

Ghana: Hydro-Power Crisis Getting Worse

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Accra

Ghana is undergoing its worst power crisis since 1998. People here currently have an average of only 12 hours of electricity a day, and, with insufficient rain to keep its hydropower stations functioning, the situation is likely to deteriorate, affecting individual livelihoods and the economy as a whole.

The water level of Lake Volta, the largest man-made lake in West Africa, which normally supplies 60 percent of Ghana's energy needs, is at an all-time low, 234.96 ft below the critical minimum.

The lack of water in the lake has created a 300 MW power shortfall.

Weather forecasters predict drought in all three northern regions of Ghana where the sources of the rivers that feed Lake Volta are located.

"The masses are suffering." John Atipoe, an electrician and father of four, told IRIN.

"The frequent power cuts destroyed my refrigeration system and I had no money to repair it," said 51-year old Juliet Adjoa Serwah who used to make money selling food and drinks. "Now I have to resort to basket weaving to look after my three kids."

Economic warning

According to Ghanaian economist Nii Moi Thompson, "It's almost certain now that low productivity due to the crisis will block the attainment of the 6.5 percent GDP [Gross National Product] growth forecast for this year."

The impact of the power cuts have already been huge for small and medium scale enterprises, which, according to Ghana's finance and economic minister, account for about 90 per cent of all businesses in the country.

Big industries are also feeling the pinch: The mining industry is currently spending 8.6 million dollars a month to make up for the shortfall from the national grid. In March, Ghana's only aluminum smelter company, VALCO, shut down due to the inadequate supply of power, laying off 500 workers.

Energy conservation

In the offices of the Ministry of Energy posters encourage people to save energy. The ministry said it was importing 6 million energy-saving bulbs to be distributed to the public free-of-charge.

"Conserving energy is the best way to deal with this crisis," Energy Minister Joseph Adda told IRIN. "We expect to save up to 200 MW of energy with this approach."

The government said it was also encouraging independent power producers to assist in meeting the energy shortfall. The Wood Group, a private company from the UK has agreed to provide 50 MW; mining companies in Ghana have come together to create an 80 MW plant.

In the meantime Adda said the government was setting up emergency thermal plants that are expected to generate up to 126 MW.

But the costs of power from fossil fuels are high. The government said it has been spending close to US \$42 million a month to fuel the generators. "The consumer must be prepared to pay more if we are to run these emergency plants at full capacity," Adda said.

The ministry is commissioning additional power plants to be installed in the next 12 to 18 months. "This forms part of the plan to have an installed capacity of over 3,000 MW by 2010," Adda told IRIN.

But switching from renewable hydro power to power fueled by gas and diesel is also likely to have negative environmental impacts

The government has started construction of another hydro-electric plant which is expected to be completed in 2012, providing 400 MW. But leaders in the main political opposition, the National Democratic Congress (NDC), have criticized the move, questioning why the government thinks it can successfully build a new hydro plant given the on going problems with the old one.

Political analysts say the handling of the power crisis could determine whether the ruling New Patriotic Party wins or loses next year's general elections.