

**POTENTIAL ROLE OF
FOREST/WOOD BASED CO-
GENERATION IN TANZANIA'S
POWER SECTOR REFORM**

By

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CEEST

COVERAGE

- Power Sector Situation in Tanzania
- Power Sector Reform in Tanzania - Objectives
- Forest Sector in Tanzania
- Forest Based Co-generation - Case Studies Sao hill and TANWAT
- Forest Based Co-generation and Power Sector Reform in Tanzania
- Way Forward/ Challenges for Policy makers

Power Sector Situation In Tanzania

- 92% of total energy consumption in biomass
- 8% commercial energy (electricity, petroleum and mostly coal).
- 1.5% is electricity serving 12-15% of country population, mostly urban
- Rural electrification is very low 1-2%

Power Sector Situation In Tanzania-continued

- Big inequality in electricity use pattern
- Electricity supply dominated by hydro- 67%
- Thermal dominance mostly 33%
- Diversification of energy sources e.g. natural gas, coal, biomass and other RE is necessary.
- Involvement of private sector PSI in generation and distribution

Power Sector Reform In Tanzania- Objectives

- Expanded Electrification
- Technical and Financial Performance
- Local Participation

FOREST SECTOR

- Forest resources in Tanzania
- Overview of State Forest plantation Subsector
- State industrial resource and co-generation potential
- Private Sector Initiatives and forest based co-generation

FOREST BASED CO-GENERATION - SAO HILL

- Cogen operation is most cost effective than diesel and grid
- Cogen thermal energy is environmentally friendly in timber drying whereby use of chemical is eliminated
- Unit energy production at high plant utilization is USD 0.0525
- High potential for local Participation
- Availability of more forest resource up to 2.5MW load

FOREST BASED COGEN- TANWAT

- TANWAT the first IPP in Tanzania
- Mingrid technology for improved technical and financial performance
- Expanded Electrification
- More forest resource available for more generation
- Potential for power IPD

FOREST BASED CO- GENERATION AND POWER SECTOR REFORM IN TANZANIA

- Private sector involvement
- National Policies
- Capacity Building
- Rural Electrification

WAY FORWARD/ CHALLENGES FOR POLICY MAKERS

- Capacity Building through research by public/private sector partnership
- Well focused Policies and incentives
- Networking National, Regional and International