



PRESS RELEASE

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GHANA'S ENERGY SECTOR AT A CROSSROAD: EXPERT RECOMMENDATIONS FOR SUSTAINABLE SOLUTIONS

Accra, Ghana – Ghana's energy sector is at a critical juncture, facing significant challenges such as escalating debts, gas shortages, and inefficiencies that threaten national stability. The Africa Sustainable Energy Centre (ASEC) highlights essential interventions to prevent a deepening crisis and secure a sustainable energy future. Despite initiatives like the Cash Waterfall Mechanism (CWM), systemic mismanagement has exacerbated financial burdens, strained relationships with Independent Power Producers (IPPs), and resulted in ongoing power rationing. ASEC stresses that addressing these issues is vital for economic growth, industrial production, and job creation.

Key Recommendations

- **Address Gas Supply Challenges**

Government must ensure the completion of Train Two of the Atuabo Gas Plant to increase the national capacity to 450 MMscfd, complete the Liquefied Natural Gas (LNG) facility at Tema, and build the Takoradi-to-Tema (TT) gas pipeline to ensure energy availability during disruptions in the West African Gas Pipeline (WAGP). This must be guided by transparency and accountability to ensure success on all fronts.

- **Privatise the Commercial Aspect of ECG**

We reiterate our call to privatise the commercial leg of the Electricity Company of Ghana (ECG). In our past publications (August 2024, September 2024), we argued how this move would boost revenue mobilisation and operational efficiency. A transparent framework, informed by the Millennium Development Authority (MiDA), will prevent past mistakes.

- **Ensure Transparency in Levy Utilisation**

Properly allocate the \$650 million generated annually by the Energy Sector Recovery Levy (ESLA). Publishing detailed reports on fund usage will foster trust and attract key investments, such as the \$316 million Ghana Power Compact from the Millennium Challenge Corporation (MCC).





- **Implement Cost Reflective Electricity Tariffs**

Align electricity tariffs with actual consumption patterns and operational costs to ensure financial stability. Accelerate the deregulation of the electricity market and renegotiate agreements with IPPs to balance national interests with economic stability. This would foster competitive and transparent operations.

- **Promote Low-carbon Technologies**

Ghana must invest in solar and wind energy to meet renewable energy targets, incentivise private sector participation, and expand infrastructure to integrate renewable sources into the national grid. Nuclear power is an ideal baseload energy source for Ghana due to its high capacity factor of over 90 percent, ensuring reliable and continuous generation. Advanced nuclear reactors, such as small modular reactors, offer flexibility, efficiency, and scalability, making them well-suited to Ghana's energy needs while supporting decarbonisation and reducing reliance on volatile fossil fuel markets.

- **Replace ECG Meters Across the Country**

Ghana's electricity distribution metering system has improved with prepaid and smart meters, but challenges like tampering, inadequate rural coverage, and aging infrastructure persist, leading to revenue shortfalls and increased commercial losses.

Call to Action

ASEC urges the government to prioritise these measures and take decisive action to tackle Ghana's energy challenges beyond the usual political rhetoric. Resolving these issues will ensure economic resilience and solidify the government's legacy as a transformative force in the nation's history.

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Signed

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