

Canada's Magindustries Rehabilitates Inga Project

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When the giant Inga hydro-electricity power project began in the then Zaire in 1972, the anticipation was that its capacity to produce 1,775 Mega Watts of hydro electricity would be enough to supply the inevitably growing industrial and consumer power demand in southern and central Africa for many years to come.

After a protracted civil war in the country, demand for electricity has surged indeed with the emerging interest in developing the vast mineral resources in the Katanga region yet both Inga Phases I and II (with 351 MW and 1,424 MW capacities respectively) are producing at less than 30% capacity, way below the needs of regional economies whose own domestic supplies are also falling short.

However, help is on the way, through a Public-Private Partnership (PPP) created by the Democratic Republic of Congo (DRC)'s power utility, SNEL and the Canadian energy and resources company, MagIndustries.

The PPP project, which began in the first quarter of last year, mandates MagEnergy (a subsidiary of MagIndustries), in Phase I, to refurbish elements of the Inga II plant at a cost of US\$25 million and then in Phase II, to rehabilitate four of Inga II's eight turbines to full capacity (712 MW) at a cost of US\$110 million. Phase I will be completed in the first quarter of 2008 and Phase II will commence mid-year 2008 to finish by year-end 2011.

South Africa's IDC is an equity partner with 30% in Phase I and 15% in Phase II.

According to MagIndustries' president, William Burton, the refurbishment and rehabilitation work should result in the Inga power plants being able to meet the anticipated 800 MW power demand from the DRC's Copper Belt in six years.

"In addition to that, there should be enough power to supply other needs in the country as well as for export to, primarily, South Africa and other regional economies like Zambia (which shares the mineral rich copper belt). International power demand exceeds supply and the gap is growing rapidly," said Burton.

He added that for its current work at Inga, MagIndustries receives revenues of US\$200,000 a month. After the first quarter of 2008, with the completion of its Phase I work, MagIndustries will recognize revenues on the sale of 84 MW per year for six years.

MagEnergy, as DRC's first Independent Power Producer, is also actively interested in other power projects, including Busanga, the country's second largest hydro site with a potential to produce 250 MW.

Pre-feasibility study is underway at Busanga, which is adjacent to the Katanga Copper Belt and can be readily connected to the South African power pool grid. Another project MagEnergy has interest in is the Zongo II site (100MW potential) where a "scoping study" is underway.

MagEnergy projects at Inga are expected to lead into an ambitious plan by a group of five African countries and their international backers who have explored plans to establish the world's biggest hydro-power generator, the Grand Inga Project at an estimated cost of US\$50 billion.

According to information sourced from SADC publications and sinkswatch.org, an environmental website, the proposed 39,000 MW Grand Inga project (double the current supply for all of Africa) would be a joint project by the governments of Angola, Botswana, DRC, Namibia and South Africa through a company called Western Power Corridor (Westcor) with financial assistance from various world renowned institutions. Planning is coordinated by the World Energy Council (WEC).

When completed, the project should supply power for the five countries with potential to export to other countries in the region, particularly Zambia and Zimbabwe which currently import power from neighbouring countries.

The Grand Inga Project is viewed as a long term solution to southern and central Africa's power shortages and should support industrial expansion as well as stemming the usual environmental degradation caused by demand for traditional forms of power, wood and coal.

Prior to the construction of Grand Inga, an Inga Phase III (3,500 MW) would be considered for construction at a cost of US\$5 billion.

Experts say that if fully developed the Inga site would be three times the power output of the Three Gorges Dam in China.

