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PRESS RELEASE

**UEGCL LAUNCHES AN INTERNAL PERFORMANCE CONTRACT
FOR THE 50MW NAMANVE TPP**

Today, UEGCL launched the Internal Performance Contract for Namanve TPP at the plant premises in Kiwanga, Mukono District. The launch was graced by the Minister of State for Energy, Hon. Sidronous Okaasai Opolot, the Board and Top Management of UEGCL, and the Operations & Maintenance staff.

UEGCL recently rolled out its new strategic direction for 2023-2028. One of the pillars and key focus areas for UEGCL in the next five years is enhancing operational efficiency across all its power plants. Similarly, with the company's paradigm shift to Operation and Maintenance, the new company vision of being "Africa's leading electricity-generating utility" heavily relies on the company's ability to run all its power plants in line with prudent utility practices.

In 2019, the Board approved the UEGCL O&M Business Model aimed at empowering its staff to effectively and efficiently manage the power plants under its jurisdiction. The O&M model is a management model by which a partnership is established between the principal (Asset holder) and the Agent (Operator) through internal performance contracting with the primary objective of promoting operational efficiency.

Since its transfer from Jacobsen on 22nd February 2022, UEGCL has been operating the 50MW Namanve Thermal power plant and has successfully implemented an indigenous O&M Business Model by running the plant with Ugandan Staff, leading to cost-effective operations.

Given the criticality of maintaining peak operational performance at Namanve TPP, the introduction of the Internal Performance Contract is timely. This contract has been designed to uphold the plant's efficiency standards and signifies a proactive step in ensuring optimal functionality while reinforcing its pivotal role as an emergency power provider.

"It is envisaged that as a result of the implementation of the Internal Performance Contract, benefits that will accrue will include; cost rationalisation, improved asset management, enhanced staff capacity building, and attainment of the set targets for plant availability,



reliability, and compliance to the operational requirements”, said the UEGCL Board Chairperson – Eng. Njuki.

It is also key to note that the O&M business model is aligned with the goals of the NDP III (2020-2025) which emphasizes enhancing public sector performance by strengthening accountability for results across the government.

Hon. Okaasai thanked UEGCL for its foresightedness in coming up with the Internal Performance Contracts as a means of fostering efficiency across its operations.

“Thermal Power Plants such as Namanve TPP (50 MW) are strategic, as they provide an emergency backup and enhance energy security to the existing renewable energy sources in case of failure due to unforeseen climatic change factors among others. Therefore, the plant is a key component of the energy mix”, said the State Minister.

Several utilities have adopted a similar approach to managing operations and have registered growth and efficiency gains. These include - Tanzania Electricity Supply Company (TANESCO), and Rwanda Energy Group (REG) among others.

Also launched were the Project Development Guidebook and the commissioning of the Namanve rehabilitation project.

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