Electricity sector in Ghana

Ghana generates <u>electric</u> power from <u>hydropower</u>, fossilfuel (thermal energy), and <u>renewable energy</u> sources. <u>Electricity generation</u> is one of the key factors in order to achieve the development of the Ghanaian national economy, with aggressive and rapid <u>industrialisation</u>; Ghana's national <u>electric energy consumption</u> was 265 kilowatt hours per capita in 2009. [2][3]

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History

The first Ghana government-sponsored public electricity supply in Ghana commenced in the year 1914 at Sekondi-Takoradi, operated by the Ghana Railway Administration (Ghana Railway Corporation). Power supply was extended to Sekondi-Takoradi in 1928. The Ghana Public Works Department had commenced a limited direct current (DC) supply in Accra during 1922. A large alternating current (AC) project started on 1 November 1924, and a small plant consisting of three horizontal single cylinder oil-powered engines was installed in Koforidua in 1925.

Electricity sector of Ghana



SPACE CONTRACTOR		
Data		
Electricity coverage (July 2012, 100%)	74% (total), 60% (rural)	
Installed capacity (2015)	3655.5 <u>MW</u>	
Share of <u>fossil</u> energy	50.9%[1]	
Share of renewable energy	49.1% (hydro, bio energy, thermal energy) 0.03% (solar, wind energy)	
<u>GHG</u> emissions from electricity generation (2013)	0.2 Mt <u>CO</u> ₂	
Average electricity use (2010)	298 <u>kWh</u> per capita	
Distribution losses (2010)	3%	
Transmission losses (2011)	3%	
Consumption by sector (% of total)		
Industrial	37.5	
Commercial	12.5	

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Tariffs and financing

Public sector

In 1926, work started on electrical distribution to Kumasi. [6] A restricted evening supply commenced in May 1927, and a power station was brought into full operation on 1 October 1927. [6] In the same year DC supply was installed at Winneba but this was subsequently changed to AC by extending an existing supply from Swedru and during the period 1929-30, a limited electricity supply was extended to Tamale until a new AC plant was installed in 1938. [6]

The next power station to be established was <u>Cape Coast</u> in 1932. This was taken over by the Ghana Electricity Department in 1947. A Ghanaian power station at <u>Swedru</u> was commissioned in 1948 and this was followed by the installation of generating plants at <u>Akim Oda</u>, <u>Dunkwa-on-Offin</u> and <u>Bolgatanga</u> in 1948. On 27 May 1949, an electricity supply was made available at <u>Nsawam</u> through the building of an 11 kV overhead transmission line from Accra. The <u>Keta</u> electricity supply which was included in the programme was delayed by staff difficulties and was not commissioned until 1955.

The <u>Tema</u> power station was commissioned in 1956 with a 3 x 650 kilowatts (870 hp) diesel generating set. The <u>Ho</u> power station followed in 1957 and from 1961-64. The Tema <u>power station</u> was extended to a maximum capacity of 35,298 kilowatts (47,335 hp), thus, making it probably the biggest single <u>diesel</u>-powered generating station in Africa.

In 1963 the Ghana Electricity Division brought into operation the first 161 kV transmission system in Ghana, which was used to carry power from the <u>Tema</u> Power Station. At its peak in 1965, about 75 percent of the power was used in Accra. [6]

In 1994, <u>Ghana</u>'s total generating capacity was about 1.187GW, and annual production totaled approximately 4.49GW. The main source of supply was the <u>Volta River Authority</u> with six 127MW turbines^[6] installed at the <u>Akosombo Hydroelectric Project</u>. At this time, this project provided the bulk of all electricity consumed in Ghana, some 60 percent of which was purchased by <u>Volta Aluminum Company</u> (Valco) for its <u>smelter</u>. The power plant export amounted to an estimated equivalent of 180,000 tons of oil in 1991.^[6]

Average residential tariff (US\$/kW·h, 2011)	0.0016	
Annual investment in electricity (2013)	1,000,000,000 billion (40% public, 60% private)	
Services		
Sector unbundling	Yes	
Share of private sector in generation	53%	
Competitive supply to large users	Yes	
Competitive supply to residential users	No	
Institutions		
No. of service providers	38 (generation), 6 (transmission), 22 (distribution)	
Responsibility for regulation	GEC-Ghana Energy Commission Office	
Responsibility for policy-setting	GEC-Ghana Energy Commission Office	
Responsibility for the environment	National Environment Commission; Ghana Environmental Protection Agency (EPA)	
Electricity sector	Yes (2007, modified in 2012)	
Renewable energy law	Yes	
CDM transactions related to the electricity sector	1 registered <u>CDM</u> project	

The balance of Ghana's electricity was produced by diesel units owned by the Electricity Corporation of Ghana, by mining companies, and by a 160MW hydroelectric plant at Kpong, about 40 kilometers downstream from Akosombo. A third dam at Bui on the Black Volta River had been studied, and was completed in 2013. [6]

Other sites with the potential for power generation, on the <u>Pra River</u> (<u>Ghana</u>), the <u>Tano River</u>, the <u>White Volta River</u>, and the <u>Ankobra River</u>, would also require substantial investment. [6]

Ghana has attempted to increase distribution of its electricity throughout the country. One program Ghana has initiated will provide reliable and widespread electricity in the urban and southern parts of the country. In addition, the extension of the national grid to the Northern Region was commissioned in 1989. The extension links northern Ghana to the power generated from the Akosombo Dam. [6]



Ghana <u>Hydropower</u> and <u>Solar Energy</u> <u>Electricity Generation</u> industries, and <u>Oil and gas industry</u> in Ghana.



The Akosombo Dam was built on the Volta river in 1965 and is spilling water through six floodgates because of the all-time high water level in the Akosombo Dam.

The second phase of the extension will connect major towns in Upper East Region with the regional capital, <u>Bolgatanga</u>, at a cost of <u>US\$100</u> million. The final phase will see exports of electricity across the northern <u>national border</u> of Ghana to <u>Burkina-Faso</u>. In early 1991 the Electricity Corporation of Ghana began the expansion of electricity networks in the northwestern areas of <u>Accra</u> and the Ghanaian corporation aimed to extend the supply of electricity to all isolated centers in Ghana where <u>diesel</u> is the main source of power. Plans were also afoot to increase the supply of electricity by utilisation of thermal energy and construction was anticipated by late 1994 on the country's first thermal power generating plant near <u>Sekondi-Takoradi</u> and scheduled for completion in 1997, the plant contributed 300MW of electricity to the Ghana national grid. [6]

Since 2007, Ghana has become an <u>electricity</u> exporter and since 2011 an exporter of <u>crude oil</u>, and <u>natural gas</u>, [7] and a generator of electricity by <u>thermal energy</u>, <u>hydropower</u>, <u>solar</u> energy and renewable energies since 2012.

Fossil fuel

Crude oil and Natural gas production

Ghana produces 140–200 million <u>cubic feet</u> of <u>natural gas</u> per day and in which <u>natural gas</u> production in Ghana has been restrained from full production capacity since December 2012, due to delays in construction of a Ghanaian gas refinery in <u>Sekondi-Takoradi</u> that was scheduled to be completed by December 2012 and now scheduled to be completed by December 2013, and due to which in turn has led to gas <u>flaring</u> and Ghana losing hundreds of millions a day since December 2012 in revenues from <u>natural gas</u> production. Since December 2012 billions of dollars a year have been lost from the Ghanaian GDP due to the delays in <u>construction</u> of a gas refinery in Sekondi-Takoradi. [7]



Oil platform off the Sekondi-Takoradi Coast Western Region of Ghana

A Ghanaian <u>oilfield</u> which is reported to contain up to 3 billion barrels (480,000,000 m³) of <u>crude oil</u> was discovered in 2007, and according to the Ghanaian government, the country could expand its <u>petroleum</u> reserves up to 5 billion barrels (790,000,000 m³) of <u>crude oil</u> in <u>reserves</u> within a few years. [11]

Ghana produces 200,000 <u>barrels</u> of crude oil per day on average from an expected 1–2 million barrels of crude oil per day, 1 and an expected crude oil production revenue of <u>US</u>\$ 30 billion a year; as with <u>Angola</u>, also a crude oil producer, has an expected 2 million barrels of crude oil production per day and receives an expected \$33.7 billion a year in crude oil revenues.

Tremendous inflow of <u>economic capital</u> from <u>fossil fuel</u> into the Ghanaian economy began from the first quarter of 2011 when Ghana started producing <u>crude oil</u> and <u>natural gas</u> in commercial quantities and the Ghana <u>crude oil industry</u> accounted for 6% of the Ghanaian economic revenue for 2011. <u>Oil and Gas exploration</u> in Ghana continues and the amount of both <u>crude oil</u> and <u>natural gas</u> in Ghana continues to increase.

Solar energy

The biggest <u>photovoltaic</u> (PV) and the largest <u>solar energy</u> plant in Africa, the Nzema project, based in Ghana, will be able to provide electricity to more than 100,000 homes. [14] The 155MW plant will increase Ghana's electricity generating capacity by 6%.

Construction work on the $\underline{GH^{\complement}}$ 740 million ($\underline{GB\underline{\pounds}}$ 248 million) and the 4th largest solar power plant in the world, is being developed by Blue Energy, a UK-based renewable energy investment company, majority owned and funded by members of the, Stadium Group, a large European private asset and development company with $\underline{GB\underline{\pounds}}$ 2.5 billion under management. Project director is Douglas Coleman, from Mere Power Nzema Ltd, Ghana. [14]

Unlike many other solar projects in Africa that use <u>concentrated solar power</u>, solar plants will use <u>photovoltaic</u> (PV) technology to convert <u>sunlight</u> directly into <u>electricity</u>. Installation of more than 630,000 solar PV modules will begin by the end of 2017.

As of August 2015, the project is still under development. [15]

Wind energy

In addition to hydropower and solar energy, Ghana also produces a lot of other renewable energy, other forms of energy that produce electricity in Ghana are wind power, geothermal and biomass. [16] It is the official goal of Ghana energy industry to have 10% of Ghana's energy mix come from renewable sources (not counting large-scale hydropower) by 2015, or at the very latest by 2020. [17]

Ghana has Class 4-6 wind resources at locations of the high wind areas – such as Nkwanta, the Accra Plains, and Kwahu and Gambaga mountains. The maximum energy that could be tapped from Ghana's available wind resource for electricity is estimated to be about $500 - 600 \text{ GWh/year.}^{\boxed{17}}$ To give perspective – In 2011, from the same



Wind turbines (eco park) Wind farm.

Energy Commission, the largest Akosombo <u>hydroelectric dam</u> in Ghana alone produced 6,495 <u>GWhrs</u> of electric power and, counting all Ghana's <u>geothermal energy</u> production in addition, total energy generated was 11,200 GWhrs in the same year. [17]

These assessments do not take into consideration further limiting factors such as land-use restrictions, the existing grid (or how far the $\underline{\text{wind}}$ resource may be from the grid) and accessibility. $\underline{^{[17]}}$ $\underline{\text{Wind energy}}$ has the potential to contribute significantly to the country's energy industry – 10% can certainly be attained in terms of installed capacity, and about 5% of total electric generation potential from wind alone. $\underline{^{[17]}}$

Bio energy

Ghana has put in place mechanisms to attract investments into its biomass and bio-energy sectors to stimulate <u>rural development</u>, create jobs and save foreign exchange.^[8]

The vast arable and degraded <u>land mass</u> of Ghana has the potential for the cultivation of <u>crops</u> and <u>plants</u> that could be converted into a wide range of solid and liquid <u>bio-fuels</u>, as the development of alternative <u>transportation</u> fuels could help Ghana to diversify and secure its future energy supplies. Main investments in the <u>bio-energy</u> subsector existed in the areas of production, are transportation, storage, distribution, sale, marketing and exportation.



A hybrid Sorghum plantation field.

The goal of Ghana regarding bio-energy, as articulated its energy sector policy, is to modernise and examine the benefits of bio-energy

on a sustainable basis. Biomass is Ghana's dominant energy resource in terms of endowment and consumption, with the two primary bio-fuels consumed being ethanol and biodiesel. To that effect, the Ghana ministry of Energy in 2010 developed the energy sector strategy and development plan. Highlights of the key policy objectives strategy for the renewable energy subsector include sustaining the supply and efficient use of wood-fuels while ensuring that their utilisation does not lead to deforestation.

The plan would support <u>private sector</u> investments in the cultivation of <u>bio-fuel</u> feedstock, extraction of <u>bio-oil</u> and its refining into secondary products, thereby creating appropriate financial and tax incentives. The Ghana Renewal Energy Act provides the necessary fiscal incentives for <u>renewable energy</u> development by the private sector, and also details the control and management of <u>bio-fuel</u> and <u>wood-fuel</u> projects in Ghana. The Ghana National Petroleum Authority (NPA) was tasked by the <u>Renewable Energy</u> Act 2011 to price Ghana's <u>bio-fuel</u> blend in accordance with the prescribed petroleum pricing formula.

The combined <u>effects of climate change</u> and global economic turbulence, had triggered a sense of urgency among Ghanaian policymakers, industry and development practitioners to find sustainable and viable solutions in the area of bio-fuels.^[8]

Currently, <u>Brazil</u>, which makes <u>ethanol</u> from <u>maize</u> and <u>sugarcane</u>, is the world's largest <u>bio-fuel</u> market. [8]

See also

- Economy of Ghana
- Nuclear power in Ghana
- Dumsor, local term for electricity black-outs

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