

PUBLIC NOTICE

PROPOSED STANDARD POWER PURCHASE TARIFF FOR SMALL POWER PROJECTS FOR YEAR 2009

The Government of Tanzania (GoT) through the Ministry of Energy and Minerals (MEM) and in collaboration with the World Bank has embarked on accelerating electricity access to the Tanzanian population. Delivered by Tanzania Energy Development and Access Project (TEDAP) initiative, the GoT is expediting the development of renewable energy sources in Tanzania by promoting private sector participation in the power sector through the development of Small Power Projects (SPPs).

In making this initiative a success, MEM in consultation with stakeholders has adopted a Standardized Power Purchase Agreement (SPPA) and a Standardized Power Purchase Tariff (SPPT) for SPPs. The SPPA and SPPT serve to streamline the development and interconnection of SPPs to Main and Min-Grids and to set a platform to ensure a fair deal to all stakeholders. In the year 2008 and pursuant to Section 17 of Cap 414, EWURA approved the SPPA, the Standardized Tariff Methodology (STM) and applicable Tariff for 2008. The Standardized Tariff Methodology is normally subjected to revision in five years after approval but with annual adjustments for uncontrollable operational costs. These revisions are done by the Working Group on Small Power Development (WGSPD) now hosted by Rural Energy Agency (REA). However, early revision has been necessary to (a) remove reference to mini-grid, the methodology for which is now submitted separately and, (b) clarify that the SPPA governs the export capacity of up to 10 MW that include cogeneration.

WGSPD which comprise representatives from MEM, University of Dar Es Salaam, EWURA Consumer Consultative Council, Tanzania Private Sector Foundation, REA, TANESCO and EWURA as an observer, meets annually, and based on latest available information calculates, and submits for approval to EWURA the applicable tariff for the particular year. The WGSPD has now completed and submitted the following for approval:

- i. Revised Standardized Tariff Methodology for sale of electricity to the Main Grid;
- ii. Standardized Tariff Methodology for sale of electricity to the Min- grid;
- iii. As per table 1, the proposed Tariff for the year 2009 for the sale of electricity to the Main Grid in Tanzania; and
- iv. As per table 2 the proposed Tariff for the year 2009 for the sale of electricity to the Mini-grid in Tanzania.

Table 1: Main –Grid Connection

Standardized Small Power Purchase Tariff			85.49	TZS/kWh
Seasonally adjusted Standardized SPP Tariff Payable in	Dry season	Aug-Nov	102.58	TZS/kWh
	Wet season	Jan-Jul and Dec	76.94	TZS/kWh

Table 2: Min –grid Connection

SPP Standardized Min-Grid Tariff for the year 2009	334.83	TZS/kWh
--	--------	---------

For an SPPA signed in the year 2009, the floor prices will be as stated above and the price cap will be 1.5 times the tariffs stated above, subject to adjustment for inflation reflecting the Tanzania Consumer Price Index.

Pursuant to Section 19 (2) (b) of Cap 414, interested parties who wish to submit their views, either in writing or otherwise, on the reasonableness of the above proposed SPPA rates are invited to do so at any time within three weeks (21 days) from the date of this notice.

Further details may be obtained upon written request to the Director General EWURA