



Ministry of Energy

*Status of the Energy
Sector and Investment
Opportunities*

STATUS OF THE ENERGY SECTOR

A. Electricity:

- ❑ Installed capacity is at 543 MW against a projected demand of 700 MW.
- ❑ The installed capacity comprises:
 - 407 MW from hydropower plants owned by EGENCO and two other Independent Power Producers (IPPs);
 - 80MW from solar PV power plants by an IPP, and
 - 53MW from emergency and peaking diesel generators by EGENCO.
- ❑ 21 MW from a solar power (PV) plant owned by an IPP is expected online the end of April 2023.
- ❑ The generation capacity has been negatively affected by damage to Kapichira Hydropower Plant by Cyclone Ana in early 2022 resulting in a loss of 129.6MW.

Status of the Energy Sector cont'd

- ❑ Electricity access rate stands at 18% with 11.4% being from on-grid connections and 6.6% from off-grid options.
- ❑ Malawi has a target of increasing the access rate to 100% by 2030 from the current 18% .
- ❑ Out of this, 30% will be from on-grid connections while 70% will be from off-grid solutions such as solar home systems, minigrids and pico solar products.

Status of the Energy Sector cont...

B. Liquid fuels and Gas:

- Malawi imports refined petroleum products.
- Petrol is blended with bioethanol at a ratio of 80:20.
- The importation of fuel is done by NOCMA - a Government Agency and Petroleum Importers Limited – a consortium of private companies
- Fuel consumption is at 1.5 million litres per day.

Status of the Energy Sector cont...

- ❑ The installed fuel storage capacity is at 75 million litres of which 60 million-litre capacity is owned by NOCMA and the remaining 15 million-litre capacity by private companies.
- ❑ This storage capacity falls short of the requirement for landlocked countries such as Malawi which is pegged at 90 days cover.
- ❑ Currently, importation of fuel has been heavily affected by scarcity of forex in the country.

Status of the Energy Sector cont...

C. Biomass Energy:

- The country is overdependent on biomass energy for cooking and heating.
- 85% of the population use biomass energy - firewood and charcoal for cooking and heating.
- A small percentage of the populations uses electricity and Liquefied Petroleum Gas (LPG) for cooking and heating.

CHALLENGES IN THE ENERGY SECTOR

- ❑ Loss of Kapichira I and II power plants with total capacity of 129.6MW representing 23% of the country's installed capacity.
- ❑ The country is currently implementing frequent and extended load shedding program due to loss of the Kapichira Hydropower Station.
- ❑ The country has a huge backlog of grid connections (about 65,000) dating back to 2015.

Challenges in the energy sector cont'd

- Inadequate funding for energy projects despite conduction of bankable feasibility studies for some of them.
- Delays by IPPs to implement their projects despite signing MoUs and PPAs.
- In the Liquid Fuels and Gas Sub-sector, the country has been experiencing inadequate fuel supply mainly due to shortage of forex.
- Overdependence on biomass energy for cooking and heating

PRIORITY PROJECTS WITH FUNDING


- ❑ Mozambique - Malawi Interconnector
- ❑ The 350MW Mpatamanga Hydropower Project
- ❑ 279.5MW from Independent Power Producers
- ❑ The 261MW Fufu Hydropower Project
- ❑ The 210MW Kholombidzo Hydropower Project
- ❑ Rehabilitation of Kapichira Power Station to restore the lost 129.6 MW

Priority projects with funding cont'd

- ❑ Increasing access through the Malawi Rural Electrification Programme (MAREP), Access to Renewable Energy project (ACRE) and Malawi Electricity Access Project (MEAP).
- ❑ Installation of a 20 MW Battery Energy Storage System at Kanengo sub-Station in Lilongwe for ancillary services.

PRIORITY PROJECTS WITHOUT FUNDING

- ❑ Construction of the 180MW Songwe Hydropower Project estimated at 829 million USD.
- ❑ Construction of the interconnector with Zambia power system estimated at 87 million USD.
- ❑ Construction of the western backbone transmission line estimated at USD175million.
- ❑ Construction of the eastern backbone transmission line, and
- ❑ Increasing adoption and use of alternative and clean cooking technologies such as LPG and electric cookers.



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