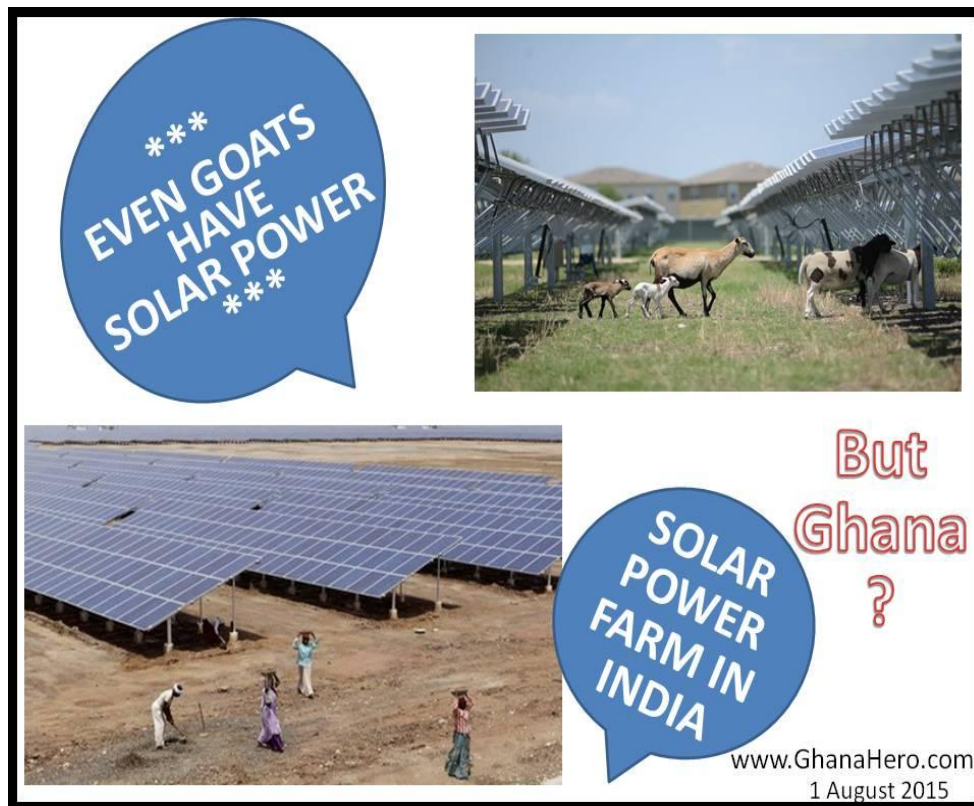


Are Ghanaian Officials Stuck on Stupid?



The Case Solar Energy!

"...With the \$535 million MCC loan, Ghana could develop nearly 535MW of electric power from Solar Energy in at least 3 geographically separate locations. This would improve functionality, reliability, and risk to the Ghana electric grid system(s). Incidentally, 535MW is exactly 66.87% of the 800MW power generating deficit at bottom of Dum-Sor in Ghana. But Ghana could have all of

that 535MW solar-generated power and not need a drop of oil, not a bottle of gas, not a gunny sack of coal, or should we say, "not a gunny sack of fake clean coal" to buy with the foreign exchange Ghana does not have enough of..." (Prof Lungu, 15 August, 2015).

We provided a critique of the \$535.6 million loan initiative (\$38 million self-funded by Ghana), MCC II Energy Compact with Ghana and argued that it was not worth the Terpkker-signed contract because it treated Solar Energy as an after-thought. (Ghanaweb, 12 July 2015, "Solar Power for the Poor in USA: Not For Prof. Allotey's Ghana!").

You can say we are not taking kindly to that Terpkker loan agreement!

In the essay, we noted that it was hard for us to comprehend how proud, professional, and assertive Ghanaian officials acting in good faith on behalf of Ghana could sign on to that wacky US-centric, fossil-fuel-dependent energy initiative that limits development of solar Renewable Energy (RE) to a "pilot test" restricted to "government facilities".

Here is some data for your consideration, dear reader.

THE COST OF SOLAR ENERGY HAS DECLINED SIGNIFICANTLY:

Suffice to say, very respectfully, this era is no longer the age of the Professor Alloteys. To the point, the cost of solar energy has declined by a factor of 100 the last 37 years, and by a factor of 10 the last 15 years. In fact, during "...2006 to 2014,...worldwide average module prices...dropped about 78% from \$3.25 per watt to about \$.72 per watt..." Consequently, today, at approximately 12.5¢ per Kwh, the levelized lifetime cost of solar energy is lower than natural gas and coal.

Compare Energy (Cost per Kwh):

Solar Energy:	12.5¢
Natural Gas:	18¢
Coal:	14¢
Wind Energy:	20¢

Today, given the comparative cost advantage solar energy now enjoys, we were not amused to hear Dr. Kwabena Donkor talk about "...solutions...to beef up the supply situation...(in the)...medium to long term...(with)... 1,000MW...(and)... 5,000MW generating capacity from natural gas, clean coal and renewable energy sources within the next five years..." (General News, Ghanaweb, Sunday, 16 August 2015, Gov't to split VRA").

We are thinking "renewable energy" was thrown in just for effect, without any fundamental conviction or development program for solar power in Ghana. But, in 2015, that is what is supposed to excite policy makers - solving energy problems using free power from the sun, instead of using natural gas and imported "clean coal".

But really!

Who is it that invented "clean coal" for Dr. Donkor?

And from where is Dr. Donkor going to acquire that "clean coal" for Ghana?

Are we jokers?

We know that "clean coal" is a myth, a marketing gimmick invented by the coal industry to sell more coal even as coal is getting decimated by oil produced from hydraulic fracking. The fact is, the US is quickly moving away from coal and investing more in solar energy per new Kwh produced. To the point, if there was truly "clean coal" in the world, would Ghana win the bidding war versus deep-pocket states like the US, Canada, Britain, etc.? That should confirm to us that "clean coal" is another wicked marketing trick to import CO₂ emissions and air pollution into Ghana with foreign exchange Ghana has so little of.

And on the air pollution stuff, just ask the Chinese how good it feels to breath everyday in Beijing. Imagine, sitting on top of the Equator and not being able to breathe under Free Sunlight.

How ridiculous!

Moving forward, we were also not amused with the "caution" from Dr. Anthony Akoto Osei, MP for Old Tafo and Ranking Member on Finance. The other day, Dr. Akoto Osei wanted us to worry because "...Ghana will struggle to access the

Millennium Challenge Compact II money if government does not streamline the electricity sector...Dr. Akoto Osei reckons the country risks missing out on the grant if specified conditions are not met in time."

Dr. Akoto Osei thought all us should know this::

"...Parliament... approved the bill...to enable it implement the terms of Compact II...'Parliament has passed an agreement...in record time...committing Ghanaians to a foreign deal without proper scrutiny.....without most of us paying attention to what is involved there...because people thought we were going to get an amount US\$498 million free'..." (Dr Akoto Osei, B&FT Online, August 13, 2015).

Imagine that - Ghanaians in Parliament!

Free Money!

Free \$498 million!

It is a loan, imbecile!

Yes, it is a loan ostensibly to support the power sector in Ghana alright. But, shamefully by today's standards, it does not have solar energy in any useful mix.

It is Solar Energy, Stupid!

INDIA ON THE PATH TO SOLAR POWER NIRVANA:

Yes, India is on the path to Solar Power Nirvana while dead-brained Ghanaian politicians sleep at the wheel!

But, as they say in the US, "You Snoze, You Lose"!

Last year, in 2014, US Conglomerate General Electric (GE) announced its first major investment in the Indian solar energy sector by partnering with Welspun Energy in a \$150 million solar power project in, India. You know, India, the country known for monsoon winds and rains. The 151 MW solar PV (Photo-Voltaic) project is located in Madhya Pradesh, and was funded under that state's solar power policy. The project has a 30-year useful life, as they do these days.

As reported by Clean Technica:

"... Welspun Energy...secured the tender for the project through a reverse auction organized by the Madhya Pradesh government...(using)... debt financing worth about US\$150 million for the project. The company offered to set up the project seeking a tariff of US\$0.14 per kWh. At this rate, the project is expected to bring in annual revenue of about US\$35 million every year...The company will use the equity infusion by General Electric to pay off a portion of this debt..."

Reporting on the Welspun Energy project, Bloomberg.com noted:

"...India, which had virtually no solar power three years ago, plans to draw \$11.7 billion of investment by 2017 to expand capacity sixfold as plunging panel prices make generation less costly. In contrast, fuel-supply bottlenecks are driving up the cost of power produced from coal and natural gas... The plant in Neemuch in central Madhya Pradesh state operates at a capacity utilization factor of 26 percent...The figure is a measure of how efficiently a plant produces energy, compared with its maximum capacity, (Pearson, 2014).

The reader should note that the 151MW actually cost \$150 million! In that sense, \$1 million buys 1 MW, or more.

The big deal with the GE-fund-induced \$194 million solar project is, with the projected annual revenue of \$35 million, the project should pay for itself within nine (9) years, or sooner. Therefore, even if we reduced the estimated useful life of the facility to 25 years (to cover operating and maintenance costs), the project would be on target to net Welspun Energy and the Madhya Pradesh government more than \$625 million. During the entire time, not a single barrel of oil, not a single bottle of natural gas, not a single wagon-load of coal, would have been used to power a single kilowatt of that solar power plant.

WHERE IS OUR SOLAR ENERGY PLAN & DIVIDEND, DR. DONKOR? :

Dr. Anthony Akoto Osei, Mr. Seth Tekper, Dr. Kwabena Donkor, where is our solar energy plan and dividend.

Why is it smart business to sign \$500 million loan for energy without at least 50% of the funds programmed for development of solar power nearly striding the equator at latitude 0 degrees as Ghana does?

And if Parliament did not have time to review the MCC loan agreement, but instead, "approved" the document without due process, why is it not smart business to go back and re-negotiate to ensure renewable energy is strongly in the mix?

We are saying that with the \$535 million MCC loan, Ghana could develop nearly 535MW of electric power from Solar Energy in at least 3 geographically separate locations. This would improve functionality, reliability, and risk to the Ghana electric grid system(s). Incidentally, 535MW is exactly 66.87% of the 800MW power generating deficit at bottom of Dum-Sor in Ghana. But Ghana could have all of that 535MW solar-generated power and not need a drop of oil, not a bottle of gas, not a gunny sack of coal, or should we say, "not a gunny sack of fake clean coal", to buy with the foreign exchange Ghana does not have enough of.

Let's get off that stupidity ride and start using our heads for a change!

So it goes, Ghana!

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