



PRESS STATEMENT FOR IMMEDIATE RELEASE
GRIDCo HOLDS 10TH ANNUAL GENERAL MEETING

Accra, Thursday, November 28, 2019 – GRIDCo has held its 10th Annual General Meeting (AGM). Addressing participants at the Meeting, Ambassador Kabral Blay-Amihere, Board Chairman for GRIDCo, noted that, the year 2018, marked a decade of the Company's operationalization, during which a number of achievements were chalked, and a cross section of challenges were experienced.

Recounting some key achievements, he mentioned the implementation of the Tumu Han Wa Transmission Project and the Accra 3rd Bulk Supply Point Project, which significantly improved reliability of electricity supply to the northern parts of the country and the Greater Accra Region.

In 2018, GRIDTel, GRIDCo's new Business Unit, chalked some successes. For instance, the National Communications Authority (NCA) granted GRIDCo the license to operate the National Terrestrial Fibre Network. Importantly, this license permits GRIDCo to build, operate and maintain a nationwide terrestrial fibre optic cable network infrastructure on land and through terrestrial water bodies in Ghana.

These achievements in the past decade, the Board Chairman indicated, have entrenched the Board's position to focus on cutting-edge strategies to facilitate business sustainability.

Liquidity challenges have been the key challenge for the Company during the decade of operations.

2018 was yet another financially volatile year. Nevertheless, the Board, according to Ambassador Blay-Amihere, focused mainly on the financial and technical sustainability of GRIDCo. This was backed by emphasis on reengineering the business processes and activities to ensure judicious use of the available limited resources.

In 2018 a total of 15.96 TWh of power was transmitted, representing 16.67% increase over the 2017 figure of 14.31 TWh. This increase however, did not translate into gains. The Company recorded a Net Loss of GHC114.3 million, representing a 268% rise in 2017 Net Loss of GHC31.1 million. The rise in net loss figure was attributable to the unprecedented decrease in transmission revenue, from GHC 715.2 million in 2017 to GHC 490.2 million in 2018. This is a result of close to a 50% decrease in Transmission Service Charge (TSC) on 15 March, 2018 by the Public Utilities Regulatory Commission (PURC).

Despite years of financial challenges in GRIDCo's history, Ambassador Blay-Amihere expressed optimism that, with the appropriate interventions, GRIDCo's future will be secured. "GRIDCo is pivotal in the development of Ghana's economy, and as such, the Company requires an immense financial injection to ensure excellent operations and a reliable grid for improved livelihood and businesses," he noted. The Board Chairman was also confident that GRIDCo's viability is directly related, not only to strengthening its relationships with stakeholders, but also to provision of cost-reflective tariffs by the PURC and a clearance of indebtedness by major customers of the Company.

Mr. Jonathan Amoako-Baah, Chief Executive of the Company, in his report indicated that the operations of GRIDCo were influenced greatly by the financial situation, which prevailed in 2018. On the weak financial performance of the Company in 2018, the Chief Executive noted that Transmission Service Charge (TSC) tariff reduction from 5.004Gp/kWh to 2.1507Gp/kWh by the PURC on March 15, 2018 was a major cause of reduction in revenue and the net loss position reported.

The ripple effects of such a huge fall in revenue were the inability of the Company to satisfactorily execute planned programmes, including maintenance works, ongoing and new projects. Consequently, transmission loss of 0.71TWh was reported, which was higher than 0.59TWh figure of recorded in 2017. It goes without saying, therefore that, in order to maintain high operational standards, pragmatic steps must be taken to ensure that the most appropriate strategies for capital injection are pursued, he noted.

The Chief Executive mentioned that the dire financial constraints in 2018, prevented the Company from commencing any new major transmission projects. Nevertheless, some key projects were

completed, whilst the Company managed to continue some ongoing projects. The key projects completed included Reinforcement of Power Supply to Accra Central Project; the 225 kV Bolgatanga-Ouagadougou Interconnection Project and the 330 kV Prestea - Kumasi Power Enhancement Project.

Mr. Jonathan Amoako-Baah firmly believes that 2019 will be a better year. “We anticipate the commencement of important and major projects, as well as the conclusion of most of our current projects. In the very near future, more opportunities will be exploited towards enhancing our service delivery and revenue diversification,” he remarked.

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GRIDCo is wholly-owned by the Government of Ghana, and is governed by a nine-member Board of Directors. It is exclusively licensed to operate the National Interconnected Transmission System (NITS). It became operational on August 1, 2008, following the transfer of the core staff and power transmission assets from VRA to GRIDCo. GRIDCo is mandated to develop and promote competition in Ghana's wholesale power market by providing transparent, non-discriminatory and open access to the transmission grid for all the participants in the power market especially, power generators and bulk consumers, and thus bring about efficiency in power delivery.

GRIDCo, Backbone to Power Delivery!

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