

# 1,000MW wind power project halted... gov't's freeze on new IPP deals delays production of cheaper and cleaner energy

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A 1,000MW wind power project, which has secured all the technical permits from the relevant government and district agencies, has stalled due to government's decision to put a freeze on discussions and issuance of licences for new Independent Power Producers (IPPs), including renewables that are cheaper and more environmentally friendly.

Despite the project, which has secured US\$2 billion in capital for construction and production and is ready to sell power at 8.9 cents per kilowatt hour (kWh) to the Electricity Company of Ghana (ECG), a price that is the cheapest when compared to other IPPs in Ghana, government is yet to green-light the project due to its commitments to expensive fossil-fuelled projects.

This has pushed the developer, NEK Umwelttechnik AG and its affiliate, Upwind International AG, to begin the exploration of options to sell directly to bulk buyers in Ghana and export the cheap power to Ghana's neighbours including Togo, Ivory Coast, Benin, and Sierra Leone.

A visit to one of the project sites, the Konikablo 200MW Wind Farm, in the Ningo-Prampram District, which is a partnership between NEK and Enercon GmbH, the largest German manufacturer of wind turbines, shows that the construction of this farm has the potential to create 600 jobs over two years and at least 50 permanent jobs.

During the visit, organised by the Institute for Energy Security (IES), journalists were informed by NEK executives that the land, a total of 9,000 acres has been secured on a 30-year lease and virtually all permits required for construction to begin have been secured but it still awaits government's final approval for take-off. Even after production of energy begins, the land would be returned to farmers in the community for farming activities with the construction of state-of-the-art irrigation system to support all year around farming.

Dr. Christoph Kapp, CEO of NEK, in a zoom call, told journalists that since 2017, after meeting all regulatory requirements, the project is yet to take-off due to the government's decision to not provide the citizenry with clean and cheaper power.

"We have been ready by the end of 2017 but the government delayed the process by saying it already had other IPPs. So even if you are cheap, we don't need you now. It is very frustrating for us meanwhile the money is ready and investments have been secured. All we are waiting for is government's approval.

It is much more expensive to produce with gas and crude. We offered the lowest prices to Ghana but government says no because we have commitments to other expensive projects. We have signed a Memorandum of Understanding (MoU) with ECOWAS in October, 2019 to facilitate the export of power to Togo, Ivory Coast, Burkina Faso, Sierra Leone and selling directly to bulk consumers," he said.

*Nana Amoasi VII*, Executive Director, IES, noted that failure on the part of government to start a project like this, is a failure to taking advantage of the cost benefits of renewables that Ghanaians should be enjoying.

"The freeze on the development of a project like this means higher electricity charges because even if government subsidises electricity, it is through our own taxes, thus government will have to fill those gaps. The right time to begin is now. many countries, some in Africa –South Africa, Morocco, The Gambia, are all advancing to renewables. If we claim we are the gateway to Africa, why should we be chasing the projects as they go along instead of leading this discussion to adoption?"

Our demand for electricity will continue to grow and one may say that we have excess power supply today, but you cannot guarantee same in the next two years because the demand grows every year. Nobody is against thermal production of electricity but going forward, we should explore renewables rather than fossil-fuelled options.”

### **The climate crisis**

*Nana Amoasi VII* noted that though some may think that renewable energy is a European solution, Africa would be bearing the brunt of carbon emissions and climate change because farmers who rely on rainfall are already witnessing unreliable rainfall patterns and experiencing severe weather changes.

“This impacts on crop yields, the environment and the health bit of our life and so renewable is seeking to decarbonise the global system so that we can manage ourselves and have a sustainable life as a people.

Aside these benefits, we also know that renewables are becoming cheaper than fossil-based power generation. And so, it is a good opportunity for us to have electricity at less cost because we have been complaining as a country that our bills are quite high which goes to impact on our disposable income and so we have a good opportunity to buy into the renewables. Let’s accept solar and wind energy that comes at less cost and has less environmental and social impact,” he said.

He explained that in Ghana’s Renewable Energy Act 2010, there is an agenda to have 10 percent of the country’s energy mix made up of renewables by 2020, but that target has failed and currently a Renewable Energy Master Plan has been unveiled.

“All this document most of the time gather dust, they do not end delivering the results intended. What we hope for is action, commitment from government and policy makers. If you look at the various manifestos of the political parties and even the budgets of the country, there is always the mention of renewable energies and yet we fail to take it up. One cannot understand and we do not want to speculate, but it is important that government may do its work.

**VIA** bftonline

**SOURCE** By Bernard Yaw ASHIADEY

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