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## REGULATORY NOTICE ERA 001/2015

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### IMPLEMENTATION OF GRID-CONNECTED SOLAR POWER GENERATION PROJECTS IN UGANDA

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#### BACKGROUND

The Authority has noticed increased expression of interest by the private sector to generate electricity by harnessing the sun's potential. This is an initiative that should be encouraged and promoted, especially in view of Uganda's solar potential. However, there is need to remain alert to the cost of power from this resource, as well as the technical capability of the national electricity grid to absorb this power without affecting the quality of electricity supply.

#### RATIONALE

Continuous technological advancements have resulted into cheaper and more efficient solar photovoltaic technology worldwide. Benefits from these improvements can only be realized through effective management of the cost of production of electricity from this resource. Competitive procurement of such capacity is one of the most effective means of guaranteeing reasonable and fair pricing of solar power, as well as harnessing the benefits of such modular technologies, including system loss reduction and voltage stability.

From a technical perspective, solar photovoltaic generation is associated with frequent power swings owing to its intermittent nature. This therefore calls for accurate determination of the extent to which the national electricity grid can accommodate power from solar without adversely affecting the quality of power supply. To this effect, extensive studies are currently being conducted by the System Operator, the Uganda Electricity Transmission Company Limited.

The major outcome of these studies will be the determination of the optimal amount of grid-connected solar power that can be accommodated by the national electricity grid without causing power evacuation and grid stability challenges. The findings will inform the Authority on the amount of solar power that can be competitively tendered out in the medium and long term.

#### NOTICE TO THE PUBLIC

Accordingly, the public is hereby notified that with effect from 1<sup>st</sup> January 2015, procurement of new capacity from solar technology will be subject to a competitive tendering process initiated by the Authority in accordance with the Electricity Act, 1999 Chapter 145, Laws of Uganda.

Issued this 16<sup>th</sup> day of January, 2015

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