



**REPORT OF THE PUBLIC HEARING HELD IN RESPECT OF THE
APPLICATION BY ELEMENTAL ENERGY LIMITED FOR THE
ESTABLISHMENT OF A 7 MW NYAMABUYE HYDROPOWER PROJECT
IN KISORO DISTRICT**



VENUE: BUSANZA SUB-COUNTY, KISORO DISTRICT

18TH APRIL 2016

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1. INTRODUCTION

Pursuant to Section 33 of the Electricity Act, 1999, Cap 145, Laws of Uganda, the Electricity Regulatory Authority (ERA) received an application for a license from Elemental Energy Limited for the generation and sale of electricity from a 7 MW hydropower project to be established in Kisoro District. The generated electricity will be sold to Uganda Electricity Transmission Company Limited through the national grid.

Pursuant to the provisions of the Electricity (Applications for Permit, License and Tariff Review) Regulations, 2007, a notice of a Public Hearing was published in the media in respect of the application, and accordingly, ERA convened a Public Hearing in Busanza Sub-County, Kisoro District, on 18th April 2016 starting at 10:00am.

The Hearing was presided over by Eng. Ziria Tibalwa Waako, the Director Technical regulation of the Electricity Regulatory Authority.

2. OBJECTIVES OF THE PUBLIC HEARING

The Public Hearing was convened to:

- (i) Provide for an opportunity for the Electricity Regulatory Authority to receive information which may be useful in arriving at a fair and just decision in respect of the application by Elemental Energy Limited for a license.
- (ii) Provide for comments, questions and answers from the project affected persons in respect of the application for a license by Elemental Energy Limited before the Electricity Regulatory Authority considers the license application.
- (iii) Raise community awareness about the mandate of Electricity Regulatory Authority in the electricity sector.

3. REGISTRATION

The Presiding Officer requested all persons attending the Public Hearing to register. She explained that the registration enables ERA to determine the representation at the Hearing. A copy of the record of attached is attached hereto as Annex A.

The Hearing was notably attended by the following personalities:

- (a) The Hon. Member of Parliament for Bufumbira North
- (b) The Resident District Commissioner (RDC) - Kisoro District;
- (c) The Chairperson Local Council Five (LCV) - Kisoro District;
- (d) The Deputy District Internal Security Officer (DISO) - Kisoro District
- (e) Deputy Chief Administrative Officer (CAO) - Kisoro District;
- (f) The Chairman District Land Board - Kisoro District
- (g) Chairperson LC III - Busanza Sub-County;
- (h) The GISO – Busanza Sub-County;
- (i) Staff of the Electricity Regulatory Authority;
- (j) Representatives of Elemental Energy Limited;
- (k) Members of the media; and,
- (l) Residents of Kiriba, Kibale, Ruseke and Buvuna Villages.

4. OPENING REMARKS BY THE PRESIDING OFFICER

The Presiding Officer, Eng. Ziria Tibalwa Waako, the Director Technical regulation of the Electricity Regulatory Authority opened the Public Hearing at 10:50 am and thanked the local leaders and community for hosting ERA at the Public Hearing.

The Presiding Officer stated that the purpose of the public hearing was to gauge the interest of the local leadership and the community in the proposed project. She further remarked that ERA uses the best means possible to call for Public Hearings such as newspaper advertisements, radio announcements and Short Message Service (SMS). She explained that where the public was not willing to attend/hold a Public Hearing, the Hearing would be cancelled. The Presiding Officer thanked the community members for agreeing to host the Hearing as they

would understand more about the project and have the opportunity to express their views on the same.

She stated that as per the application of the Project Developer – Elemental Energy Limited;

- I. the project had obtained the necessary approvals from NEMA (Certificate of Approval), and DWRM (water abstraction permit and construction permit);
- II. the Tariff; the cost at which power would be obtained from the project, had been predetermined by the Authority in the REFiT Policy;
- III. the project would be assessed on the impact it would have on the welfare of the people; and
- IV. the project would be undertaken by Elemental Energy Limited, on 24 acres of land, for 7 MW.

The members of the public were informed that the company was expected to support the community in terms of Corporate Social Responsibility (CSR) and in that regard, the local leadership was encouraged to agree with the developer on the priority initiatives to be undertaken within the community.

The Presiding Officer stated that prior to issuing a license to the developer; the Authority would ensure that the developer operates in a manner that did not degrade the environment and that there were no land wrangles in respect of the project.

5. RULES OF PROCEDURE GOVERNING THE PUBLIC HEARING

The Public Hearing rules were highlighted as follows:

- (a) Contributors were required to raise their hands when wishing to speak or make a contribution;
- (b) Stamping, booing and clapping were prohibited;
- (c) All participants were requested to register their attendance; and,

(d) Contributions were to be provided in a respectful and courteous manner.

6. PRESENTATION BY THE ELECTRICITY REGULATORY AUTHORITY

The ERA's consumer and public affairs team highlighted the roles of the sector players and an overview of the sector. The local community was enlightened on the unbundling of the electricity industry sector and the benefits of having electricity in the area.

7. PRESENTATION BY THE DEVELOPER

The Developer thanked the local community and district leaders for coming for the Public Hearing and stated that they counted on the support of all members to successfully develop the project.

The Developers representative; Mr. Roland Sekaziga thanked ERA for organizing the Public Hearing, and the area leaders for being supportive of the project.

He stated that the Project:

- I. Would be completed in line with a comprehensive feasibility studies, ESIA, transmission line study, technical review, technical investigations, business plan and financial model;
- II. Required various permits, a Generation license, Power Purchase Agreement (PPA), surface water abstraction, the EIA certificate of approval, feasibility studies, and land valuation report;
- III. Would be located on River Kaku, Kisoro, Busanza sub county, western Uganda;
- IV. Comprised of an evacuation line to the existing 33 kV line, power house, head race canal, dam and basin, run of river weir and intake. 38.6 G Wh with a plant factor of 63%;

- V. Required land of about 24.2 hectares; most of which was currently characterized by agricultural crops, farmland, tree cultivation and vacant land. He noted that there were no major competing water requirements.
- VI. Has in place mitigation mechanisms to minimize environmental damage such as training landowners and population on better farming practices, better tools, eucalyptus tree seedlings, financial management training, and provision of better seeds.
- VII. Benefits will include; a new electric line that would be constructed, accessibility and reliability of electricity to schools, clinics and local communities.

8. DISCUSSION SESSION

The plenary noted, stated, requested and commented as follows:

1]. Comment

The local community were eager to know the number of jobs that would be created and their benefits to the community.

Response

The developer stated that keeping jobs was more important than creating jobs to the project but none the less the company would obtain at least 30% of the labor force from the local community.

2]. Comment

The local community wondered; how the community would know and how the recruitment process would be.

Response

The developer clarified that the skilled persons would be employed. He argued that between 150- 200 jobs will be created during the construction work. He

further highlighted that semi-skilled jobs will be available too, these will include: welding, timber work, lifting, moving, catering etc.

3]. Comment

A member of the local community wondered what CSR projects will be considered by the developer.

Response

Elemental Energy Limited pledged to meet with the local community leadership including the RDC and CAO to discuss the local community's immediate needs, draw up a plan for satisfying the same and develop the CSR projects according to the plan.

4]. Comment

A member of the community inquired about the length that the construction of the project would take.

Response

Elemental Energy Limited clarified that the project would be completed in line with a comprehensive feasibility studies, ESIA, transmission line study, technical review, technical investigations, business plan and financial model.

5]. Comment

A member of the community inquired how the company would address disputes and complaints with the affected project people.

Response

Elemental Energy Limited clarified that the company has a complaint handling mechanism and will employ locally qualified personnel to help with handling disputes within the community.

9. REMARKS BY THE DISTRICT LEADERSHIP

1]. Member of Parliament

Hon. John Kamara, the Member of Parliament for Bufumbira North stated that Kisoro District first obtained power from Rwanda and gradually obtained from Kabale District. However; the Rwanda line had challenges and this affected the power supply to the Kisoro line.

He further stated that Kisoro was a tourist attraction that generated 80% of the tourism revenue of Uganda. He noted that the local tourist accommodation used generators and the project would alleviate the continued lack of power.

In addition; the area has potential for extraction of limestone, wolfram, tin, iron ore all of which need electricity to be extracted. Kisoro is also strategically located at the borders of Rwanda and Congo that offer big markets to Ugandans products and these products require electricity during their production. Therefore the project is necessary for the transformation of the area and promote income generating activities.

2]. Resident District Commissioner

The Resident District Commissioner thanked ERA for organising the Public Hearing. He advised the local community to educate their children on the importance of electricity to the development of the area. He also advised that it was not a meagre effort to attract and retain investors and therefore it was vital that the local community embraced the investors in the area and the investors embraced the community and developed it. He thanked the local community for maintaining security in the area and not vandalising local investors' installations.

3]. Chairperson Local Council Five (LC V)

He noted that since 2011; Kisoro District had given a no objection to the development of the project which should culminate into the project being licenced. He however, noted that power interruptions are affecting investment in particular; the inconsistent power availability has hampered the tea and milk processing developments in the area.

He further highlighted that the power line from Mbarara North to Kisoro had deteriorated and required restoration and repair. This deterioration led to unplanned and planned outages as restoration work was under way. The restoration included clearance of way leaves, replacing rotten poles and conductors. He also noted that the area between Kabale and Kisoro registered issues of substandard transformers and exclusion of earth shield during installation and requested ERA to inspect the restoration works.

4]. Deputy Chief Administrative Officer [DCAO]

The Deputy CAO requested the developer to highlight the support expected from the local leadership in the development of the project. He further noted that upon compensation, the Project Affected Persons (PAPs) often tend to misuse the money given to them as compensation. There is therefore need for guidance on finance management. He further encouraged the local leadership to be actively involved in the valuation and compensation process so that the PAPs don't reject the rates.

He also requested the Developer to work with the local community leadership including the RDC and CAO to discuss the local community's immediate needs, draw up a plan for satisfying the same and develop the CSR projects according to the plan.

5]. Chairman – District land board

The Chairman District land board clarified that the rates for compensation are determined by the Central Government. He said that the developer was ready

to start compensating the affected people however, this was altered due to lack of rates from the district. He further noted that the developer would use the approved existing rates; in addition to a disturbance allowance of 15% of the value of the property.

The Chairman further encouraged the members of the community to embrace the ongoing OBA program which has brought electricity to them at no connection cost in addition to the ready boards which give a lighting source and socket outlet to the poorest.

6]. Environmental Officer

The officer inquired of what would happen to the spring that flows through the project area. She urged the developer to reserve the spring because it's the only source of pure water to the community. She was also concerned that the project would affect the water fall; a feature that attracts tourism in the area.

7]. LC 3 Chairperson

He urged the developer to compensate the project affected people to avoid conflict during construction of the project.

8]. LC 1 Chairperson - Busanza village

The local council one chairman indicated that she was happy about the project and encouraged the local community to welcome the project and believe for greater benefits from the generated electricity.

10. CLOSURE OF THE PUBLIC HEARING

The Presiding Officer thanked the MP, RDC and other local leadership for attending the Public Hearing and for hosting ERA. She remarked that the decision on the award of the licence would not be taken at the Hearing but that this would be done by the Authority. Eng. Ziria Tibaalwa Waako noted that a report of the proceedings of the Public Hearing would be published on the ERA website and dispatched to the RDC, CAO, LCV and LCI Chairpersons.

APPENDIX B: AGENDA OF PUBLIC HEARING



ELEMENTAL ENERGY LIMITED PUBLIC HEARING
18TH APRIL 2016
BUSANZA SUB-COUNTY HEADQUARTERS, BUSANZA SUB-COUNTY, KISORO DISTRICT

PROGRAM

<u>TIME</u>	<u>ACTIVITY</u>	<u>Role Holder</u>
10:00	Arrival and Registration	ERA
10:20	Opening Remarks and Self Introductions	ERA
10:40	Chairman's Opening Remarks	ERA
11:00	First Presentation (Overview of Uganda's Electricity Sector)	ERA
11:20	Presentation from Developer	Elemental Energy Limited
11:40	Discussion	ERA
12:30	Remarks	Chairman LCV – Kisoro District
12:40	Closing Remarks	ERA
1:00	Departure	