



WHAT POWER AFRICA MEANS FOR GHANA

Ghana Energy Sector Overview

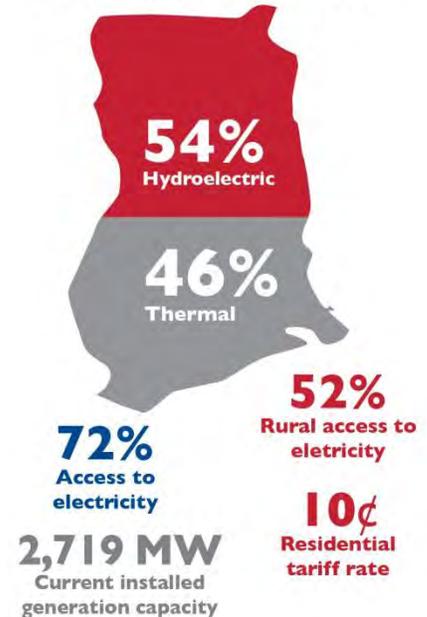
Ghana has 2,719 mega-watts (MW) of installed generation capacity to serve a population of 25 million. However, electric power supplies are unreliable and inadequate, and this is a paramount constraint to economic growth. Independent power producers (IPPs) account for 546 MW (about 20%) of generation capacity. An existing thermal IPP is being expanded to a 'combined-cycle' facility that will run on natural gas and oil, generating an additional 110 MW. Another IPP, CenPower/Kpone, is nearing financial close and will ultimately produce 348 MW. These increases in capacity will aid the Government of Ghana (GOG) achieve its target of 5,000 MW of installed generation by 2016, including 10 percent from renewable sources.

Reforms across the power sector will be necessary for Ghana to continue obtaining private-sector investment. As such, Power Africa and other partners are focused on the following priorities: (1) building a transparent framework to use the country's natural gas resources for thermal generation; (2) initiating a least-cost, competitive bidding process to acquire IPPs; (3) effective allocation and pricing of legacy hydropower; (4) integrated resource and resiliency planning among the generation, transmission, and distribution sectors; (5) transition to a wholesale electricity market; (6) improved energy efficiency and demand-side management; and (7) expansion of renewable energy sources. Power Africa is undertaking a critical action plan to improve the creditworthiness of the Electricity Company of Ghana and of the Northern Electric Distribution Company, the nation's off-takers and distributors of electric power.

Power Africa Support

The U.S. Government is working closely with the GOG on several key power and energy initiatives including Power Africa, the Partnership for Growth, and the Millennium Challenge Corporation (MCC). MCC is developing a potential compact to resolve key gas supply issues, improve the creditworthiness of Ghana's gas and electricity off-takers, increase tariffs to reflect costs, and reduce inefficiencies and losses in power distribution systems. Power Africa technical assistance is advancing the CenPower/Kpone transaction toward financial close.

Current Generation Input Mix



US Energy Information Administration; International Energy Statistics; 2010; World Bank; Databank; 2010; World Bank; Africa Renewable Energy Access Program; Ghana Energy Commission; Energy Statistics, 2012.

Highlighted Transactions

Name	Output	Type of Transaction	Value (USD Million)	Timeline	Power Africa Support	GOE Actions
CenPower Kpone	348	CCGT (Gas/Liquids)	\$700 million	<ul style="list-style-type: none"> Financial close, Q2 2014 Arrange fuel supply, Dec 2013 Construction, late 2014/early 2015 	<ul style="list-style-type: none"> Review of loan documents Assistance with lender requests PPA negotiation Due diligence on Cenpower's financial models, and reports/recommendations for the Electricity Company of Ghana/Ministry of Finance and Economic Planning 	<ul style="list-style-type: none"> Approve final draft report and recommendations Finalize financial close

Power Africa Initiative: Mobilizing Investments in Energy

Power Africa is a U.S. Presidential initiative announced in June 2013 and designed to increase access to electricity in sub-Saharan Africa over the next five years. Power Africa proposes ambitious strategies for energy sector development, beginning in the following six focus countries: Ethiopia, Kenya, Tanzania, Liberia, Ghana, and Nigeria. Additionally, Power Africa will continue promoting responsible and transparent resource management in Uganda and Mozambique.

Additionally, Power Africa accelerates investments to develop resources responsibly, build out power generation and efficient distribution and transmission, and expand the reach of mini-grid and off-grid solutions. A key goal is to build more clean, sustainable and efficient electric generation capacity.

A New Way of Doing Business for Development

Power Africa directly addresses constraints to investment by taking a transaction-centered approach to galvanize collaboration and produce near-term results while driving forward reforms to support future investment. This approach is designed to enable public sector partners (ministries, power companies, etc.) to meet critical energy needs for economic growth, health, and education by more effectively managing energy resources and private sector investments.

Power Africa brings trade, regulatory and finance expertise of 12 specialized U.S. Government agencies to advance transactions between public and private investors, leveraging Transaction Advisors located in each of the six focus countries. Trade delegations, and other Power Africa outreach efforts, invite U.S. companies to invest in the region and bring their cutting-edge technologies and solutions to expand access to affordable and sustainable electric power.

For more information on Power Africa visit: www.usaid.gov/powerafrica

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