



**RE-TRANSFER CEREMONY OF THE NALUBAALE & KIIRA POWER
STATIONS TO GOVERNMENT OF UGANDA BY ESKOM (U) LIMITED**

**REMARKS BY THE PERMANENT SECRETARY
MINISTRY OF ENERGY & MINERAL DEVELOPMENT**

27TH MARCH 2023

The Hon. Minister of Finance, Planning and Economic Development,
The Hon. Minister of Energy & Mineral Development,
The Hon. Attorney General,
The Hon. Minister of State for Energy,
The Hon. Minister of State for Minerals,
The Hon. Minister of State for Investment and Privatization,
The High Commissioner of South Africa to Uganda,
The Board and Management of Eskom (U) Limited,
The Chief Executive Officer, Electricity Regulatory Authority,
The Board and Management of Uganda Electricity Generation Company Limited,
The Chief Executive Officer / Managing Director, Uganda Electricity Transmission Company Limited,
Esteemed Colleagues from all Government Ministries and Agencies,
Distinguished Guests,
The Press,
Ladies and Gentlemen,

1. It is my distinct honour and pleasure to welcome you all to this esteemed function to witness the retransfer of the Nalubaale and Kiira Hydro Power Plants to GoU after the natural expiry of the Eskom (U) Ltd concession in which they operated and maintained the facility for 20 years.
2. The reason today is a momentous occasion is because of the good partnership we have had with Eskom for the 20 years they have been

here. We recognise the significant role the company has played in ensuring stable supply of power in the country. In the same vein, the Uganda Electricity Generation Company (UEGCL) has grown its capabilities in the operations of our generation plants and the timing cannot be better for the Company to take over the operation of Kira/Nalubaale. We handed over the Namanve 50 MW thermal power plant that was previously operated by Jacobsen to UEGCL during 2022 and the company continues to manage the plant to acceptable levels.

3. Distinguished Guests, in order to facilitate the retransfer process and as per the Support Agreement, the Ministry of Energy and Mineral Development (MEMD) is undertaking an Audit through the Office of the Auditor General (OAG) to help inform Government on any potential Buy-Out Amount at the end of the concession period.
4. Additionally, in preparation for the handover of the Complex, and to ensure minimal disruption to the grid and critical activities ongoing at the power plants, my Ministry with support from other stakeholders including Ministry of Finance, Planning and Economic Development, Office of the Auditor General, Electricity Regulatory Authority, Uganda Electricity Transmission Company Limited, Uganda Electricity Generation Company Limited and Eskom (U) Limited has undertaken a number of activities to ensure a smooth transfer of the complex. I would like to report as follows:

- i. A Power Purchase Agreement was obtained from UETCL and a generation license issued by ERA.
 - ii. Interviews of staff from Eskom (U) were undertaken and completed in February 2023. More than 96% of staff from EUL have been absorbed into UEGCL to support the operations of the Complex at even more improved remuneration terms.
 - iii. The procurement process for the required Operations & Maintenance services was undertaken. These include security, cleaning, catering, weed removal etc.
 - iv. A stakeholder meeting was undertaken on 16th March 2023 to review the Nalubaale – Kiira Concession Audit Report. We are awaiting the final report to fulfil any obligations that shall be required of Government.
5. I would like to express our gratitude to Eskom (U) Ltd for ensuring that the 380MW complex is kept functional over the 20 year concession period and maintaining a consistent supply of electricity to the grid throughout that period.
6. Ladies and Gentlemen, the importance of the 380MW Nalubaale – Kiira Complex to our country's Electricity Supply Industry cannot be overstated. For a long time, the power complex provided and continues to be a source of reliable electricity necessary for our country's industries and factories. I would like to pledge that my Ministry will ensure that the facility is well maintained and will continue to provide clean, affordable and reliable electricity necessary for our country's leap to the Middle Income status.

7. Thank you all for putting aside time to attend this ceremony to witness the transfer of this critical asset back to the Government of Uganda.

FOR GOD AND MY COUNTRY