



# Press Statement

## **ERB Approves Power Purchase Agreement Between Maamba Collieries Limited & ZESCO Limited**

**30<sup>th</sup> August 2011**

The Energy Regulation Board (ERB) has granted regulatory consent for ZESCO Limited (ZESCO) and Maamba Collieries Limited (MCL) to enter into a Power Purchase Agreement (PPA), under which 265.5MW of the 300MW from the coal powered thermal plant will be sold to ZESCO for a period of 20 years.

The project, which will be the first coal fired thermal power plant in Zambia, will not only contribute to meeting local energy demands, but will also help to diversify electricity generation sources in the country. Currently, over 99% of the electricity generated in Zambia is hydro based. The coal-fired thermal power plant will help improve national security of supply in the event of drought, which could adversely affect hydropower.

The ERB therefore welcomes the project with construction expected to start this year. MCL will design, finance, construct, commission, own, operate and maintain the coal-fired power generation plant to be located at Maamba Town. In addition, two single circuit 330kV lines will be constructed from the power plant to the ZESCO system at Muzuma substation. ZESCO is expected to construct, test and commission the interconnection facilities in line with the Development and Connection Agreement and in order to provide for transmission of the generated power.

MCL, which is jointly owned by Nava Bharat Limited of Singapore and Zambia Consolidated Copper Mines – Investment Holdings (ZCCM-IH), expects to spend about US\$650 million to develop Phase one of the project. It is expected that phase one of the project will be completed and commissioned by 2014.

**Kwali Mfuni  
Communications Officer**