The Leader of the Opposition (Mr P. Bérenger) (By Private Notice) asked the Ag. Prime Minister, Minister of Energy and Public Utilities whether, in regard to the blackout which occurred on Sunday 18 July last, across the country, and with a view to avoiding any future risk of a shortfall in electricity supply, he will -

(a) state where matters stand concerning the -

(i) CT power project;
(ii) Gamma Covanta project;
(iii) invitation for a Request for Expression of Interest in 2009 for the setting-up of a 100 MW power plant on a Build Operate Own scheme, based on any technology, and

(b) obtain from the Central Electricity Board, information as to where matters stand in relation to the purchase of four additional 15 MW engines, indicating the estimated cost and tendering procedures followed.

The Ag. Prime Minister (Dr. R. Beebeejaun): Mr Speaker, Sir, I am informed by the Central Electricity Board that the blackout which occurred at about 14.45 hours on Sunday 18 July 2010 was caused by a through wall bushing failure at Dumas substation and was in no way related to a shortfall in generation capacity of the CEB. In fact on Sundays, demand for electricity is generally much lower than on other days of the week.

As a result of the fault at Dumas substation, the protection system isolated the line between Dumas and St Louis substations. Given that the line was carrying a major part of the transmitted power at that time, this resulted in a drop in frequency on the grid. This triggered a cascade effect of lines and generator tripping of the whole system, except for Fort George, which kept supplying part of Port Louis, that is, the Caudan area, through a dedicated 22 KV line.
The House may wish to note that before the blackout, electricity demand was about 200 MW and this was supplied as follows -

<table>
<thead>
<tr>
<th>Source</th>
<th>MW</th>
</tr>
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<tbody>
<tr>
<td>Fort George</td>
<td>44.3</td>
</tr>
<tr>
<td>CTBV</td>
<td>30.0</td>
</tr>
<tr>
<td>CTDS</td>
<td>29.1</td>
</tr>
<tr>
<td>CTSAV</td>
<td>58.5</td>
</tr>
<tr>
<td>Beau Champ</td>
<td>18.8</td>
</tr>
<tr>
<td>FUEL</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Mr Speaker, Sir, restoration of supply started at 15.00 hours and was completed within one hour at 16.00 hours. The restoration process was carried out solely by putting on grid CEB production units, namely the gas turbines at Nicolay, St Louis and Champagne power stations.

Because of the nature of the technology used by Independent Power Producers’, these units only came back on the grid after 18.00 hours on Sunday.

As regard remedial action being taken, a contingency plan has already been put in place by the Central Electricity Board pending the replacement of all through bushings, which represents a potential threat of breakdown. The House may wish to note that these bushings were installed between 2000 and 2005.

Mr Speaker, Sir, with regard to part (a) of the question, the capacity expansion plan for the period 2006-2013 included a coal fired plant at Pointe aux Caves. This site was chosen by the Consultant K&M Engineering of USA in 2002 as the best potential site for a coal fired power station. The CEB signed the Power Purchase Agreement with CT Power in December 2008, subject – and I repeat, subject - to the EIA licence being obtained.

However, the EIA licence is still under examination by the EIA Committee, which had to hire the services of a Consultant to advise on the EIA application.
Mr Speaker, Sir, I am informed that the report of the Consultant appointed by the Ministry of Environment was examined by the EIA Committee on Friday 03 July 2009. The promoter was required to carry out further studies on the socio-economic assessment, Traffic Impact Assessment, risk assessment on blasting works at sea, new outfall to be supplemented by marine surveys and hydro dynamic modelling to assess the impacts of proposed structures at sea. The additional reports were submitted in June 2010 and opened by the Ministry of Environment and Sustainable Development for public comments on 21 July 2010. The application is still being processed at the level of the Ministry of Environment.

Besides the issue of EIA licence, one private land owner, namely, Camp Fouquereaux Ltd, has objected to the grant of way leave for the transmission lines from the power plant to La Chaumière substation. The matter is before the Supreme Court and the next hearing of the case is scheduled on 16 October 2010.

For the EIA licence, the Ministry of Environment and Sustainable Development will expedite matters. As regards the way leave for transmission lines, CEB’s legal adviser would move for an early hearing.

Mr Speaker, Sir, as regard the Gamma Covanta Waste to Energy project, negotiations with CEB on the Energy Supply and Purchase Agreement has not yet been concluded. In addition, the following agreements have to be signed –

(i) a Waste Supply Agreement between the Ministry of Local Government and the promoter, and
(ii) a Project Implementation Agreement between my Ministry and the promoter to guarantee all payment obligations of the Ministry of Local Government, CEB and MID Fund.

A negotiating panel chaired by a representative of the Attorney General’s Office and comprising representatives of the Ministry of Local Government, the Ministry of Finance and Economic Development and my Ministry has been set up to negotiate the Project Implementation Agreement. However, discussions have been put on hold at the request of the promoter since December last. I am advised that discussion will resume soon.
On 13 December 2007, the grant of the EIA licence was challenged and the matter is still under consideration at the Environment Appeal Tribunal. I am informed that the proceedings at the level of the Tribunal are ongoing and the next hearing is scheduled for 09 August 2010.

Mr Speaker, Sir, regarding the third part, an Expression of Interest for the setting up of a 100MW power plant on a Build, Own, Operate scheme based on any technology was launched on 04 February 2009.

By the closing date of 20 February 2009, 25 applications were received out of which ten were from local promoters. The proposed technologies ranged from coal, bagasse, heavy fuel oil, wind and solar.

Given the range of technologies proposed by the potential bidders and especially the complexity of matching the technologies proposed with the profile of electricity demand in the country, the International Finance Corporation advised that a pre-feasibility study be carried out. For that purpose, a power sector expert was appointed by my Ministry to conduct the pre-feasibility study. The expert submitted his final report in February 2010. The Consultant has established that the least cost technology for base load plant to meet future demand is the pulverised coal plant option.

Mr Speaker, Sir, with the current planning strategy of the CEB, there is no risk of any power shortage up to 2016. This takes into account current ongoing projects at Fort Victoria Power Station as well as the CT Power Project.

Mr Speaker Sir, regarding part (b) of the question, on the Fort Victoria Extension, following the Mott MacDonald report of 2005, the proposal for the installation of 4x15 MW diesel engines at Fort Victoria was approved by the CEB in August 2009. Mott McDonald estimated the re-development project at Euro 90.8 m. (around MUR 4.3 billion). This estimate is based on the prices quoted during recent tendering exercise for Fort Victoria Re-development Phase I Project and current market price levels.

The four new engines are expected to be commissioned in late 2011/early 2012. This will help the CEB to meet the anticipated peak power demand in subsequent years. With the commissioning of these new engines, the old Mirrlees at the Fort Victoria power station and
Pielstick engines at the St Louis power station will be decommissioned as they have already exceeded their economic life.

As regards tender procedures, Mr Speaker, Sir, Consultancy services for Fort Victoria Redevelopment Phase II was sought from Mott McDonald for the provision of assistance on the following two (2) assignments -

- Assignment 1: Consultancy for the preparation and launching of tender documents, evaluation of bids, negotiations up to award of contract.
- Assignment 2: Site Supervision (civil and electro-mechanical installation works) during construction phase, performance and acceptance tests during commissioning.

The tender documents for the engineering procurement and construction contract were prepared and issued under the supervision of the Central Procurement Board in January 2010. The tender was floated in April 2010. The closing date for submission of tenders is 28 July 2010. The evaluation will then be carried out by the Central Procurement Board. This exercise is expected to be completed by the end of August and the contract is expected to be awarded in September. The first two units are expected to be commissioned in December 2011 and the next two in March 2012.

In parallel, a tendering exercise for the financing of the project is in progress. Commercial offers have been received. CEB has requested for Suppliers Credit in the tender. The final decision regarding the financing of the project will be taken in consultation with the Ministry of Finance and Economic Development.

**Mr Bérenger:** Mr Speaker, Sir, I heard the Ag. Prime Minister say that the blackout of last Sunday the 18th was in no way related to a problem of supply and demand for electricity. Can I ask him whether he is aware that in statements that were produced in the press on the following Tuesday, that is, the 20th, the new PRO of the CEB - the political appointee - gave clearly the impression to the contrary, that it was linked to such a problem which it was not, I agree, but he gave the impression that it was and that, therefore, the CEB was rushing forward with four new engines. Is he aware of that and has the PRO been called to order? Why has not the population been informed?
The Ag. Prime Minister: Mr Speaker, Sir, we are suffering from, what I call, newspaper gossip. Newspapers publish whatever they want and they certainly do not publish what they hear and I am assured that at no time the person in question has mentioned about power failures. What he mentioned was that there was tripping at Dumas and the journalist used his fertile imagination and I would caution my friends as we all know this journalist. He uses the information and distorts it and fabricates news and puts it as such. It is not - and I repeat, it is not - a statement emanating from any member of the CEB, whether he is a porte-parole or whatever he is.

Mr Bérenger: I also heard the Ag. Prime Minister say that there is not risk of a supply problem in the future. May I be allowed to remind him that, on the 26 May, this is what he said in Parliament here, when replying to the parliamentary question, I quote -

“(…) The capacity deficit, would, in the absence of Fort Victoria project be of the order of 11 MW and 30 MW in 2009 and 2010 respectively. The capacity deficit may further deteriorate in view of the ageing of the existing generation park. The coming into operation of the two additional units at the Fort Victoria will address the issue of capacity deficit in 2010.”

He already pointed out that we are already in the danger zone, that there was, as he said, capacity deficit. Will the Ag. Prime Minister agree that the situation has deteriorated further and, will he agree with me that the real problem at the CEB is base load, that is, supplying electricity without the use of engines that are put to work at peak or semi-peak periods only? Those two engines that are being installed and the four new that are going to be purchased are for semi-load, not base load. Will he agree with me that we have a serious problem as far as base load is concerned and that we will run into trouble if the CT power and Gamma Covanta projects do not go ahead?

The Ag. Prime Minister: Mr Speaker, Sir, the figures have not deteriorated and I maintain it. We have been talking about la corde raide, about danger zone and so on. It is 15 years. I have been in this Assembly since 1995 and we heard the same questions, the same comments from the hon. Leader of the Opposition at different times. We would have been short if we had not installed these two 15 MW at Fort Victoria, which is operational this year, and if we had not made provision for four 15 MW for next year and the year after in two phases - Phase I : two 15 MW, and Phase II : two 15 MW. This is for semi-base load. Regarding the base load,
we have enough base load at the moment and we will have more with the coal power plant. So, I don’t see the problem. But, I can assure the House that there will be no shortages.

**Mr Bérenger:** The Ag. Prime Minister tells us that there is no problem. But there are problems, the CEB purchased the two engines being installed, had to resort to emergency tendering procedures and that cost a lot of extra millions to the country and to the consumers. Will he agree with that? In fact, that is what took place.

**The Ag. Prime Minister:** I am informed that the engines at Fort Victoria can be used as base load as well as semi-base load. But, that’s not the issue. The issue, Mr Speaker, Sir, is to keep…

(Interuptions)

No, it is not a question of being more expensive! Quite the reverse! It will be cheaper. I will give the hon. Leader of the Opposition the figures when it comes up.

(Interuptions)

Yes, he knows that, as well as I do! The cheapest at the moment, unfortunately, is oil; the next cheapest is coal and after that it is bagasse, wind and solar. We all know that; we keep repeating it, and yet we have every time to hammer it home. Mr Speaker, Sir, it is all about planning. We can say something today, the emergency can arise, things can change, power demand can increase or decrease. We have to keep adjusting as we go along and we are adjusting not only on the question of power demand, but also on the demand side. We have been working on solar water heater, on CFL lamps. We should not be skeptical about it, we made an effort. We have sold a million CFL lamps and it has minimised the increase in power consumption by 15 MW. I replied to that last year. The figures are there. We must not decry every effort that we do and sort of dismiss it. We should look at it dispassionately. The CFL is a success; the solar water heater has contributed to our effort to save energy. It is not a question of this year or next year, it is a question of the next 10, 15, 20 years of what we should do and we all know that new technologies are coming in - expensive, difficult to master - but we are doing it. So, we must not say that nothing is happening and we are not preparing. We are preparing for the future, Mr Speaker, Sir.
Mr Speaker: Order!

Mr Bérenger: If I can move on to the CT power, in fact, what the consultant requested was a supplementary EIA, which means that the first EIA was not satisfactory at all - the same thing at the cement factory. A second supplementary EIA was requested. It was put in and it is being subject to public comment. We will see. On 30 May 2009 replying to a PNQ, the Ag. Prime Minister said, concerning the CT power –

“(…) The Prime Minister has asked Professor Joël de Rosnay for his advice on these two projects – that is, CT power and Gamma Covanta.”

And he added –

“(…) For the CT power, we may have objections. I’ll wait for Professor Joël de Rosnay. He has expressed his views and I hope he will come and he will look at it and he will give his advice. I can assure the House that we will go by his advice.”

Can I know from the Ag. Prime Minister whether the advice of Professor Joël de Rosnay has indeed been sought and whether he has given his advice and, if yes, what advice he has put in?

The Ag. Prime Minister: Mr Speaker, Sir, Professor Joël de Rosnay is adviser to the Prime Minister. He advises the Prime Minister, not the CEB or my Ministry about what to do. We cannot be better than what the state-of-the-art technology is today. We can talk about ten years from now, about carbon capture, about all these things that we talked last time, but let’s come down to earth, Mr Speaker, Sir. The fact, today, is that we are getting the state-of-the-art technology for the next power plant and this will include not only minimising carbon dioxide on burning coal with more efficiency, but also how we dispose of the ash. And the House may wish to note and I’ll circulate it …

(Interruptions)

This is the ash that has been disposed of at the moment.

(Interruptions)
Mr Speaker: There is no need to get excited.

The Ag. Prime Minister: It is important. It is not only a question of carbon dioxide emission or of climate change, it is also what we do on earth, what we do here. I’ll circulate it and the House will know that the ash that is being produced today from 600,000 tonnes of coal that the IPPs are using is being spread around with no control whatsoever.

Mr Bérenger: I have heard the advice of the Ag. Prime Minister. But is there any reason why we are not being told what has been the advice of Professor Joël de Rosnay on these two projects?

The Ag. Prime Minister: I have said that he is the Adviser to the Prime Minister and the advice is to use the state-of-the-art technology, making sure that we have the latest …

(Interruptions)

Mr Bérenger: If I can move on to the Gamma Covanta, we have been informed - if I heard him correctly – by the Ag. Prime Minister that, first, the project was put on hold and then, according to his information, it will get going again soon. Can we know why it has been put on hold?

The Ag. Prime Minister: It was on the request of the Gamma Covanta itself, Mr Speaker, Sir. I think they had other projects on line and they wanted to be……

Mr Bérenger: Can the Ag. Prime Minister believe that indeed that project is still on and, if yes, what is the amount of Megawatts that it is supposed to produce? Is it the original 20 or has it come down drastically?

The Ag. Prime Minister: It can vary between 20 and a lower figure which has been quoted at 7, depending on the calorific value of the waste, but my impression is that it will be nearer 20 than 7.

Mr Bérenger: I will refer now to the Request for Expression of Interest in setting up the 100 MW power plant on a Build, Own, Operate scheme based on any technology. I heard the hon. Ag. Prime Minister saying that we have received 25 proposals. Can I know the name of the power expert whose services has been used’?
The Ag. Prime Minister: I’ll communicate it later.

Mr Bérenger: On whose advice was that expert chosen?

The Ag. Prime Minister: Mr Speaker, Sir, I have already given the information to the House. There was a High-Powered Committee set up at the Prime Minister’s Office with different stakeholders to look at future developments at the CEB. I remember now how it came about. The expert is Mr Shahid Hafeez Ahmed from Pakistan.

Mr Bérenger: Mr Speaker, Sir, can I have a copy of the final pre-feasibility study prepared by that expert?

The Ag. Prime Minister: Yes, of course.

Mr Bérenger: I heard the Ag. Prime Minister saying that bagasse is part of some proposals. Can we have the details - bagasse with coal, in what proportion and whether that proposal involved in bagasse was made by a local promoter?

The Ag. Prime Minister: Mr Speaker, Sir, regarding the previous question, Mr Shahid Hafeez Ahmed...

(Interruptions)

Mr Speaker: There is so much murmuring.

The Ag. Prime Minister: Mr Shahid Hafeez Ahmed of Pakistan was chosen by the IFC. Mr Speaker, Sir, the request to show an interest came from different sources, including coal and bagasse. For the information of the House, I think I would better, once and for all, spell out and say what is the state of affairs regarding coal and bagasse. I think it will be fair. Mr Speaker, Sir, it will take about five minutes to go through.

Mr Speaker: But if the hon. Ag. Prime Minister will take five minutes, time will be over. He can circulate whatever information has been sought.

The Ag. Prime Minister: What I have to say is that today we are burning 600,000 tonnes of coal; most of it to supplement the Bagasse/Coal Energy Project. We are using 1.5 million tonnes of bagasse. Unfortunately, we are using most of that coal inefficiently at low bar
pressure, at low temperature, compared with what the coal plant at Pointe aux Caves is using. So, there is a question of efficiency. We are burning more coal than we need to be, we are burning it in a ratio of 66% to 33%, to 2:1, and if we maximise the use of bagasse again, we are going to need another 300,000 tonnes of coal to burn more efficiently this bagasse. If we want to maximise the efficient use of bagasse for the remaining supply, we will have to use twice the amount of coal on present procedures. So, let’s not make any mistake and the coal will be burnt at lower efficiency.

Mr Bérenger: Mr Speaker, Sir, therefore, some of those 25 proposals involve renewable energy and it is Government’s declared policy to use as much renewable energy as possible. Therefore, can I take this opportunity to ask the Ag. Prime Minister why has the regulator still not been set up? Without an independent regulator, there will be no real renewal energy developments. Is Government thinking of setting up, as it exists in India, a renewal energy development agency?

The Ag. Prime Minister: We’ll come to that as we go along, Mr Speaker, Sir. The Chairperson of the Utility Regulatory Authority has been designated; we are looking for the other members and we should imminently do it. Having said that, we do not have to wait for a regulator to have...

Mr Speaker: The question is simple.

The Ag. Prime Minister: We do not have to wait. We are going ahead with that.

Mr Speaker: I know that. Time is running out!

The Ag. Prime Minister: We have three projects.

Mr Bérenger: On the last question, that is, the purchase – if I heard the Ag. Prime Minister – to the value of some Rs4 billion of 4 additional new engines, will the Ag. Prime Minister agree that this is a lot of money? It is very, very expensive. Rs4 billion! Will he give the guarantee that unlike last time, the CEB will not resort to emergency tender procedures?

The Ag. Prime Minister: Mr Speaker, Sir, I have already explained. The tender procedures are ongoing. There will be no emergency. It is well planned and it is on course.
Mr Bérenger: Last time also the tender procedures were normal and then, at the end of the procedure, emergency procedures were resorted to.

Mr Speaker: This time, no.

The Ag. Prime Minister: Mr Speaker, Sir, this is a completely different matter. It became an emergency because it took so long at different times in the process. This time it will not.

Mr Speaker: One question from hon. Bhagwan and then we’ll go back to the hon. Leader of the Opposition.

Mr Bhagwan: The Ag. Prime Minister stated that it is all about planning. Can I ask him whether he is satisfied, as Minister responsible for energy, on the way maintenance planning is done in different sectors of the CEB, be it generation, transmission, distribution and even on the poles? I consider that there is a problem of planning and this is one of the causes of failures.

Mr Speaker: The question has been put whether planning is done properly.

The Ag. Prime Minister: Mr Speaker, Sir, the point is well taken. We have been talking about generation all the time. We should look at transmission and distribution as well, and we are.

Mr Lesjongard: Mr Speaker, Sir, with regard to the recent fault at the Dumas switching station and the contingency plan which is being put in place, can the Ag. Prime Minister confirm to the House that the CEB is not in a position right now to guarantee reliability of supply to its consumers? The reason being that we are standing on one leg with regard to three major power stations, that is, the Fort George, the St. Louis and the Belle Vue power station?

The Ag. Prime Minister: I can assure the House that all precautions are being taken, Mr Speaker, Sir.

Ms Deerpalsing: Mr Speaker, Sir, in one of his answers, the hon. Ag. Prime Minister mentioned about the coal ash that is being disposed of. May I ask the hon. Ag. Prime Minister whether these ashes that are being disposed of are against the EIA that had been signed by the
IPPs because this is very dangerous for our nappes phréatiques and, if these are against the EIA, are measures going to be taken?

**The Ag. Prime Minister:** Mr Speaker, Sir, having been made aware of the situation existing there, I am sending it to the Ministry of Environment and Sustainable Development to take proper action.

**Mr Bérenger:** Mr Speaker, Sir, after all what we have heard, will not the hon. Ag. Prime Minister agree with me that the best thing to do – and urgently – would be to leave the CT Power Project and the Covanta/Gamma Project behind us and have the Government, the CEB and the sugar industry put their heads together to see urgently how to produce some 100 MW of additional base load capacity?

**The Ag. Prime Minister:** Mr Speaker, Sir, regarding the independent power producers, the House will remember that there was a sort of inquiry going on and I was asked this question by hon. Lesjongard. In the end, the MSPA did not agree to the conclusion of the study that we had at that time and this has held up matters. But, at some time, when things are back on the discussion table, we’ll look into it.

**Mr Speaker:** Questions addressed to Dr. the hon. Prime Minister, Minister of Defence, Home Affairs and External Communications. Hon. Mrs. Labelle!