



August 17, 2022

**FOR IMMEDIATE RELEASE
KAMPALA**

GOVERNMENT SHOULD STOP THE ONGOING LOADSHEDDING

Africa Institute for Energy Governance (AFIEGO) and our civil society partners that work on promoting accessible, reliable and affordable clean energy services in Uganda are calling on the Ugandan government to stop the ongoing loadshedding.

Government must work with the Independent Power Producers (IPPs) that Ugandans have paid Shs. 1.4 trillion over the last 16 years for deemed (unconsumed) power to ensure that the ongoing loadshedding ends. These companies must fill the electricity supply gap left by the shutdown of Isimba dam.

The loadshedding, which has affected the Kampala metropolitan area and parts of eastern Uganda, started following the temporary shutdown of Isimba hydropower dam.

[Reports](#) indicate that the dam was shut down following a “human error” in which an engineer from Uganda Electricity Generation Co. Ltd (UEGCL) opened the radial outflow instead of inflow gates at the dam, leading to flooding of key equipment. Shs. 5 billion is needed to rectify the error.

Following the Isimba dam shutdown, UMEME, which distributes over 90% of Uganda’s electricity, [warned](#) Ugandans to brace for power blackouts. In an August 16, 2022 [press release](#), the Ministry of Energy indicated that the loadshedding would go on for three weeks. Traders are counting losses because of the loadshedding.

Mr. Dickens Kamugisha, the CEO of AFIEGO, says, “It is absurd that the shutdown of Isimba dam has occasioned loadshedding. The president has been boasting that Uganda has excess power. Why hasn’t this power been deployed to avoid loadshedding?”

He adds, “The truth is that the electricity sector is greatly mismanaged. The Electricity Regulatory Authority has been issuing electricity generation licenses to companies without ensuring that transmission infrastructure is in place, leading to production of the so-called excess or deemed electricity.”

It is notable that for the past 16 years, Ugandans have paid over 13 power companies for deemed energy. However, the Ministry of Energy plans on adding only 70MW to the grid from two plants, the Namanve Thermal and Kakira Sugar power plants. These are expected to partly address the gap left by Isimba. Another 60MW is going to be imported from Kenya.

Reflecting on the above, Mr. Kamugisha says, “It is clear that the many electricity generation licenses that are being issued in Uganda aren’t about guaranteeing reliable electricity services for Ugandans. Corruption must be driving the licensing processes and production of the so-called excess power in Uganda.”

Uganda’s installed electricity generation capacity is said to be 1346.7mw. Of this, Uganda’s population of over 40 million consumes up to [800mw](#) during peak hours and 400mw during off-peak hours. Because power prices are high, Ugandans suppress their electricity demand.

The power that is not consumed (deemed energy) is paid for by Ugandans. In the 2022/2023 National Budget Framework Paper, government indicated that Shs 193 billion is needed to pay for deemed energy this financial year. Further, over the last 16 years, government has paid [Shs. 1.4 trillion](#) to 13 firms in deemed energy costs.

Ms. Ireen Twongire of Women for Green Economic Movement (WoGEM) says, “Something is amiss with the electricity sector and if nothing is done, Ugandans will continue to lose trillions of shillings while facing power sector crises. The Inspector General of Government (IGG) should interest herself in the electricity sector.

She should investigate possible connivance between ERA and Independent Power Producers. This connivance could explain why Uganda is generating power that is not evacuated to the grid for consumption by citizens during emergencies such as this.”

She adds, “Parliament and the Auditor General [AG] should also investigate UEGCL. Is the company employing incompetent engineers or was the flooding of Isimba dam equipment an act of sabotage? Government has mooted plans to return management of its dams to Ugandan entities. Some private sector firms may be against this and may have wanted to portray UEGCL as being incompetent.

However, UEGCL could also be employing poorly-supervised incompetent engineers that are causing the country losses. These may further mismanage the electricity sector if they are put in charge. This must be avoided by auditing and strengthening the company.”

Mr. Paul Kato, a youth clean energy champion says, “There is also need to investigate why our electricity projects including Karuma, Isimba, Bujagali and Aswa dams among others which cost taxpayers trillions of shillings were awarded to companies through single sourcing or have faced corruption scandals.

Single sourcing and corruption could explain why Bujagali produces some of the most expensive power in the world. Further, both Isimba and Karuma dams continue to suffer from technical defects or other challenges while Aswa dam remains idle five years after its commissioning. The electricity sector problems go beyond the Isimba dam shutdown and must be investigated to find a lasting solution.”

Mr. Patrick Edema, a youth clean energy champion, says, “Government also needs to change its electricity sector investment strategy. Instead of paying companies to generate excess power, government should support communities to access offgrid solar home systems which can be deployed for production purposes as well.”

AFIEGO and our civil society partners reiterate the need for government to restore reliable power supply without any further delay.

For information, contact:

Ms. Diana Nabiruma

Senior Communications Officer, AFIEGO

dnabiruma@afiego.org