

Gas, water shortage hits Egbin, Omotosho, Shiroro

By Obinna Ezeobi, Abuja

Published: Tuesday, 29 Jul 2008

A combined shortage of water at the hydro stations and gas supply to the thermal stations have forced a reduction in power generation to about 2,700 mega watts, the Minister of Energy, in-charge of Power, Mrs.Fatima Ibrahim, said on Monday.



Photo file

Mrs. Fatima Ibrahim, Minister

Answering questions in Abuja after she inaugurated the transitional board of the Power Holding Company of Nigeria, Ibrahim explained that the nation's hydro and thermal stations were capable of generating above 3,000MW, but some of their units had been shut because of the shortage of water and gas.

According to her, "At Shiroro hydro plant, you can see the floor of the dam because the water is not there. With water management, you have to shut some of the machines down to enable you get enough water. During the weekend we had to shut down some machines at Egbin and Omotosho because the flow of gas was not enough to power them."

The minister explained that the reports submitted by the various committees constituted by President Umaru Yar'Adua to conduct a detailed review of the power sector threw up a number of fundamental issues concerning the power sector and informed the re-constitution of the PHCN board.

Ibrahim stated, “A major challenge identified in all the reports on the power sector include a glaring lack of coordination between the successor companies created from the unbundling of the defunct National Electric Power Authority.

“The recent spate of system collapses that have thrown the entire nation into fits of darkness is a manifestation of both a structural weakness in the system and the conflicting effort of the distribution companies to partake in power that was unavailable.”

She added, “The Federal Government has taken time to articulate a well-coordinated plan and strategy for resolving the multitude of problems identified in project execution, sector reform, corporate governance and private sector participation in electricity generation and distribution.”

Ibrahim further listed other challenges of the power sector to include inadequate funding, low tariffs, inefficient successor companies and lack of proper governance framework for the unbundled companies.

On low tariff, she stated that the Federal Government introduced the Multi Year Tariff Order, which was expected to address the tariff concerns of the existing players in the sector as well as encourage the emergence of independent power producers.

The members of the board include Ibrahim; Adviser to President Yar’Adua on Power, Mr. Joseph Makoju; Director-General, Bureau of Public Enterprises, Mr. Irene Chigbue; and Managing Director, Nigerian Gas Company, Mr. Voka Mukoro.

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Shell to Supply Gas to NIPPs

From Ahamefula Ogbu in Port Harcourt, 08.04.2008

Shell Petroleum Development Company (SPDC) Limited, has announced that it has entered into an agreement for the supply of gas to the National Integrated Power Plants(NIPP) by third quarter of 2009.

NIPP is built by the Federal Government from its Gbaran facility in Bayelsa State.

According to a statement by SPDC's Spokesman, Mr Precious Okolobo, the contract was entered

with Hanover Nigerian Limited for the construction of the processing facility at the Gbaran/Ubie Integrated Gas Project.

Hanover is partnering with Inter Global Procurement and Engineering Services for provision of technical and engineering services.

A Statement from Okolobo, at the weekend, said SPDC's General Manager, Major Projects, Mr Andrew Birch, who is also Hanover Director in Europe and Africa, William Cotton, signed the agreement for the contract in Port Harcourt, Rivers State, marking a major milestone in gas development in the country.

"The contract helps to meet two key national objectives: building of indigenous capacity and helping to meet national power generation aspirations. SPDC is pleased to be part of this important initiative, and we are confident of a very positive and productive partnership with Hanover and IGPEs," Birch said.

He said production of gas from the facility is expected to come on full stream in the third quarter of 2009 when it is expected to feed 80 million cubic feet of gas per day to the federal power plants.

Birch noted that gas supply to the power plants will serve the dual purpose of eliminating gas flaring and generate a lot of revenue for the country.

He said SPDC has completed the drilling of the gas wells, while flow lines are currently under construction, adding that first phase of the project has reached 50 per cent completion and is expected to net over \$2 billion revenue for the country.