

**MAURITIUS**

**Fifth National Assembly**

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**FIRST SESSION**

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**Debate No. 05 of 2011**

**Sitting of Tuesday 19 April 2011**

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**ORAL ANSWERS TO QUESTIONS**

**CEB - ELECTRICITY PRODUCTION**

**The Leader of the Opposition (Mr P. Bérenger)** (*by Private Notice*) asked the Deputy Prime Minister, Minister of Energy and Public Utilities whether, in regard to electricity production, he will -

- (a) for the benefit of the House, obtain from the Central Electricity Board, information as to the –
  - (i) reasons why peak demand has been revised downwards;
  - (ii) figures for production lost as a result of maintenance and breakdowns in 2010, indicating the forecasts therefor for the years 2011, 2012, 2013 and 2014;
  - (iii) reasons why the phasing out of the St. Louis Pielstick engines has been delayed;
  - (iv) peak demand and effective capacity available for the first half of 2012, and
- (b) state where matters stand concerning the –
  - (i) CT Power Project, and
  - (ii) 100 MW Power Plant Project.

**The Deputy Prime Minister:** Mr Speaker, Sir, as regard part (a)(i), I am informed that the CEB carries out its peak demand forecast annually, based on economic parameters published by the Central Statistics Office and new development projects.

The CEB forecasts prepared in 2010 were as follows –

Year	MW
2010	414
2011	438
2012	469
2013	509
2014	529

Major projects, initially planned to start operation in early 2011, are now expected to be operational in 2012, or after, although works have already started in most cases. Consequently, the peak demand has been revised downwards by some 22MW in 2011, which includes a reduction in demand of, *inter alia*, 4.7 MW for Bagatelle Shopping Mall, 3.5 MW for Jinfei Project and 4.3 MW for IRS projects among others. The revised peak demand forecast therefore is as follows –

Year	MW
2010	404 (actual)
2011	414
2012	430
2013	450
2014	464

The decrease in demand in 2011 will correspondingly relieve pressure on demand in subsequent years.

As to part (a)(ii) of the question, Mr Speaker, Sir, I take it that the figures for production loss due to maintenance refer to unavailability of generation capacity due to -

- (a) planned maintenances, and
- (b) breakdowns

I am tabling the schedule of maintenance and breakdowns for the year 2010.

Maintenance of power plants is planned each year in September for the coming year. Moreover, the duration of an outage of a plant due to maintenance depends on the nature of maintenance to be carried out.

I am informed by the CEB that, as from 2010, it has planned the scheduled maintenance so as to optimise availability of engines subsequently. Moreover, we cannot anticipate breakdown of engines. However, for planning purposes, the biggest unit, that is, some 37 MW is provided for breakdown and 60 MW for maintenance. This total of 97 MW gives more flexibility in carrying out maintenance work.

Part (a)(iii), I am informed that the six Pielstick diesel generator units of capacity 11.8 MW each have been in operation at St. Louis since 1978, with an initial production of 250 GWh for base load and semi base load. Over time with the commissioning of other power plants, these units are now operated only for semi base load with a total production of 60 GWh. The engines, which have been regularly maintained, are running satisfactorily except for one unit, which suffered a major breakdown last year and is under repair. These engines are now derated to 5 MW, and, as I said, are operated solely for semi base load and peaking, and are now planned for complete phasing out in 2014.

As to part (a)(iv) of the question, as earlier mentioned, the peak demand for 2012 is estimated at 430 MW and the effective capacity is 432 MW with the coming into operation of the landfill gas to energy plant of 3 MW at Mare Chicose this year. The CEB has ensured that major maintenance works be carried out in 2010 and 2011 and as far as possible in the second half of 2012. This will allow for more available capacity in the first half of 2012 out of the 97 MW for maintenance and breakdown.

Mr Speaker, Sir, part (b)(i), with regard to the CT Power project, may I recall that, in April 2006, Messrs CT Power (Mauritius) Ltd was granted approval for the commissioning of 3 x 50MW coal-based Power Station at Pointe aux Caves, Albion for a targeted operation of that facility in 2009. Following discussions with the CEB, the project was downsized to 2 x 55 MW.

The proposed project was a pulverised coal technology plant operating at an efficiency of 32% as compared with a 26% of current coal/bagasse IPPs. The CEB have had an equity shareholding of 26% and the plant would have been transferred to the CEB after 20 years at a nominal 1 USD amount to be owned and operated solely by CEB.

The promoter applied for an EIA licence on 06 April 2007 and, in view of the complexity of the project, the Ministry of Environment with the assistance of the UNDP

appointed consultants Mott Mac Donald and Global Coastal Strategies to undertake an independent evaluation and assessment of the EIA application. The consultant submitted a report in December 2008 recommending additional studies with respect to stack height, traffic impact assessment, socio-economic assessment, and ash drainage system and outfall location for cooling water. The additional reports were submitted to the Ministry of Environment and Sustainable Development on 16 June 2010 and 13 August 2010.

My colleague, the hon. Leader of the Opposition, may wish to refer to my reply to Parliamentary Question No. B/200, wherein I informed the House that, following a decision of the EIA Committee on 13 January 2011 not to grant an EIA Licence to the project, the promoter, on 15 February 2011, has filed an appeal at the Environment Appeal Tribunal. The case has been fixed for today at 1000h for the filing of the statement of case by CT Power Mauritius Ltd.

Mr Speaker, Sir, as the matter is *sub-judice*, I shall refrain from making further comments on the project.

In the wake of the serious allegations of the promoter, I repeat, in the wake of the serious allegations of the promoter that the report submitted by him to the EIA Committee may have been tampered, my Ministry has initiated appropriate steps and measures to verify that neither the soft copies nor the hard copies of the report have been altered.

Mr Speaker, Sir, as regards part (b)(ii) of the question, regarding the 100 MW Power Plant, I wish to inform the House that on 04 March 2011, Government approved that the Central Electricity Board should invite open tenders for the setting up of a 100 MW electricity production plan using the latest coal technology, on a BOO basis, in line with environmental standards.

Government has also set up a committee including my ministry, the Ministry of Housing and Lands, the Ministry of Public Infrastructure, NDU, Land Transport and Shipping, the Ministry of Environment and Sustainable Development to locate a suitable site for the plant.

The Committee has met twice and a few sites have been identified on the basis of guidelines provided by the Ministry of Environment and Sustainable Development. A site visit will be carried out by the committee next week to advise on the site that is most appropriate in terms of environmental considerations.

Concurrently, the CEB has initiated action to appoint a consultant to prepare the Request for Proposals documents and assist in the evaluation and negotiations with the eventual preferred bidder, including the conclusion of the power purchase agreement.

Government has also approved the setting up of a working group which would comprise relevant stakeholders to look into the introduction of new technologies in the electricity sector. Thank you.

**Mr Bérenger:** I can start with the revision downwards of the peak demand. Indeed a big revision - if I take the year 2014 as a reference instead of 529 MW, it has been downscaled to 464 MW, that is, 65 MW down. I think I heard the hon. Deputy Prime Minister say that these figures have been brought out by the CEB. On the basis of figures provided by the CSO (Central Statistical Office), would it not have been much more proper for the CSO itself to be asked to produce those figures and not the CEB which is judge and party?

**The Deputy Prime Minister:** Mr Speaker, Sir, the reduction is mainly on major projects that are taking time to materialise. This is the crux of the matter in regard to reduction in the forecast.

**Mr Bérenger:** Henceforth it would be much more reliable and for transparency sake, it should have been the CSO working out those figures, but in any way, it is a drastic revision downwards. The figures for production loss due to maintenance and breakdown, I heard the Deputy Prime Minister say that he is tabling figures, but it has been the practice at the CEB to work out averages over a year and, in the past, for maintenance, the average was a withdrawal of 60 MW on average over the year for maintenance and an average of 50 MW for the year for breakdowns. Can we have the average figures?

**The Deputy Prime Minister:** I have mentioned the figures Mr Speaker, Sir, 60 and 37 not 50.

**Mr Bérenger:** Well there again we are playing with figures you said 37. Again this is being revised downwards. The figures used to date are in the case of breakdown 50 MW. I am very disturbed. We bring down peak demand. We bring down maintenance. To me this shows a disturbing trend, Mr Speaker, Sir.

Why has the phasing out of the St. Louis Pielstick engines been delayed? I have not heard an explanation on that. Supposedly, they are very old engines, they cost much more to

operate. In fact, they even cost much more than electricity production through heavy oil. Much more. Can we know, therefore, why the phasing out has been postponed in time?

**The Deputy Prime Minister:** Mr Speaker, Sir, I would like to point out that the figures of 60 and 37 have been there all the while. If the coal power plant of 50 MW would have been operational the figure would have been 50 mw. The biggest plant at the moment is 37 so we use 37. This is the reply. There has been no change in policy. When the next plant is 50 MW, we will put 50 MW as provision for breakdown. Secondly, Mr Speaker, Sir, for the Pielstick that we are talking about we have heard this before it's working albeit at less efficiency I guess, but, in 2004, the same decision was taken to continue with the Pielstick until such time that there is replacement. This is the whole point in 2004. The CEB then said - I'll use the same phrase - in spite that they are working less efficiently we continue using them, but now we are using them at minimum, only 60 GWh per year - 4000 hours yearly - which is not very much for peaking and semi base load. So there they are and they are working well and as soon as we are ready with the other units, they will be phased out.

**Mr Bérenger:** The 30 MW are very, very old engines and in a way it's seven years back. You cannot take as if today is the same as seven years back. I didn't hear the hon. Deputy Prime Minister say, on my question relating to peak demand and effective capacity available in the first half of 2012, when these 4 X 15 new heavy oil engines, that is, 60MW will be available because he gave the figure; he repeated 430 would be the peak demand. Now these 4 times 15, that is, 60 will not be available in the first half. Therefore when we subtract that in the first half of 2012, we will have only 424 capacity or production when we withdraw those 60 MW whereas the peak demand - it has been repeated - is expected to be 430. Until those four engines come into operation, the peak production figure would be 424. Therefore, can I ask the hon. Deputy Prime Minister when are those four engines expected to start operating and how are we going to deal with that very tight spot?

**The Deputy Prime Minister:** Mr Speaker, Sir, to sum it up; in the reply of last week which was a sort of written reply we mentioned June or July. It will be June or July so the question has been: what do we do during those six months and this is the essence of the question. Now, in terms of effective capacity available, as I have said, we have added land fill gas so it comes to 432 effective capacity available with a peak power forecast of 430. We are not going to remove the St. Louis Pielstick five units and therefore 424 becomes 432 as the Leader of the Opposition has rightly said - 424 plus 5 plus 3, it is 432, but the essence of my reply, Mr Speaker, Sir, is since 2010 and this year we are making sure that all the major

maintenances are carried out. A look at the figures will show that in 2010, lot of maintenances were done up to sometimes 130 MW being out without any power failure and this is the whole thing. I would ask the Leader of the Opposition to look carefully at the breakdown and maintenance of 2010. This is very revealing. We are doing a lot of work and this year also we are doing a lot of work to make sure that, in the first part of 2012 there is not much maintenance work done and this can be used as an effective margin, reserve margin, safety margin.

**Mr Bérenger:** We will be walking on a very tight rope in 2012 and especially the first half. As the figures themselves show, we are keeping the old Pielstick engines; we are cutting down on maintenance and so on. The figures speak for themselves, but can I ask when are those 4 X 15 MW engines expected to start operations?

**The Deputy Prime Minister:** They will be commissioned in July it will be on in June.

**Mr Bérenger:** If I can move to the last part of my question. I heard again the hon. Deputy Prime Minister say that the EIA committee decided to reject the EIA proposed by the promoter CT Power. Will he agree with me that it is not the case? The law as it is, the EIA Committee recommends to the Minister and it is the Minister who decides. The Minister can reject the recommendation of the EIA Committee or it can accept. In that case, the Minister decided to accept the recommendation and the Minister decided to reject the EIA document. Is that not the case?

**The Deputy Prime Minister:** Mr Speaker, Sir, the Minister and Government, and the Prime Minister especially, have great concern for the public welfare, to make sure that, in the public interest, we have the best unit running; and it is not the intention of Government to interfere with technical advice. I would advise whoever has any point, to go and raise it with the tribunal that is sitting at the moment.

**Mr Bérenger:** Does the hon. Deputy Prime Minister think that it is really proper? I understand that the EIA Appeal Committee is meeting today. I am sure we all respect its independence, and it is a very solid Appeal Tribunal. Is it proper for measures to be taken for this tender of 100 MW capacity plant when the appeal has not been heard? What if CT Power wins its appeal?

**The Deputy Prime Minister:** Mr Speaker, Sir, we have not launched a tender yet, and this is the whole point. We are making ready in case the appeal fails. There is no tender at the moment, but we are identifying land; we are looking at procedures, so as to be ready in case.

**Mr Bérenger:** Have we been given some kind of indication when the appeal process could be finished? Of course, I am not putting pressure on the Appeal Tribunal, but time is of the essence here. Have we been provided with an indication?

**The Deputy Prime Minister:** Mr Speaker, Sir, I am sure that the Environment Appeal Tribunal realises the urgency of the case, and will act accordingly.

**Mr Bérenger:** Can I ask the hon. Deputy Prime Minister why has the decision already been taken by Government to go for a 100 MW coal plant and not a 100 MW bagasse-coal or 50 MW coal and 50 MW bagasse-coal in case CT Power loses its appeal? I am sure we all agree that using all the bagasse that is left to be used in the production of electricity is in the interest of the country, the environment, the sugar industry, including planters, labourers and artisans, so why this choice to go straight for coal and not a mix with bagasse?

**The Deputy Prime Minister:** Mr Speaker, Sir, once again, I would like to remind the House that every ounce of bagasse is being used, though not to best efficiency. We have at the moment two units; one at Beau Champ and one at FUEL running at 44 bars boiler pressure, and the idea is to get them to run at 82 bars so as to get increased efficiency both for the bagasse and for the coal. I would like to stress, Mr Speaker, Sir, as time goes on, bagasse-coal is more coal than bagasse, and the ratio is increasingly so. They are asking for a further 20, 30, 40, 50 MW unit. Therefore, what I would like to know is: to do what, in what ratio, how much coal, how much bagasse? This is the whole point. St. Aubin is closing. I don't hear any difficulty about CTSAV, because they already got the bagasse. With time, I am personally concerned that there may be not enough bagasse and we will have to produce biomass. So, let us look at it.

Having said that, Mr Speaker, Sir, I am personally chairing a committee next week to look at the issue with the independent power producers. The Prime Minister has already made a statement in the House regarding the independent power producers. I don't know if we'll go back to that, but we are meeting them again. I met the European Union yesterday on the same line, namely that we would like to proceed ahead. The process must be right.

**Mr Bérenger:** A tender would eventually go out for 100 MW. I don't get the point that a site is being identified. Fair enough we can do that, but if it is going to be an open international tender, can those who will tender come with their own suggestions, that is, proposing land in a given part of the island and not necessarily on the land identified as at the present exercise?

**The Deputy Prime Minister:** Mr Speaker, Sir, the short answer is yes, but having said that, I think it is only fair to prepare before we have the same experience as we have today that the land identified is acceptable to the environment. Today, if we look at the projects that have been approved like CTDS, for example, they would never have got an EIA licence.

**Mr Bérenger:** The hon. Deputy Prime Minister will agree with me that, by the time the tender is ready, tenders are issued, bids come in and are evaluated, the possibility of appeal - again, it can never be ruled out - then building the plant, starting the plant and so on, it will take three years. In the documents produced by the hon. Deputy Prime Minister on 12 April and confirmed today, it is planned that this 100 MW plant will come in operation in 2014. We are now in 2011; again, time is of the essence. If we waste time, we are going to go over 2014. Will that be kept in mind constantly?

**The Deputy Prime Minister:** Mr Speaker, Sir, the short answer is yes.

**Mr Lesjongard:** Mr Speaker, Sir, may I ask the Deputy Prime Minister to clarify this? In a reply, he has stated that the effective electricity production capacity in 2010 was 433 MW, taking into consideration the 37 MW for breakdown and the 60 MW for schedule maintenance, whereas in a document submitted by the CEB, that effective capacity available for 2010 was 424 MW, taking into consideration the two engines that have been recently commissioned, that is, 2 X 15. Can he explain to the House where did we get that increase of 9 MW with regard to the effective electricity production capacity?

**The Deputy Prime Minister:** I wait for the reply, but as you know the demand has decreased.

**Mr Hossen:** May I ask the hon. Deputy Prime Minister whether the campaign initiated by the CEB in favour of the use of economic electric bulbs has had any significant subsequent effect in revising downwards the peak demand?

**The Deputy Prime Minister:** Yes, it has. I would like to point out that the energy saving and efficiency that we discussed not so long ago is having an effect as well, and we are planning to reduce the demand side as we go along.

**Mr Bhagwan:** The Deputy Prime Minister has informed us that there are two sites which have been pre-selected.

*(Interruptions)*

He earmarked two. Can we have an indication where these sites are as far as the environment is concerned?

**The Deputy Prime Minister:** Not two but a few sites up to date.

**Mr Li Kwong Wing:** Will the Deputy Prime Minister confirm whether we are not sitting on a time-bomb by overstretching the limit of maintenance of the engines?

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Li Kwong Wing:** As recently as last week, the CEB had to resort to the use of two gas turbines at very high cost due to the maintenance of two base-load engines at Fort George and the scheduled maintenance at Savannah?

*(Interruptions)*

**Mr Speaker:** Order!

**The Deputy Prime Minister:** Mr Speaker, Sir, this information was asked last week. Unfortunately, there were no questions in the House otherwise, I would have informed the House, between 2000 and 2005, how much of the gas turbine was used. I would like to point out that the hon. Member has taken up the tone that was used previously about getting very worried over power. Same was adopted in 2008, 2009, saying that we were going to get blackouts in 2009-2010. There was no blackout, thanks God for the CEB doing its work!

**Mr Ganoo:** The hon. Deputy Prime Minister mentioned last year that there was an expression of interest for the setting up of a 100 MW plant on a Build-Own-Operate (BOO) scheme based on any technology that was launched, and tenders were even received in February 2009. What has happened to that exercise?

**The Deputy Prime Minister:** Mr Speaker, Sir, they were so diverse that it was difficult to make sense of it. There were too many technologies, and they could not be compared and evaluated.

**Mr Guimbeau:** Mr Speaker, Sir, can we know from the hon. Deputy Prime Minister...

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Guimbeau:** May we know what is the stand of the special adviser of the Prime Minister, Professor Joël de Rosnay, on this new coming up saga? Are we seeking his advice on what is going to happen now?

**The Deputy Prime Minister:** This question was answered previously.

**Mr Speaker:** Time is over!

*(Interruptions)*

I thought the hon. Leader of the Opposition said he was putting his last question.

**Mr Bérenger:** No, I have two, if you will allow me. An hon. Member has asked the hon. Deputy Prime Minister if the electricity saving bulbs and other measures taken until now have had an effect and it was said 'yes'. Can we have the figure by how much has demand been brought down?

**The Deputy Prime Minister:** We did produce some figures in the past, I will get it.

**Mr Bérenger:** The first time I asked and figures were never produced. Finally, we are going to walk on a very tight rope, especially the first half of next year. I think I have made my point that time is of the essence both as far as 4 x 50 MW new engines are concerned and even, more importantly, the 100 MW plant is concerned. Can I again appeal to Government to see to it that we don't end up next year or the following years in serious trouble?

**The Deputy Prime Minister:** Mr Speaker, Sir, the whole point of my answer has been in that sense and to complete the information, Mr Speaker, Sir, the introduction of the CFL has reduced demand by an estimated 8 MW.

**Mr Speaker:** Time is over! Questions addressed to Dr. the hon. Prime Minister!  
Hon. Ganoo!