

DEVELOPMENT
TODAY JULY 8, 2011

PROJECT NEWS

Assessment of Sao Hill - Mufindi transmission line

The Norwegian forest carbon company **Green Resources AS**, through **Sao Hill Energy Ltd** is planning to build a 15-megawatt combined heat power plant at its Sao Hill biomass plant, which will use residue and waste from tree plantations as fuel. Sao Hill plans to sell 10 megawatts of the produced energy to the national grid, and a power purchase agreement has already been signed with **TANESCO**. Financiers include the risk capital fund, **Norfund**.

A prerequisite for the project is an improved and strengthened transmission grid in the area. **Norway** is considering providing support, but the wider aspects of development are crucial for Norwegian aid financing to become involved.

At the same time, Norway has supported the feasibility study for a small hydropower plant and rural electrification of some villages around the bigger **Kihansi Dam**. Since all these projects are somewhat overlapping, the **Norwegian Embassy in Dar es Salaam** has asked **Norad** to contract a consultant team to assist with a holistic appraisal of the various projects.