

Electrify Africa Act of 2015 Section-by-Section Summary

As Passed by the Senate Committee on Foreign Relations

Bill Overview. The overall goal of the Electrify Africa Act (S. 2152) is to establish a comprehensive United States government policy to develop and coordinate strategies and reforms to improve access and the affordability, reliability and sustainability of power for residents of sub-Saharan Africa. The bill also requires a progress report evaluating the effectiveness of policies and investments made by the U.S. in expanding electricity access in sub-Saharan Africa.

Sec. 1: Short Title. This Act may be cited as the “Electrify Africa Act of 2015.”

Sec. 2: Purpose. The purpose of the Act is to encourage the efforts of countries in sub-Saharan Africa to improve access to affordable and reliable electricity to unlock the potential for inclusive economic growth and other important development outcomes.

Sec. 3: Statement of Policy. Declares that it is the policy of the United States, in coordination with international financial institutions, sub-Saharan African governments and the private sector, to: (1) promote first-time access to power and power services in sub-Saharan Africa for at least 50,000,000 people by 2020, in both urban and rural areas; (2) encourage the installation of at least 20,000 additional megawatts of electrical power in sub-Saharan Africa by 2020 through a broad mix of energy options that will reduce poverty, promote sustainable development and drive economic growth; (3) promote reliable, affordable, and sustainable power in urban areas in order to promote economic growth and job creation; (4) promote efficient institutional platforms and financing for the provision of electrical service to rural and underserved populations; (5) encourage the necessary in-country reforms that will make possible the expansion of power access; (6) promote reforms of power production, delivery, and pricing, as well as regulatory reforms and transparency, in order to support long-term, market-based power generation and distribution; (7) promote policies to displace kerosene lighting with safer, cleaner technologies; and (8) promote an all-of-the-above energy development strategy for sub-Saharan Africa.

Sec. 4: Development of Comprehensive, Multi-Year Strategy. Requires the President to establish and submit to Congress, within 180 days, a comprehensive multiyear strategy, consistent with the policy goals of section 3, to encourage the efforts of countries in sub-Saharan Africa in implementing national power strategies and developing an appropriate mix of power solutions. The strategy must address ways to attract private investment in the power sector, both on and off the grid, assess the financial viability of power utilities and be sufficiently flexible to allow for technological innovation in the power sector. The strategy must focus on the following components: increasing power production; strengthening electrical transmission and distribution infrastructure; providing for regulatory reform and transparent and accountable governance and oversight; improving the reliability of power; maintaining the affordability of power; maximizing the financial sustainability of the power sector and improving access to power.

Sec. 5: Prioritization of Efforts and Assistance for Power Projects. Directs the Administrator of the United States Agency for International Development (USAID), the Director of the Trade and Development Agency, the Overseas Private Investment Corporation and the leadership of the Millennium Challenge Corporation to, as appropriate, prioritize and expedite institutional efforts and

assistance to promote the development of power projects and markets consistent with the goals and policies of the Act and with the strategy.

Sec. 6: Leveraging International Support. Directs the United States representatives at the appropriate international bodies, including but not limited to the Executive Directors at the World Bank Group and the African Development Bank to use the influence of the United States, consistent with the broad development goals of the United States, to encourage those institutions to significantly increase efforts in sub-Saharan electrification projects, consistent with host-country absorptive capacity and provide technical assistance to regulatory authorities. The committee believes these efforts should include modifying regulatory and legal regimes to reduce certain losses, implementing cost-based tariffs, providing for commercial cost recovery, reducing corruption, improving transparency, and implementing reforms that facilitate efficient and responsible power generation, transmission and distribution, as well as off-grid energy markets. These efforts should use clear, accountable, and metric based targets to measure effectiveness.

Sec. 7: Progress Reports. Requires a 3-year evaluation of progress made towards achieving the strategy described in section 4. The report reviews policies advocated by the United States that promote increased energy access and electricity sector reform. The report also identifies the number and type of projects receiving United States government support, the total costs of the project, the amount of U.S. supported investment, and empirical results of the project in terms of increased electricity to businesses, communities and individuals.