New york electric grid zimbabwe

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Zimbabwe hopes to achieve the high economic growth rates needed to move toward upper middle-income status by 2030, but to achieve this it will be critical to realize stable and reliable electricity access, according to the latest Zimbabwe Economic Update (ZEU). Zimbabwe"s power shortages are estimated to cost the country a total of 6.1% of GDP per year, comprising 2.3% of GDP in generation inefficiencies and excessive network losses and 3.8% of GDP on the downstream costs of unreliable energy.

"The electricity deficits have been weighing on the economy, particularly in mining, by reducing the margins of existing operations and on the feasibility evaluations for expansions and new projects. The shortages also affect the agriculture and agro-processing sectors by undermining irrigation, cold chain, and storage facilities. Tourism is also affected by the disruption of essential services. These effects translate into lower economic growth and household incomes," says Victor Steenbergen, Senior Country Economist for the World Bank in Zimbabwe,.

Peak electricity demand is projected to grow substantially, and achieving universal electricity access will require large investments, especially in solar power and grid expansion. Medium-term World Bank projections suggest that electricity demand will grow from 1,950 MW in 2022 to 5,177 MW by 2030, driven primarily by increasing demand from the mining and agriculture sectors. Achieving universal access by 2030 will require annual connections to increase from 25,000 in 2020 to about 537,000 annually.

"Estimates for least-cost generation expansion indicate that, in the short-to-medium term (2024-26), utility-scale home solar systems would be the fastest units to provide additional capacity, adding more than 1,500 MW that would ensure the system can meet growing demand," says Joel Maweni, Energy Consultant and co-author of the Zimbabwe Economic Update.

Subsequently, generation expansion efforts would comprise gas power plants, hydropower, and more solar. The associated grid network expansion to 2030 is estimated to cost $4.4 billion. While the government is planning to expand electricity access through various sources, it remains unclear how the investment needed will be financed. The biggest planned increase in electricity supply comes from the Batoka Gorge Project along the border with Zambia (1,200 MW for Zimbabwe) projected for completion after 2034, and the Devil"s Gorge (1,200 MW) to be completed by 2040.

"Financing electricity expansion from domestic resources alone will be challenging, so there is an urgent need to involve more private investors and the international development community," says Christopher Saunders, World Bank Senior Energy Specialist.

High debt servicing costs also burden energy companies. Insufficient revenues and high debt lead to cashflow shortages, which in turn constrain the companies from investing in new generation, transmission, and

distribution assets, including in access expansion; attracting private sector investment and commercial financing for the sector"s investment plan; adequately maintaining existing assets; and forcing them to import power from neighboring countries to satisfy electricity demand consistently

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