



## **SPEECH BY THE ENERGY REGULATION BOARD EXECUTIVE DIRECTOR, AT THE SIGNING AND HANDOVER OF THE APPROVED INVESTMENT ENDORSEMENT TO ITEZHI-TEZHI POWER CORPORATION LIMITED**

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**MEMBERS OF THE PRESS;**

**ITEZHI-TEZHI POWER COMPANY REPRESENTATIVES;**

**ERB MANAGEMENT;**

**LADIES AND GENTLEMEN**

AS YOU MAY BE AWARE, THE ENERGY REGULATION BOARD (ERB) RECENTLY GRANTED REGULATORY APPROVAL FOR A POWER PURCHASE AGREEMENT (PPA) BETWEEN ZESCO LIMITED AND ITEZHI –TEZHI POWER CORPORATION LIMITED (ITPC). THE AGREEMENT IS INTENDED TO ENABLE ZESCO AND ITPC TRADE IN ELECTRICITY ONCE THE CONSTRUCTION OF ITPC POWER PLANT IS COMPLETED.

THE ERB ALSO GRANTED **AN INVESTMENT ENDORSEMENT FOR THE PROJECT**. THE INVESTMENT ENDORSEMENT IS ERB'S GUARANTEE TO THE PROJECT DEVELOPERS THAT PROVIDED THE PROJECT IS IMPLEMENTED IN ACCORDANCE WITH WHAT HAS BEEN SUBMITTED AND AGREED WITH THE ERB, THE ERB WILL GRANT ITEZHI TEZHI A LICENCE TO GENERATE ELECTRICITY.

AS WE HAVE STATED BEFORE, THE ERB WILL CONTINUE TO SUPPORT AND ENCOURAGE NEW INVESTMENTS IN POWER GENERATION TO HELP MEET THE EVER RISING NATIONAL ELECTRICITY DEMAND.

AS YOU MAY BE AWARE, ZESCO'S PEAK DEMAND CURRENTLY STANDS AT ABOUT 1580MW WHILE AVAILABLE GENERATION CAPACITY STANDS AT ABOUT 1400MW, AND INSTALLED CAPACITY IS ABOUT 1739MW. IN VIEW OF THE PROJECT, ZESCO LIMITED WILL ACCESS **120MW ADDITIONAL** POWER FROM THE NEW POWER PLANT TO BE DEVELOPED BY ITEZHI-TEZHI POWER CORPORATION. THE ADDITIONAL CAPACITY WILL IN THE MEDIUM TERM HELP TO ADDRESS THE ELECTRICITY SHORTAGE WHICH ZAMBIA IS CURRENTLY EXPERIENCING. THEREFORE, THE ITPC PROJECT COULD NOT HAVE COME AT A BETTER TIME.

**LADIES AND GENTLEMEN,**

THERE HAS BEEN NO MAJOR DEVELOPMENT OF GENERATION FACILITIES IN THE REGION FOR OVER 30 YEARS. AS A COUNTRY, WE HAVE NOT HAD ANY MAJOR INVESTORS IN ELECTRICITY GENERATION SECTOR. THE DEVELOPMENT OF THE NEW GENERATION POWER PLANT WILL THEREFORE HELP TO MITIGATE THE CURRENT SHORTFALL OF ELECTRICITY.

ITEZHI-TEZHI POWER CORPORATION WILL DEVELOP, OPERATE AND MAINTAIN A **120MW** POWER GENERATION PLANT AT ITEZHI-TEZHI CONSTRUCTED AT A TOTAL COST OF US\$230 MILLION AND ZESCO WILL BE THE SOLE OFF-TAKER (BUYER) OF THE POWER TO BE GENERATED.

I SHOULD EMPHASISE, THOUGH, THAT THERE ARE A NUMBER OF OTHER MAJOR PROJECTS LINED UP FOR GENERATION OF ELECTRICITY, OWING TO GROWING DEMAND AND A CONDUSIVE ENVIRONMENT FOR INVESTMENT, AND ITEZHI -TEZHI POWER CORPORATION IS JUST BUT ONE OF SUCH NEW ELECTRICITY GENERATION PROJECTS. OTHERS ARE

KARIBA NORTH BANK EXTENSION PROJECT, NDOLA ENERGY COMPANY, KALUNGWISHI HYDROPOWER PROJECT, KAFUE GORGE LOWER AND KABOMPO HYDRO POWER STATION.

FOR US AS ERB, IT IS VERY ENCOURAGING TO SEE THE NEW INVESTMENTS IN ELECTRICITY GENERATION PROJECTS COMING UP IN DIFFERENT PARTS OF THE COUNTRY. THE IMPLEMENTATION OF THESE VARIOUS PROJECTS ATTESTS TO THE GOOD REGULATORY ENVIRONMENT PROVIDED BY THE ERB IN THE SECTOR.

WE ARE CONFIDENT THAT THESE ELECTRICITY GENERATION PROJECTS WILL UNDOUBTEDLY NOT ONLY HELP MITIGATE THE POWER DEFICIT BUT ALSO SPUR ECONOMIC DEVELOPMENT IN THE COUNTRY.

IN CONCLUSION, ALLOW ME TO REITERATE THAT THE POWER PLANT BY ITEZHI –TEZHI POWER CORPORATION WILL INCREASE ZAMBIA'S ELECTRICITY GENERATION CAPACITY, GREATLY. WITH OTHER PROJECTS COMING UP IN THE VERY NEAR FUTURE, ZAMBIA WILL NOT ONLY BE ABLE TO MEET ITS ELECTRICITY NEEDS BUT ALSO HELP OTHER ELECTRICITY DEFICIENT COUNTRIES IN THE REGION.

THIS NEW INVESTMENT BY ITPC FITS IN VERY WELL WITH THE ERB VISION WHICH IS: **"A ZAMBIA WITH UNIVERSAL ACCESS TO RELIABLE, SAFE AND AFFORDABLE ENERGY PRODUCTS AND SERVICES"**. INDEED, WITH THIS DEVELOPMENT WE TRUST THAT MORE PEOPLE WILL BE ABLE TO ACCESS ELECTRICITY IN ZAMBIA.

WITH THESE FEW WORDS, **LADIES AND GENTLEMEN**, I NOW WISH TO PRESENT THE INVESTMENT ENDORSEMENT TO ITEZHI-THEZI POWER CORPORATION.

I THANK YOU FOR YOUR ATTENTION!

**MR. BUTLER A. SITALI**  
**EXECUTIVE DIRECTOR**  
**ENERGY REGULATION BOARD**