

US Gas Roadmap to light up Africa

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Kenya and Tanzania are among nine African countries set to benefit from an ambitious US-led initiative to invest in gas-powered power plants.



Photo: International Energy Agency

The Gas Roadmap for sub-Saharan Africa, launched in June at the World Gas Conference in Washington, DC, by the US Agency for International Development's Power Africa coordinator, is an initiative that seeks to add some 16,000MW of gas-fired power in nine countries by 2030.

The programme is built on the fact that based on known reserves, there is potential for approximately 400GW of gas-generated power in sub-Saharan Africa.

The gas roadmap is part of the Power Africa Initiative launched in 2016, which the US is implementing and whose goal is adding 30,000MW of new generation capacity and 60-million new connections by 2030. US companies supported by Washington will invest \$175bn in gas power projects in Kenya, Tanzania, Côte d'Ivoire, Ghana, Nigeria, Senegal, Angola, Mozambique and South Africa.

The countries were selected because of their relatively large populations, high gross domestic product and either because they have local gas resources (in operation or under development) or are planning liquefied natural gas (LNG) import

projects.

The US project has potential of generating at least \$5bn annually by exporting LNG into the region by 2030.

Reserves

Gas resources have been discovered in 14 countries in sub-Saharan Africa, with Nigeria accounting for 81% of the proven reserves.

It is estimated that several undeveloped fields in Tanzania and Mozambique account for 62% of total contingent resources while other African countries without reserves are developing infrastructure for importation of natural gas to support the demand for power generation.

Tanzania, which has discovered recoverable natural gas estimated at 57 trillion cubic feet, envisages a larger role for natural gas in the future energy mix, with gas-fired power plant capacity anticipated to grow from 1,501MW in 2015 to 4,915 MW in 2040, according to the country's power masterplan.

In April, the government inaugurated a \$345m natural gas-powered plant on the outskirts of the capital Dar es Salaam, which has a capacity to generate 240MW, and embarked on two other projects with a 600MW capacity.

According to the roadmap, the US government interventions will focus on addressing the constraints related to gas projects in sub-Saharan Africa.

These include the availability of gas (both from a source as well as delivery method perspective), financial strength of off-takers of power and gas, lag in downstream infrastructure, such as power transmission and distribution capacity and the various markets' ability to absorb power and gas.

"By focusing on decreasing fuel costs, development costs and the cost of capital, the best possible tariffs for the end user can be realised," states the roadmap.

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