017/18 and FY2016/17 respectively.

Of these, Nambi says 513 and 346 in respective financial years were resolved, while the rest are still pending.

Although the majority of them are resolved to the consumers' satisfaction, others are not and out of frustration and ignorance about where to report, some of the complainants give up.

Nambi, however, says the electricity supply industry has a three-step complaint handling mechanism that begins with the consumer reporting to the distribution company.

"The distributor is expected



ERA principal spokesperson Diana Nambi

to handle the complaint to the consumer's satisfaction," Nambi said over the telephone.

She further explained that if the consumer is not satisfied with the resolution by the distribution utility, they can report to the regulator.

"Still, if they are not satisfied with the regulator's resolution, they can seek redress from the Electricity Disputes Tribunal," she said.

Nambi also said the complaints can be raised through physical visits to the offices or digital platforms like emails, social media applications like Twitter, WhatsApp and Facebook.