Mr. Chairman,
The Director of ISSER,
The Director, Centre for Energy, University of Texas, Austin, USA,
Invited Guests,
Members of the Press,
Distinguished Ladies and Gentlemen:

It is indeed a privilege for me to be here today among such an exceptional gathering to share in the launch of an important and informative publication such as the “Guide to Electric Power in Ghana”.

The production of such a publication at this time when the energy sector in Ghana is undergoing significant changes is highly relevant. I wish to commend PURC, the ISSER and my own Ministry for conceiving of this enlightening publication which I believe will be useful in all aspects for power sector practitioners today and the future.

Distinguished Guests, Ladies and Gentlemen, I also wish to extend a warm welcome to our colleagues who have come from the United States to Ghana for this event, especially those who are visiting Ghana for the first time. Ghanaians are known to be exceptionally warm and friendly people and it is my expectation that you will have the opportunity to enjoy the proverbial Ghanaian hospitality before you leave Ghana back to your own country.

Ladies and Gentlemen, the power sector faces a number of challenges today and the Government is implementing a number of programmes to address these challenges.

A significant challenge is the provision of adequate and reliable supply of electricity. Our power generation system is dominated by hydropower which is subject to the vagaries of the weather.

In order to address this issue, we are in discussions with the International Finance Corporation and other development partners to fund the expansion of the Takoradi Thermal plant. The additional 110 MW steam unit will not only increase the capacity of the plant, thus making more power available to Ghanaians, but more significantly, it will also reduce the cost of generation from that plant by about 30%.

This project will also expand thermal generation and increase the diversification of the supply base, thus reducing the risk of poor hydrology.
Distinguished Guests, Ladies and Gentlemen, we recognise that the development of thermal plants also introduces the challenge of the provision of a secure, competitive and long term supply of fuel. The government has therefore taken a leadership role in the West African Gas Pipeline Project, which will transport natural gas from the gas fields in Nigeria to Ghana, Togo and Benin. The project is scheduled for commissioning in early 2007. The availability of natural gas from Nigeria will address the long term uncertainty in fuel supply to the existing thermal plants as well as future ones.

Ladies and Gentlemen, we are also expediting progress on the West African Power Pool Project under which systems in the sub region will be integrated. This will provide us with the opportunity to access the wider sub regional power market. I am pleased to note that the World Bank has recently approved a US$ 350 million financing facility for key projects to facilitate the implementation of the power pool. A number of transmission lines linking Ghana to Togo, La Cote d’Ivoire and Burkina Faso will be funded under this facility. Indeed the transmission line project from Aboadze to Tema will be the first project to be financed from the facility.

Mr. Chairman, Ladies and Gentlemen, another challenge is the transmission constraints on the network, which has the potential to limit the evacuation of power from the power stations to the main load centres in Accra, Tema and Kumasi. We have recently completed the Prestea-Oboasi 161 kV transmission line which has largely addressed this bottleneck. The Aboadze-Tema transmission line which I mentioned earlier when completed in 2007 will strengthen the national grid and improve the overall reliability of power supply in the country.

Mr. Chairman, our power distribution system operated by the ECG and the NED of the VRA also faces major challenges.

The distribution network is old and inadequate to reliably meet the present demand for power. In some cases, the equipment is plainly obsolete. We need to modernise our distribution system in order to meet the demands of today. We need to replace the aged and overloaded equipment, reduce the unacceptably high losses and also procure state of the art equipment such as SCADA to allow for the efficient operation of the distribution system.

The Government has so far raised US$ 15 million and US$ 30 million respectively from the World Bank and the Fortis Bank of the Netherlands for the implementation of the critical projects in the ECG distribution network.

We are also in discussions with our development partners to secure additional financing to support the ECG and NED carry out in the short term, the needed improvements in the network to improve the reliability of power delivery. The Government will also provide resources to complement the support from our development partners.
Ladies and Gentlemen, we are also collaborating with the Energy Foundation to carry out energy conservation and efficiency improvement programmes in the residential, commercial and industrial sectors.

The Ministry of Energy is also vigorously implementing a rural electrification programme to improve access to modern forms of energy especially to our rural folk. This rural energy delivery programme includes normal power grid extension as well as the deployment of solar photovoltaic systems, wind, small hydro where the resource exists and is also economic to develop.

Mr. Chairman, Ladies and Gentlemen, one of the challenges that the Ministry of Energy has had to deal with is improper pricing of electricity and petroleum products. This has been the major cause of the financial difficulties facing all utilities in the energy sector. As a pragmatic Government, we have been able to support increases in the prices of petroleum products and electricity significantly. It is our intention to continue to pursue cost reflective prices for all our energy services into the future.

I wish to place on record that as part of our efforts to improve the operations of the power sector in general, we intend to support capacity building and other operational efforts of the regulatory agencies especially the PURC. We are aware, that our efforts at improving the operation of the power sector will not materialise unless we have a strong and efficient regulatory regime.

Ladies and Gentlemen, before I conclude let me assure you that the Ministry of Energy is determined to support centres of excellence such as the Resource Centre for Energy Economics and Regulation (RCEER). Our doors are always open to you.

Ladies and Gentlemen, it is really my pleasure to be here today to be a part of this launch. I wish to humbly declare the “Guide to Electric Power in Ghana” duly launched.

THANK YOU.