Power players urge closer look at procurement

Key power sector stakeholders say best practice in procurement, deal structuring and financing models have a crucial role to play in ensuring a sustainable power sector across Africa.

This emerged at a meeting of the advisory boards of POWER-GEN Africa and DistribuTECH Africa in Sandton last week. The advisory boards, comprising experts, academics and executives from sub-Saharan power stakeholders, met to review papers and identify the most pressing issues facing the power generation and distribution sectors ahead of the annual co-located conferences and exhibition later this year.

Noting that African economic development depended on a healthy and sustainable power sector, advisory board members said utilities alone were not responsible for power sector challenges. Management, deal structuring and skills shortages at a local government level had to be addressed to ensure that projects delivered effectively, they said. Funding models and procurement practices had to be carefully assessed to ensure new project plans were viable, and more high level technical resources were needed to optimise ageing power infrastructure.

Nelisiwe Magubane, Chairman at Matleng Energy Solutions and former Department of Energy (DoE) director-general, said: “There is a need to ensure effective governance in procurement processes, to avoid costly project derailments.” She said the introduction of independent power producers had helped to refine and streamline rules and processes, but that there was room for improvement.

Dr. Willem de Beer, Chairman of the POWER-GEN Africa and DistribuTECH Africa Advisory Board, said research among power generation and distribution stakeholders in sub-Saharan Africa had found that the industry felt challenged from a financial perspective: “They are facing issues such as how to fund projects, and how to ensure they have the best suppliers aboard. Another major concern facing everyone we spoke to was how to manage ageing assets, and how to overlay new infrastructure on these assets.”

Advisory board members said African stakeholders were also facing issues such as developing new infrastructure around COP21 requirements; the growing trend toward distributed, stand-alone generation, and the integration of renewables onto the grid.

Nigel Blackaby, Director of International Conferences at event organisers PennWell, said POWER-GEN Africa and DistribuTECH Africa 2016 aimed to focus on these top of mind challenges to support sustainability in the pan-African power sector. POWER-GEN Africa and DistribuTECH Africa, last year attracting over 2,200 attendees and 110 exhibitors from...
79 countries, has stepped up its pan-African focus and aimed to serve as the continent’s premier knowledge sharing and networking hub for the power generation and distribution sectors, he said.

“In 2016, the two conferences will be more integrated, because generation and distribution must be seen as part of a complete picture when it comes to questions such as policy, regulation and project financing,” Blackaby said. POWER-GEN Africa and DistribuTECH Africa would also expand their VIP programme in 2016, to enable more pan-African utilities, public sector representatives and industry players to participate. In 2015, the events attracted high-level decision-makers from government and the private sector across countries including Botswana, Ghana, Lesotho, Rwanda, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe, with growing interest reported from across the continent. POWER-GEN Africa and DistribuTECH Africa 2016 will be staged in partnership with host utility Eskom at the Sandton Convention Centre from 19 – 21 July 2016.

For more details, please visit www.powergenafrica.com

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