

**IN THE FIRST SESSION OF THE SEVENTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF  
GHANA**

**REPORT OF THE  
SELECT COMMITTEE ON MINES AND ENERGY**

**ON THE**

**ANNUAL BUDGET ESTIMATES OF THE MINISTRY  
OF ENERGY FOR THE YEAR ENDING 31<sup>ST</sup>  
DECEMBER, 2018**

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**IN THE THIRD MEETING OF THE FIRST SESSION OF THE SEVENTH PARLIAMENT  
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ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF ENERGY**

**1.0 INTRODUCTION**

The Budget Statement and Economic Policy of the Government of Ghana for the year ending 31<sup>st</sup> December, 2018 was presented to Parliament, by the Hon. Minister for Finance, Mr. Ken Ofori-Atta, on 15<sup>th</sup> November, 2017 in accordance with Article 179 of the 1992 Constitution. Pursuant to Orders 140(4) and 188 of the Standing Orders of Parliament, the Rt. Hon Speaker referred the Budget Estimates of the Ministry of Energy to the Select Committee on Mines and Energy for consideration and report to the House.

**1.1 DELIBERATIONS**

The Committee met on Tuesday, 12<sup>th</sup> December 2017 and examined the Estimates of the Ministry. Present at the meeting were the Deputy Ministers for Energy, Hon. William Owuraku Aidoo and Hon. Joseph Cudjoe and their technical team from the Ministry as well as other officials of the Ministry of Finance. The Committee is grateful for their inputs and clarifications.

**1.2 REFERENCE DOCUMENTS**

In considering the Estimates, the Committee made reference to the under-listed documents:

- i. The 1992 Constitution;
- ii. The Standing Orders of Parliament;
- iii. The Renewable Energy Act, 2011 (Act 832);
- iv. The Energy Commission Act, 1997 (Act 541);
- v. The Petroleum Commission Act, 2011 (Act 821);
- vi. Public Utilities Regulatory Commission Act, 1997 (Act 538);

- vii. The Budget Statement and Economic Policy of the Government of the Republic of Ghana for the 2017 Financial Year;
- viii. The Ministry of Energy Medium Term Expenditure Framework for 2017 -2019; and
- ix. The Ministry of Energy Medium Term Expenditure Framework for 2018 -2021

## **2.0 AGENCIES UNDER THE MINISTRY**

The Ministry of Energy comprises the Headquarters and the under-listed Agencies:

### **2.1 Power Sub-Sector**

- ❖ Energy Commission;
- ❖ Volta River Authority;
- ❖ Bui Power Authority;
- ❖ Ghana Grid Company;
- ❖ Electricity Company of Ghana;
- ❖ Northern Electricity Distribution Company;
- ❖ Volta Aluminium Company; and
- ❖ Volta Resettlement Trust Fund.

### **2.2 Petroleum Sub-Sector**

- ❖ National Petroleum Authority;
- ❖ Petroleum Commission;
- ❖ Ghana National Petroleum Corporation;
- ❖ Ghana National Gas Company;
- ❖ Bulk Oil Storage and Transportation Company;
- ❖ Tema Oil Refinery;
- ❖ Ghana Cylinder Manufacturing Company; and
- ❖ Ghana Oil Company Limited (listed on GSE)

### **3.0 VISION AND MISSION OF THE MINISTRY**

- 3.1 The vision of the Ministry is to develop an energy economy with reliable supply of high quality energy services for the Ghanaian economy and for export.
- 3.2 The Mission of the Ministry is to develop and sustain an efficient and financially viable Energy Sector that provides secure, safe and reliable supply of energy to meet Ghana's developmental needs in a competitive manner.

### **4.0 POLICY/STRATEGIC OBJECTIVES OF THE MINISTRY**

The Ministry has adopted the following policy objectives to be achieved within the short to medium term:

#### **4.1 Power Sub-Sector**

- i. Provide adequate, reliable and affordable energy to meet the national needs and for export;
- ii. Increase the proportion of renewable energy (solar, biomass, wind, small and mini-hydro and waste-to-energy) in the national energy supply mix. Promote the conversion of waste to energy;
- iii. Explore the options for nuclear, geo-thermal and tidal waves energy
- iv. Ensure efficient utilisation of energy;
- v. Ensure that energy is produced and utilised in an environmentally –sound manner;
- vi. Mainstream gender into decision-making in the energy sector;
- vii. Build transparent and effective regulatory environment;
- viii. Encourage public and private sector investments in the energy sector; and
- ix. Build adequate local human resource capacity for effective management of the energy sector.

#### **4.2 Petroleum Sub-Sector**

- i. Create an enabling environment for sustainable activities in the Upstream and Downstream oil and gas sector;

- ii. Ensure accelerated and integrated development of the oil and gas industry;
- iii. Promote value-added investments, indigenization of knowledge, expertise and technology in the oil and gas sector;
- iv. Maximize local content and participation in all aspects of the petroleum industry value chain;
- v. Ensure adequate availability of petroleum products in the Ghanaian market;
- vi. Ensure the development of the needed institutional and human resource capacity for the petroleum sector;
- vii. Ensure transparency in the management of petroleum resources; and
- viii. Ensure security for oil and gas installations and operations in the upstream, midstream and downstream

## **5.0 2017 PERFORMANCE OF THE MINISTRY**

### **5.1 Power Sector Development and Management**

The Ministry achieved the following under the power sector:

- i. Addition of 445MW of power to increase the installed capacity from 4,132 MW in 2016 to 4,577MW in 2017. The 445MW came from the replacement of 225MW Karpowership with 450MW Karpowership resulting in an addition of 225MW capacity and completion of 220MW out of the 370MW AKSA Power Project.
- ii. Works also commenced on 400MW Early Power project and 240MW Amandi Power Project.

### **5.2 Transmission System Improvement**

During the year under review, GRIDCo continued with the Transmission System Reinforcement Project to improve operational reliability, security and control among others. Key among these expansion projects were:

- i. Kpando-Kadjebi 161kV Transmission Line was completed;
- ii. The Aboadze-Prestea 330kV Transmission Line is about 70 percent complete;

- iii. The Prestea-Kumasi 330kV Transmission Line is about 70 percent complete; and
- iv. The Kumasi-Bolgatanga 330kV Transmission Line which is about 50 percent complete.

### **5.3 Rural Electrification Programme**

During the year under review, 289 out of a target of 2,185 communities were connected to the national grid. Other projects are also at the various stages of completion.

### **5.4 National Electricity Access Rate**

The national electricity access rate increased from 83.24 percent in 2016 to 83.62 percent in 2017.

### **5.5 Regional Capitals Street Lighting**

The Ministry achieved 87 complete for its programme of replacing 250W high pressure sodium (HPS) lamps with 150W LED and also fixing of faulty photo switches on poles and other related installations in Accra and Kumasi.

### **5.6 Construction of 10km 80 MVA capacity 33kV Line (Dodowa-Akwapim Mampong)**

The Ministry achieved 85% complete for the construction of a new 10km 80MVA capacity 33kV from Dodowa to Akwapim Mampong to replace the existing 40-year-old 20MVA 33kV line. The new line is expected to stabilize supply to the Akwapim Ridge.

### **5.7 Expansion of Bui Switchyard Facilities to evacuate additional 250MWp Solar PV**

The Ministry expanded 161kV Bui Switchyard to accommodate extra 250MWp of Solar PV.

## **5.8 Operationalization of the Whole Sale Electricity Market (WEM)**

As part of efforts to improve the governance of the power sector, Cabinet granted approval for the full operationalization of the Wholesale Electricity Market (WEM) and its associated mechanisms. In addition, Cabinet approved the establishment of the Electricity Market Oversight Panel (EMOP) to ensure smooth operation of the WEM.

## **5.8 ECG Private Sector Participation (PSP) Programme**

In order to align the ECG Private Sector Participation (PSP) Programme with the concerns raised by the citizenry, government secured key amendments to the ECG PSP arrangements. The concession period was reduced from 25 to 20 years. A threshold of 51 percent (up from 20 percent) Ghanaian shareholding in the ownership of the Concessionaire was also established.

## **5.9 Renewable and Alternative Energy Development Programme**

As part of strategies to increase penetration of renewable energy in the energy mix, the following achievements were made:

- i. 52,191 out of 70,000 units of portable solar lanterns (with phone charging functionality) were sold at 70 percent subsidy to poor off-grid rural households;
- ii. Contract was awarded for the supply and installation of solar micro-grids for 26 Health Facilities in Brong Ahafo, Northern and Western regions;
- iii. Phase 1 report from the International Atomic Energy Agency was received. This means Ghana has partially (90%) completed Phase 1 of work programme;
- iv. 56 solar PV systems were installed in off-grid rural households; and
- v. The 3<sup>rd</sup> Annual Renewable Energy Fair was also successfully organized place to promote government policies and form the right synergies among relevant stakeholders for the development of Renewable Energy industries



### **5.10 Ghana Energy and Development Access Project (GEDAP)**

It was noted that under the Ministry's energy development access project, five minigrids were completed and technically commissioned in the following districts: Ada East District (Pediatorokope), Krachi East (Kudorkope), Krachi West (Aglakope) and Sene East District (Atgagome and Wayokope)

### **5.11 Petroleum Sector Development and Management Programme**

The Ministry recorded the following achievements under the petroleum sector development and management programmes:

#### **(a) The Jubilee Field**

- i. The Jubilee Field recorded a total production of 27,165,129 barrels, as at 31<sup>st</sup> October 2017 compared to 19,832,097 barrels for the same period in 2016, representing an increase of 26.9 percent. Jubilee Field production is expected to average 89,000 bopd by end of 2017 (with the postponement of the planned shutdown to 2018 or the remediation works);
- ii. A total of 35,997.9 MMscf of associated gas from the same Field was also produced as at 31<sup>st</sup> October 2017 out of which 20,195.85 MMscf was exported to the Gas Processing Plant at Atuabo for power generation.
- iii. Plan of Development for Greater Jubilee Full Field development was also approved

#### **(b) Tweneboa-Enyenra-Ntomme (TEN) Field**

- i. The TEN field as at 4<sup>th</sup> December 2017 has recorded a total production of 18,438,557 bbls.
- ii. Average daily oil production achieved for the period stood at 52,211 bbls against a planned daily average of 50,000 bopd.

#### **© Sankofa Gye Nyame Field**

- i. The Sankofa Gye Nyame Field attained first Oil on the 20<sup>th</sup> of May 2017 ahead of schedule with two (2) oil producer wells (OP- 3 and OP-4).

- ii. Total oil production from the field from inception (20th May, 2017) to 31<sup>st</sup> October 2017 stood at 2,929,935.48 bbs and gas produced was 3,819.21 MMscf

**(d) Voltaian Basin**

- i. GNPC completed negotiations and signed 2D Seismic contract with BGP-BAY Geophysical Ltd for the Voltaian Basin Project on 2<sup>nd</sup> October, 2017;
- ii. An Explosives and Deternators Contract was signed between GNPC and Maxam Ltd. For the supply of explosives for 2D Seismic Data Acquisition on 3<sup>rd</sup> October, 2017; and
- iii. Completed Environmental Impact Statement (EIS) to Environmental Protection Agency in all the 24 project districts.

**(e) Final Determination of Ghana-Cote d'Ivoire Maritime Boundary Dispute**

- i. The maritime boundary dispute Ghana and Cote d'Ivoire was successfully ruled in favour of Ghana by the International Tribunal for the Law of the Sea (ITLOS) on 23<sup>rd</sup> September 2017.
- ii. None of Ghana's active upstream petroleum projects was negatively impacted by the ruling.
- iii. Companies previously affected by the provisiona measures have resumed normal operations under their respective Petroleum Agreements

**5.12 Promotion of Liquefied Petroleum Gas (LPG)**

It was noted 17,000 cylinders, stoves and accessories were distributed under the Rural LPG Promotion Programme (RLPGPP) as part of effort at promoting LPG use for healthier, safer and cleaner fuel in semi-urban and rural areas to reduce deforestation.

**5.13 Energy Sector Regulation Programme**

The following were achieved under the Energy Sector Regulation:

- i. The Data Management and Health Safety and Environment regulations was laid before Parliament for passage;

- ii. Guidelines for the bidding of exploration blocks are being developed and is expected to be completed by end of the year;
- iii. A Local Content Policy was also developed to ensure active participation of Ghanaians in all activities in the petroleum downstream value chain;
- iv. The Ministry also developed a Local Content Legislation for the power sector and drafted financial services guidelines to boost the participation of Ghanaian financial institutions in the oil and gas sector;
- v. Ghana Upstream Services Internship Programme (GUSIP) was launched and 43 interns placed in Upstream Companies; and
- vi. About 1,600 electrical technicians were trained and certified and licensed to ensure wiring of all facilities to protect persons and properties.

### **5.13 A new National LPG Promotion Policy**

It was noted that a new National LPG Promotion Policy was approved by Cabinet. The Policy seeks to abolish the current LPG Marketing model and replace it with the Cylinder Recirculating market model. It seeks to consolidate activities in the LPG value chain with the view to reducing Health, Safety, Security and Environmental risks exposure. Under the Policy, households and commercial users will no longer send their empty cylinders to gas stations for filling but to exchange the empty cylinders for filled cylinders from LPG distribution companies.

### **5.14 National Fuel Quality Policy**

As part of measures to ensure that the quality of petroleum products sold to consumers do not negatively impact on the environment and health of consumers, a National Fuel Quality Policy is being developed to provide the framework for the development of guidelines, standards and regulations on the quality of petroleum products produced or imported into the country.

## 6.0 FINANCIAL PERFORMANCE FOR 2017

The total of **Eight Hundred and Eighty-Nine Million, Seven Hundred and Ten Thousand, One Hundred and Thirty-Four Ghana Cedis (GH¢889,710,134.00)** was approved for the programmes and activities of Ministry for the 2017 Financial Year. As at the end of October, 2017, an amount of **Two Hundred and Seventy-Five Million, Nine Hundred and Seventy-One Thousand, Seven Hundred and Thirty-Three Ghana Cedis and Twenty-Three pesewas (GH¢275,971,733.23)** representing 31% had been released out of the total approved budget for the Ministry. The details are presented in the table below:

**Table 1: Financial Performance of the Ministry as at October, 2017**

<b>Item</b>	<b>Approved Budget</b>	<b>Releases</b>	<b>Variance</b>	<b>Percent Releases</b>
Compensation	5,231,642.00	2,466,024.34	2,765,599.66	47.14
Goods and Services	2,557,548.00	996,896.36	1,560,651.64	38.98
Capex	100,000,000.00	65,231,780.53	34,768,219.47	65.23
IGF	37,743,102.00	18,900,000.00	18,843,102.00	50.08
Donor	744,177,843.00	188,377,072.00	555,800,771.00	25.41
<b>Grand Total</b>	<b>889,710,135.00</b>	<b>275,971,733.23</b>	<b>613,734,644.15</b>	<b>31.00</b>

Source: 2018 Programme Based Budgeting Estimates of the Ministry of Energy, page 10 &11

## 7.0 OUTLOOK FOR 2018

### 7.1 **POWER SECTOR DEVELOPMENT AND MANAGEMENT**

#### 7.1.1 **Power Generation**

The Ministry intends to increase the installed generation capacity by 484MW in 2018. This would consist of 340MW from Cenpower and 144MW and Early Power Phase 1.

### **7.1.2 Power Transmission System Improvement**

GRIDCo is expected to continue work on the Kumasi-Bolgatanga 330kV Transmission Line and complete Aboadze-Prestea 330kV and Prestea-Kumasi 330kV Transmission Lines during 2018.

### **7.1.3 Rural Electrification Programme**

Under the Rural Electrification Programme, the Ministry intends to connect a total of 1,796 to the national grid. The details are as follows:

- |                   |                 |
|-------------------|-----------------|
| i. SHEP 4         | 500 communities |
| ii. SHEP 5        | 264 communities |
| iii. WELDY LAMONT | 613 communities |
| iv. CWE           | 269 communities |
| v. HUNAN          | 100 communities |
| vi. EBID          | 50 communities  |

### **7.1.4 Energy Conservation and Cost Recovery Programme**

As part of the Ministry's effort at conserving energy, a total number of 12million LED lamps will be distributed throughout the entire country under a cost recovery credit programme to be operated through a local bank.

A total of 12 million LED Lamps will also be distributed as part of energy conservation under the Ministry's cost recovery programme.

### **7.1.5 Street lighting Project**

An estimated number of 69,250 150W LED Streetlights complete with fixtures will be supplied to various MMDAs across the country.

### **7.1.6 Distribution of Tiner Switches**

An estimated 300,000 timer switches are expected to be distributed

### **7.1.7 Electricity Tariff Reforms**

The Ministry, in collaboration with PURC intends to provide affordable rates for consumers, particularly industries and small businesses through reform and policy interventions over a two-year period. The existing 4-tier tariff classification of residential consumers will also be collapsed into Lifeline and Non-Lifeline consumers in phases to give relief to the poor whose individual consumption actually falls in the subsidised life-line category but who live in a compound house.

## **7.2 RENEWABLE ENERGY DEVELOPMENT**

### **7.2.1 Grid Connected Renewable Energy**

The Ministry will also facilitate the commencement of the construction of the 50MW 3SIL/BPA Solar/Hydro Hybrid and the 20MW Biotherm Solar at Buipe.

### **7.2.2 MDAs Solar Rooftop Programme**

In line with the Ministry's goal of increasing the penetration of renewable energy in the energy generation mix and reducing Government's expenditure on utilities, the Ministry intends to embark on MDAs Solar Rooftop Programme. The first Phase of the Programme would cover Parliament House and Office of the President. This will eventually be extended to most public institutions.

### **7.2.3 Solar Lanterns Distribution Programme**

In 2018, the Ministry plans to distribute 50,000 solar lanterns to poor off-grid rural households.

### **7.2.4 Ghana Nuclear Power Programme**

The Ministry would commence the Phase 2 of a three-phase nuclear energy program by first quarter of 2018.

## **7.3 PETROLEUM SECTOR DEVELOPMENT**

### **7.3.1 Local Content**

The Ministry plans to implement the following to increase the participation of the indigenous people in the petroleum industry:

- i. Launching of the Technical and vocational education and training (TVET) programme to develop technicians required in the O&G industry;
- ii. Development of Local content legislation for downstream petroleum industry;
- iii. Development of procurement guidelines for Upstream Sector; and
- iv. Finalise the development of local content fund guidelines

### **7.3.2 Commercialisation of Natural Gas**

The Ministry will undertake the following in its effort at commercialising the country's natural gas:

- i. Completion of the tie-in of the Ghana Gas pipeline and the West Africa Gas pipeline and associated modification works at both Regulation and Metering Stations (R&M) in Takoradi and Tema
- ii. Completion of the Offshore Receiving Facility (ORF) to receive OCTP gas
- iii. Installation of the three Compressors on the existing Ghana Gas pipeline
- iv. Completion of gas pipeline to connect the 450MW Karpower to be stationed in Takoradi to the R&M station in Takoradi
- v. Full implementation of the Gas Master Plan recommendations

## **7.4 ENERGY SECTOR REGULATION**

The Ministry would undertake the following programmes in 2018:

### **7.4.1 Energy Sector Legislations**

The Ministry would lay the following legislations before Parliament to regulate the energy sector activities:

- i. Amendment of the Renewable Energy Act, 2011, Act 832
- ii. Amendment to the Land (Statutory Way leaves) Act, 1963, Act 186

- iii. Energy Commission (Efficiency Standard and Labelling) (Light Emitting Diode and Sell Ballasted Fluorescent Lamps) Regulations
- iv. Data management:
- v. Health Safety and Environment Regulations

#### 7.4.2 Energy Sector Policies

The Ministry intends to develop a number of policies which include:

- i. Petroleum Products Strategic Stocks Policy
- ii. Downstream Financing Policy
- iii. Downstream Infrastructure Tariff Policy

### 8.0 BUDGETARY ALLOCATION FOR THE 2018 FISCAL YEAR

An amount of **Nine Hundred and Fourteen Million, Three Hundred and Ninety-Seven Thousand, Four Hundred and Twelve Ghana Cedis (GH¢914,397,412)** has been allocated to the Ministry of Energy for the implementation of its programmes and activities for the 2018 Financial Year. The breakdown of the allocation is provided in Table 2 and 3 below:

**Table 2: Budgetary Allocation by Economic Classifications for 2018**

Expenditure Item	Sources of Funding				Percent Allocation (%)
	GOG(GH¢)	IGF(GH¢)	Donors(GH¢)	Total(GH¢)	
Compensation	2,630,392	16,586,305	-	19,216,697	2.1
Goods and Services	1,941,790	40,435,493	178,362,595	220,739,878	24.1
Capital Expenditure	5,441,770	2,510,189	586,488,879	674,440,838	73.8
Grand Total	30,013,952	59,531,987	764,851,474	914,397,412	100.0
<b>Percent Allocation (%)</b>	<b>9.8</b>	<b>6.5</b>	<b>83.6</b>	<b>100</b>	

Source: Programme Based Budget Estimates of the Ministry for 2018, page 18



**Table 3: Budgetary Allocation by Programmes for 2018**

Programmes	Sources of Funding				Percent Allocation (%)
	GOG(GH¢)	IGF(GH¢)	Donors(GH¢)	Total(GH¢)	
Management and Administration	12,298,620	-	764,851,474	777,150,094	85.0
Power Generation, Transmission and Distribution (Power Management)	70,515,723	-	-	70,515,723	7.7
Petroleum Development	3,840,104	-	-	3,840,104	0.4
Renewable Energy Development	3,359,505	27,065,630	-	30,425,135	3.3
Energy Sector Regulation	-	32,466,357	-	32,466,357	3.6
<b>Grand Total</b>	90,013,952	59,531,987	764,851,474	914,397,412	100.0

*Source: Programme Based Budget Estimates of the Ministry for 2018, page 18*

## **9.0 OBSERVATIONS**

The following observations were made by the Committee:

### **9.1 Distribution of 2018 Budgetary Allocations**

It was noted that out of the total budget of GH¢ 914,397,412.00 to the Ministry, an amount of GH¢ 19,216,697.00, representing 2.1% is earmarked as payment of compensation; GH¢ 220,739,878.00, representing 24.1% is for goods and services; and GH¢ 674,440,838.00 representing 73.8% has been allocated for capital expenditures.

The Committee further observed that the Ministry's budget for 2018 is largely funded by Donor sources (GH¢ 764,851,474.00) about 83.6%; followed by GoG

(GH¢90,013,952.00), 9.8%; and then IGF (GH¢ 59,531,987.00), 6.5%. The Committee expressed concern about the overdependency and untimely releases of donor funds for financing of energy sector programmes. For instance, it was observed that only 25% of the donor funds for 2017 budget of the Ministry has so far been released. Given the importance of the sector to the industrialization agenda of the country, the Committee recommends that the Ministry of Finance should identify more reliable source of funding for the energy sector.

## **9.2 Supply of additional power at competitive price to VALCO**

It was noted that additional 75MW of hydro power at competitive price of US\$ 0.035/kWh is intended to be supplied to Volta Aluminum Company (VALCO) by the first quarter of 2018 to enable the company expand production from the current one pot line to two pot lines. The expansion is expected to increase production from the current 40,500 tonnes to 81,500 tonnes with correspondence increase in revenue and payment of VAT to government from US\$79million to USD\$150.75 million and USD\$7.6 million to USD\$16.1 million per annum respectively.

The expansion in production is further expected to create about one thousand two hundred (1,200) direct employment, made up of two hundred (200) direct employment at the VALCO and one thousand (1,000) at the downstream industries such as Aluworks, Western Rods and Allied Industries. A proposed LED manufacturing venture which will use aluminum from VALCO is also expected to create an additional 330 direct jobs.

The Committee commends the Ministry for the initiative and requests that the needed power to operate all the 5 Pot Lines should be supplied at same competitive price to enable the country realise full benefits for establishing the company and revitalising the integrated Aluminium and Bauxite industry.

## **9.2 Releases of Energy Sector Levies**

It was observed that an amount of GH¢347,965,220.16 was released to the Ministry in 2017 as monies accrued to the various Accounts under the Energy Sector Levy Act, 2015 (Act 899). The Committee further noted that the said amount did not form part of the 2017 approved budget for the Ministry. While acknowledging that the Energy Sector Levy Act, 2015 (Act 899) specifies the usage of the revenue accruing into the various Accounts specified under Section 3, 4 and 5 of the Act, the Committee is of the view that the expected revenues should form part of the Ministry's budget for the ensuing year to enable the Committee exercise effective oversight in the utilization of the levies.

## **9.3 Effect of Capping of Internally Generated Funds (IGF) of the Energy Commission**

The Energy Commission is responsible for the regulation, management, development and utilization of energy resources in the country. In the pursuit of this mandate, the Committee observed that the Commission has been rolling out a National Solar Rooftop Programme which aims at providing 200MW peak load relief on the national grid in the medium term. As part of this special initiative, the Commission planned to install 500 solar systems in residential homes and 200 solar system in rural households in 2017 financial year.

The Committee was however informed that the capping of the Commission's IGF at 34% by the passage of the Earmarked Funds and Capping Realignment Law has seriously affected its operations, particularly the implementation of the National Solar Rooftop Programme. Given the importance of the Solar Rooftop Programme in providing affordable and environmentally friendly source of energy to consumers, the Committee recommends that the Ministry of Finance should allow the Commission to retain 100% of its IGF.

#### **9.4 Increasing Electrification Access**

The Committee expressed concern about the low performance of the Ministry in 2017 in relation to its targets for increasing access to electricity in the country. It was noted that out of a target of 2,185 communities planned to be connected to the national grid in 2017, only 289 representing about 13.2% of the intended communities were actually connected. This resulted in a marginal increase in access from 83.24 percent in 2016 to 83.62 percent in 2017. The Ministry attributed the low performance to procurement challenges and was hopeful that the remaining communities would be connected to national grid in 2018.

#### **9.5 Restructuring of Volta River Authority (VRA)**

The Committee was informed that Cabinet has approved the restructuring of Volta River Authority (VRA) to include a wholly owned entity to manage the hydroelectric facilities separately and invite private sector participation in the ownership and management of state -funded thermal power plants. The policy is intended to enhance the development of a competitive power market and to utilize the cheap electricity from the legacy hydro to support the requisite government subsidy objectives to targeted category of consumers in a transparent manner.

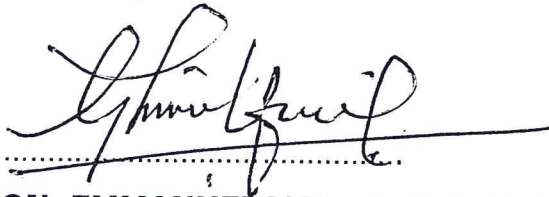
According to the Officials of the Ministry, a Committee has been constituted to work out the modalities for the implementation of the policy. The Committee while commending the government for the initiative, calls for more clarity on the policy direction to clear any doubt that the workers of VRA and the general public might harbour.

#### **10.0 CONCLUSION AND RECOMMENDATION**

The Committee, having thoroughly examined the budget estimates of the Ministry of Energy for the 2018 fiscal year, is of the view that the policies and programmes outlined for the year would go a long way to support the achievement of the Sector goal of providing secure, safe and reliable supply of energy to promote economic growth of the country.

The Committee accordingly recommends to the House to adopt its Report and approve the sum **Nine Hundred and Fourteen Million, Three Hundred and Ninety-Seven Thousand, Four Hundred and Twelve Ghana Cedis (GH¢914,397,412)** for the services of the Ministry of Energy for the year ending 31<sup>st</sup> December 2018.

Respectfully submitted.



**HON. EMMANUELAKWASI GYAMFI**

**(CHAIRMAN, COMMITTEE ON MINES AND ENERGY)**

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**(CLERK TO THE COMMITTEE)**

**December, 2017**

