

PARLIAMENT OF GHANA LIBRARY

**IN THE THIRD MEETING OF THE SECOND SESSION
OF THE SEVENTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**



**REPORT OF THE JOINT COMMITTEE ON MINES
AND ENERGY AND FINANCE**

ON THE

**RENEGOTIATED AND ENHANCED TERMS OF THE
BUILD, OWN, OPERATE AND TRANSFER (BOOT)
AGREEMENT BETWEEN THE GOVERNMENT OF
GHANA REPRESENTED BY THE MINISTRY OF
POWER AND AFRICA & MIDDLE EAST
RESOURCES INVESTMENT GROUP (AMERI
ENERGY) LLC DATED 10TH FEBRUARY, 2015**

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AND AFRICA & MIDDLE EAST RESOURCES INVESTMENT GROUP (AMERI
ENERGY)LLC DATED 10TH FEBRUARY, 2015**

1.0 INTRODUCTION

- 1.1 Pursuant to Article 181 (5) of the 192 Constitution, the Hon. Minister for Energy, Mr. John Peter Amewu, on Thursday, 6th December 2018, laid in Parliament for approval, the Renegotiated and Enhanced Terms (Addendum No. 2) of the Build, Own, Operate and Transfer (BOOT) Agreement between the Government of Ghana (GoG) represented by the Ministry of Power and Africa & Middle East Resources Investment Group (Ameri Energy) Llc for the installation of ten (10) GE TM 2500+ aero derivatives gas turbines, operate, maintain, transfer and provision of support services dated 10th February, 2015.
- 1.2 Subsequent to this, the Rt. Hon. Speaker referred the Agreement to the Joint Committee on Mines and Energy and Finance for consideration and report.

2.0 DELIBERATIONS

- 2.1 The Committee met on Friday, 14th December, 2018 with the Hon. Minister for Energy, Mr. John Peter Amewu and his Deputy, Hon. William Owuraku Aidoo, a Deputy Minister for Finance, Hon. Kwaku Kwarteng and Officials of the Ministries of Energy and Finance to consider the Agreement.
- 2.2 The Committee is grateful to the Officials of the two Ministries for their inputs.

3.0 REFERENCE

3.1 The Committee was guided by the following documents:

- I. The 1992 Constitution of Ghana;
- II. The Standing Orders of Parliament;
- III. Public Utilities Regulatory Commission Act, 1997 (Act 538);
- IV. Assignment Agreement between the Government of Ghana represented by the Ministry of Power and Ameri Energy Power Equipment Trading LLC, signed on 4th May, 2015;
- V. BOOT Assignment Agreement between Ameri Energy Power Equipment Trading LLC and Power Projects Sanayi Insaat Ticaret Limited Sirketi ("PPR") dated 17th September, 2015;
- VI. EPC Deferred Facility Agreement Between Africa and Middle East Resources Investment Group (Ameri Energy) LLC and Ameri Energy Power Equipment Trading LLC; and Power Projects Sanayi Insaat Ticaret Limited Sirketi ("PPR"); and
- VII. Tariff Approval Letter of the Public Utilities Regulatory Commission (PURC) for the 10x23MW BOOT Ameri Power Plant to Volta River Authority (VRA) dated 12th February, 2015.

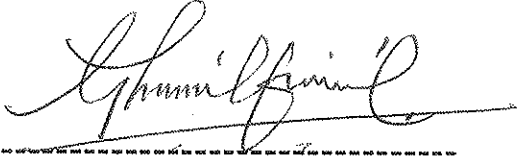
4.0 BACKGROUND

- 4.1 As part of measures to address power supply challenges of the country, the Government of Ghana (GoG) represented by the then Ministry of Power entered into a Build, Own, Operate and Transfer (BOOT) Agreement dated 10th February 2015, with AMERI ENERGY for the provision of a fast track turnkey power generation solution through the construction of a Power Plant (Plant) by the installation of new GE TM 2500+ aero derivative gas turbines and all related equipment and the provision of certain services related to the operation and maintenance of the Plant for a period of five (5) years.
- 4.2 The BOOT Agreement was ratified by the Parliament of the Republic of Ghana on 20th March, 2015 as a condition precedent to the execution of the Agreement.
- 4.3 Following the execution of BOOT Agreement, AMERI ENERGY assigned its rights and obligations under the Agreement to AMERI EQUIPMENT.

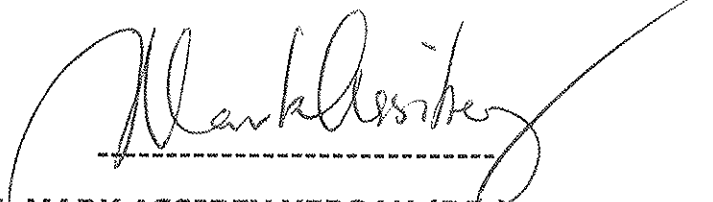
- 4.4 AMERI EQUIPMENT on the other hand, also entered into an Engineering Procurement and Construction (EPC) and Operations, Maintenance and Management (OM & M) Agreement with PPR on 17th July, 2015, under the terms of which PPR agreed to undertake the engineering, procurement, construction, commissioning, operation, maintenance and overall management of the Plant in accordance with the terms and conditions of the EPC & M Agreement.
- 4.5 AMERI ENERGY, AMERI EQUIPMENT and PPR on 17th July 2015 as a condition precedent to the EPC & OM & M Agreement, also entered into an EPC Deferred Payment Facility Agreement which sets out the terms and conditions for the repayment of PPR with respect to the pre-financing by PPR of the installation, erection and commissioning of the Plant.
- 4.6 The Parties to the BOOT Agreement executed an Addendum to the BOOT Agreement on 27th July, 2015 (Addendum, No. 1) to amend some technical requirements and contemplated timelines for the project
- 4.7 The GoG, by virtue of the Assignment Agreement, dated 17th August, 2016 transferred and assigned to VRA its rights under the BOOT Agreement as set out therein, effective as of the date of execution of the Assignment Agreement, subject to the explicit provision that the assignment made to VRA and the assumption made by the latter as Assignee, shall not release the GoG from any of its duties and obligations under the BOOT Agreement as amended, either before or after the effective date of the Assignment Agreement and that the GoG would continue to remain primarily liable for the full and timely performance of its obligations under the BOOT Agreement as amended notwithstanding the Assignment Agreement.
- 4.8 In accordance with the BOOT Agreement as amended and to enable the construction of the Plant and the provision of the AMERI ENERGY Services, VRA granted access and the right of use of the site to AMERI EQUIPMENT.
- 4.9 According to the provisions of the BOOT Agreement as amended, AMERI ENERGY constructed the Power Plant by installing 10 new GE TM 2500+ aero derivative gas turbines, the required transformers and all relevant equipment

8.2 The Committee accordingly recommends to the House to adopt its report and approve by Resolution the said Renegotiated and Enhanced Terms (Addendum No. 2) of the BOOT Agreement pursuant to Article 181 (5) of the 1992 Constitution.

Respectfully submitted.



**HON. EMMANUEL A. GYAMFI
CHAIRMAN, COMMITTEE ON
MINES AND ENERGY**



**HON. MARK ASSIBEY YEBOAH (DR.)
CHAIRMAN, FINANCE COMMITTEE**



**JOANA A. S. ADJEI (MRS)
CLERK, COMMITTEE
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**EVELYN BREFO-BOATENG (MS)
CLERK, FINANCE COMMITTEE**

DECEMBER, 2018