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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/MER/08/38/2024**

**Decision<sup>1</sup> of the 113<sup>th</sup> Meeting of the Committee Responsible  
for Initial Determinations Regarding the Proposed  
Acquisition by TotalEnergies Renewables SAS of SN Power  
A.S., SN Development B.V. and SN Malawi B.V.**

**ECONOMIC SECTOR: Energy**

**20 December 2024**



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<sup>1</sup> In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

## **The Committee Responsible for Initial Determinations,**

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the “**COMESA Treaty**”);

Having regard to the COMESA Competition Regulations of 2004 (the “**Regulations**”), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the “**Rules**”);

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State,

Desirous of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration,

Having regard to the COMESA Merger Assessment Guidelines of 2014,

Determines as follows:

### **Introduction and Relevant Background**

1. On 13 September 2024, the Commission received a notification for approval of the merger regarding the proposed acquisition by TotalEnergies Renewables SAS (“**TotalEnergies Renewables**”) of SN Power A.S. (“**SNPAS**”), SN Development B.V. (“**SNDBV**”) and SN Malawi B.V. (“**SNMBV**”), together the (“**Target Group**”), pursuant to Article 24(1) of the Regulations.
2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.



## The Parties

### *TotalEnergies Renewables (the “acquirer”)*

4. TotalEnergies Renewables, registered in France, is a subsidiary of TotalEnergies SE (“**TotalEnergies**”), an international multi-energy company which operates across the entire oil and gas value chain, encompassing upstream activities (exploration, development, and production of hydrocarbons) and downstream operations (refining, petrochemicals, specialty chemicals, and the trading and marketing of crude oil and petroleum products). Additionally, the company is active in renewable energy, power generation, and carbon-neutral initiatives, including energy efficiency, carbon capture and storage, hydrogen production, and natural solutions.
5. As of 31 December 2023, TotalEnergies, together with its controlled entities (the “**TotalEnergies Group**”), is organized into the following five business segments:
  - (i) Exploration & Production – covering oil and natural gas exploration and production activities, conducted across approximately 50 countries.
  - (ii) Integrated LNG – including the integrated gas chain, covering upstream and midstream LNG activities, as well as biogas, hydrogen, and gas trading operations.
  - (iii) Integrated Power – focusing on electricity generation and storage, electricity trading, and the distribution of gas and electricity to both business (B2B) and consumer (B2C) markets.
  - (iv) Refining & Chemicals – covering refining, petrochemicals, and specialty chemicals and includes oil supply, trading, and marine shipping activities.
  - (v) Marketing & Services – managing global supply and marketing of petroleum products.
6. Furthermore, TotalEnergies, through its acquisition of Total EREN in November 2023, holds interests in photovoltaic solar power projects, including the Soroti Solar Plant in Uganda. [REDACTED]
7. In the Common Market, TotalEnergies is active across various sectors in the Democratic Republic of Congo (the “**DRC**”), Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Tunisia, Uganda, Zambia and Zimbabwe.

### *SNPAS, SNDBV and SNMBV (the “target group”)*

8. SNPAS is a private company with limited liability registered in Norway. SNDBV is a private company with limited liability registered in the Netherlands. Further, SNMBV is a private company with limited liability registered in the Netherlands.



9. The parties submitted the Target Group is under the process of developing the Mpatamanga HPP and Ruzizi III HPP hydropower plants in Malawi and Rwanda, respectively. The Target Group is currently active in the generation of hydropower through the Bujagali Hydro Power Plant in Uganda.
10. SNPAS operates through Bujagali Energy Limited (“**BEL**”) and Ruzizi III Energy Limited (“**REL**”). BEL operates the Bujagali Hydro Power Plant (“**Bujagali HPP**”), which is a run-of-river HPP with a capacity of 250MW. The Bujagali HPP has been operational since 2012 and has [REDACTED] power purchase agreement (“**PPA**”) with the Uganda Electricity Transmission Company Limited, the Ugandan power utility. REL is in the process of developing the Ruzizi III Hydro Power Plant (“**Ruzizi III HPP**”), which will be a run-of-river HPP with a capacity of 206MW.
11. The Ruzizi III HPP is located on the Ruzizi River, which forms the natural border between the DRC and Rwanda. This plant is part of a series of hydropower projects on the Ruzizi River and aims to provide renewable energy to the DRC, Rwanda, and Burundi. The Ruzizi III HPP has planned commercial operations date in the forth quarter of 2029 and will have a [REDACTED] PPA with Régie de Production et de Distribution d’eau et d’électricité (“**REGIDESO**”), Société Nationale d’Electricité (“**SNEL**”) and Energy Utility Corporation Limited (“**EUCL**”), the power utilities companies in Burundi, DRC and Rwanda, respectively.
12. SNDBV operates through SN Power Uganda Limited (“**SNPUL**”) and N Power Africa (Kenya) Limited (“**SNPAL**”), private companies with limited liability incorporated in Uganda and Kenya, respectively. The parties further submitted that SNPUL is an employment vehicle company and SNPAL is in the process of being wound down. Neither of the companies are market-facing.
13. The parties submitted that SNMBV, through Mpatamanga Hydropower Limited (“**MHL**”), is in the process of developing the Mpatamanga Hydro Power Plant (“**Mpatamanga HPP**”), which will have an installed capacity of 361MW. The Mpatamanga HPP has planned a Commercial Operation Date in first quarter of 2030 and will have a [REDACTED] PPA with Electricity Supply Corporation of Malawi Limited (“**ESCOM**”), the power utility company in Malawi.

### **Jurisdiction of the Commission**

14. Article 24(1) of the Regulations requires ‘notifiable mergers’ to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the “**Merger Notification Thresholds Rules**”) provides that:

*“Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:*



- a) *the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
- b) *the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State”.*
15. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The Commission was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

### **Details of the Merger**

16. The parties submitted that the proposed transaction would entail the acquisition by TotalEnergies Renewables of:
- (i) 100% shareholding in SNPAS from Scatec ASA;
  - (ii) 51% shareholding in SNDBV from Scatec Solar Netherlands B.V.; and
  - (iii) 51% shareholding in SNMBV from Scatec Solar Netherlands B.V.
17. Following the proposed transaction, SNPAS will be wholly controlled by TotalEnergies Renewables while SNDBV and SNMBV will be jointly controlled by TotalEnergies (with 51% shares) and the existing shareholder - Klinchenberg (with 49% shareholding).

### **Competition Analysis**

#### **Consideration of the Relevant Markets**

##### ***Relevant Product Market***

18. Paragraph 7 of the Commission’s Guidelines on Market Definition states that a ***“relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products’ characteristics, their prices and their intended use”.***



19. TotalEnergies operates across the full oil and gas value chain, including upstream (exploration, development, production) and downstream (refining, petrochemicals, trading, and marketing). It also is active in the sales of solar powered products, generation of renewable energy from solar, in photovoltaic projects, including constructing large solar farms, like the Soroti Solar Plant in Uganda.
20. The Target Group is active in the generation of electricity from hydropower at the Bujagali Hydro Power Project (HPP) in Uganda. Further, it has two hydropower projects under development the Ruzizi III HPP in Rwanda and the Mpatamanga HPP in Malawi.
21. The CID observed that the proposed transaction raises horizontal product overlap given both parties are engaged in the generation and wholesale supply of electricity from renewable energy, thus focused its assessment of the relevant product markets on these areas.

*The generation and wholesale supply of electricity*

22. The European Commission ("EC") has defined the market for generation and wholesale supply of electricity as encompassing "*domestic generation of electricity at power stations within a specific geographic market, along with electricity imported into this market via interconnectors, intended for sale to retailers*"<sup>2</sup>.
23. The generation of electricity is the upstream stage in the electricity supply chain, involving the production of electricity at power stations, which is subsequently sold at a wholesale market to electricity suppliers. These suppliers can include regulatory bodies authorized to sell electricity at the retail level as well as large industrial customers with substantial electricity requirements. Previously, the CID has established that each stage of the electricity sector, namely, generation, transmission, and distribution comprise distinct markets, each characterized by unique processes and objectives<sup>3</sup>. The CID's decision practice has considered that generation entails producing electricity while transmission involves moving high-voltage electricity from generating plants to substations, and distribution concerns the final delivery of electricity to end-users.
24. From a supply perspective, it can be observed that each stage has different requirements. Electricity generation rely on electro-mechanical generators powered by various energy sources, such as water (hydropower), wind, solar, geothermal, and fossil fuels<sup>4</sup>. Once generated, electricity undergoes the transmission stages whereby electricity is transported in bulk through wholesale

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<sup>2</sup> See Case M.7850 - EDF / CGN / NNB GROUP OF COMPANIES, para. 54, decision dated 10/03/2016.

<sup>3</sup> See CCC/MER/01/05/2023, Serengeti Energy Limited and Rwaza Hydropower Limited, para. 15, decision dated 29 May 2023; and CCC/MER/04/11/2021, AIF Thika Power Holding LLP, Thika Power Limited and Thika Power Services Limited, para. 16, decision dated 27 June 2021.

<sup>4</sup> See CCC/MER/01/05/2023, Serengeti Energy Limited and Rwaza Hydropower Limited, para. 13, decision dated 29 May 2023.



supply channels to substations, where voltage is adjusted for distribution. Transmission occurs via extensive networks and power grids, which include infrastructure such as towers, wires, underground cables, transformers, reactive power devices, and communication systems. These networks ensure the efficient transportation of electricity over long distances. In the distribution phase, substation transformers reduce the high-voltage electricity to levels suitable to end users. The electricity is then delivered through overhead or underground wiring to residential, commercial, and industrial consumers. For instance, TotalEnergies' Soroti Solar Power Station in Uganda sells at wholesale level to the Uganda Electricity Transmission Company Limited ("UETCL"). UETCL then integrates the electricity into the Ugandan national grid, facilitating its distribution across the country.

25. To this end, the CID noted that the distinct nature of the processes and intended uses at each stage of the electricity value chain, which supports the classification as separate markets. The CID further noted that the equipment needed for electricity generation differs significantly from that required for transmission, which relies on specialized power grid infrastructure. Distribution involves further investment in unique equipment. From an end-use perspective, generation produces electricity is primarily intended for distribution companies before reaching final consumers.
26. The CID further noted that each stage is unique and non-substitutable due to the varying technical and functional differences. Therefore, given that both parties are active at the stage of electricity generation which is thereafter supplied to distributors at wholesale, the plausible relevant market is the generation and wholesale supply of electricity.
27. Electricity can be generated from renewable and non-renewable energy sources, where the former refers to power generated from sources that are naturally replenished, such as solar, wind, hydroelectric, geothermal, and biomass while the latter comes from finite resources like coal, oil, natural gas, and nuclear power. These markets are differentiated by their sources, production methods, cost structures, environmental impacts, and regulatory frameworks. For instance, renewable energy generation relies on specific technologies such as solar panels, wind turbines, and hydropower plants while non-renewable energy production, on the other hand, involves extraction, refining, and distribution processes for fossil fuels, which are not easily adaptable to renewable energy production. Further, governments and regulatory bodies tend to treat these markets separately due to differing policy objectives. For instance, renewable energy is typically supported to promote clean energy adoption and reduce greenhouse gas emissions. As a result, companies operating in one segment often face significant barriers to entering the other. The CID noted that this was evidence that the renewable



energy market is distinct from the non-renewable energy market. Therefore, the CID focused its assessment on the renewable segment being activities of the parties.

28. The CID further observed that the generation of electricity from renewable sources can further be segmented based on the various sources, such as hydropower (where the target group is active), wind, or solar (where the acquirer is active). For instance, the acquirer would not consider switching from its solar power plant to hydro power plant or vice versa for the target group in case of a significant relative price increase of one of the two forms of renewable energy technologies due to the high switching costs between the two form of renewable energy sources necessitating considerable investments in developing the plants geared to processing one form of renewable energy or the other. However, consumer demand does not typically vary by the mode of generation indicating high substitutability from end user perspective. Regardless of its source, electricity serves the same applications, including lighting, heating, cooling, refrigeration, and powering appliances and machinery.
29. Due to the difference in transaction scale and contractual frameworks, further segmentation between wholesale and retail markets is possible. The wholesale market targets distribution companies that purchase electricity in bulk for resale to end users, as well as large industrial consumers, whereas the retail market directly serves individual end users with lower quantities of electricity. The contractual agreement at wholesale level can be long-term (power purchase agreement) or short-term while retail contacts are between electricity retailer and end consumers.
30. The CID's<sup>5</sup> and the EC's<sup>6</sup> previous decisional practices have considered the generation and wholesale supply of electricity as a single relevant product market. The EC has found that generation cannot be viewed as a market activity if it is not linked to wholesale supply, as this encompasses electricity produced in power stations, traded through various means (e.g., bilateral agreements, power exchanges), and imported via interconnectors.
31. Considering the merging parties generate electricity which is thereafter sold to power utility companies at wholesale level, the relevant product market is defined as the generation and wholesale supply of electricity.
32. Based on the foregoing and without prejudice to its approach in similar future cases, the CID determined the relevant product market as **the market for the generation and wholesale supply of electricity.**

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<sup>5</sup> See CCC/MER/01/05/2023, Serengeti Energy Limited and Rwaza Hydropower Limited, para.19, decision dated 29 May 2023; and CCC/MER/04/11/2021, AIF Thika Power Holding LLP, Thika Power Limited and Thika Power Services Limited, para. 22, dated 27 June 2021.

<sup>6</sup> See Case M.9587 - ENGIE / EDP RENOVAVEIS / EDPR OFFSHORE ESPAÑA, para. 16 dated 25/02/2020.





### **Relevant Geographic Market**

33. The Commission's Guidelines on Market Definition define the relevant geographic market as comprising "**...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas**"<sup>7</sup>.
34. The CID observed that once electricity is generated, it must be transmitted from power plants to buyers via transmission networks, including national grids, regional networks, and local distribution systems. Although cross-border electricity trade is possible, it remains limited. For instance, within the Common Market, Ethiopia exports<sup>8</sup> electricity to Kenya, Sudan, and Djibouti and is working toward exporting to Tanzania<sup>9</sup>.
35. The CID considered that, for cross-border electricity trade to occur successfully, there are some political, technical, and institutional requirements that ought to be in place<sup>10</sup>. Technical and institutional requirements, such as the creation of harmonised grid codes or establishing a regional operator, are crucial. Yet political will and leadership is equally essential to drive progress in the early stages of the interconnection process<sup>11</sup>. This typically takes place through the establishment of intergovernmental agreements such as memorandums of understanding and joint statements.
36. Therefore, in the event of a small but significant and non-transitory increase in price (SSNIP), it is unlikely that companies would generate and supply electricity across borders promptly and without incurring significant costs. This limited scope for cross-border trade is insufficient to significantly impact competitive dynamics in the face of a SSNIP. Therefore, the market for the generation and wholesale supply of electricity is likely to be national in scope.
37. Based on these considerations, and in line with its previous decisional practices<sup>12</sup>, the CID considered the relevant geographic market for the generation and wholesale supply of electricity to be national. As the acquirer and the target group are currently generating and supplying electricity in Uganda, as well given the target group is developing its power plant with the intention to supply into Burundi,

<sup>7</sup> Paragraph 8

<sup>8</sup> [https://www.ena.et/web/eng/w/eng\\_3506912](https://www.ena.et/web/eng/w/eng_3506912), accessed on 30 October 2024.

<sup>9</sup> <https://energycapitalpower.com/ethiopia-to-export-electricity-to-tanzania-by-september-2024/>, accessed on 30 October 2024.

<sup>10</sup> <https://www.iea.org/commentaries/co-operation-across-borders-is-key-to-building-interconnected-power-systems-of-the-future>, accessed on 30 November 2024.

<sup>11</sup> Ibid.

<sup>12</sup> See CCC/MER/01/05/2023, Serengeti Energy Limited and Rwaza Hydropower Limited, para.23, dated 29 May 2023; and CCC/MER/04/11/2021, AIF Thika Power Holding LLP, Thika Power Limited and Thika Power Services Limited, para. 25, dated 27 June 2021



DRC, Malawi, and Rwanda, the geographic scope for the generation and wholesale supply of electricity is therefore considered as Burundi, DRC, Malawi, Rwanda, and Uganda.

### ***Conclusion of Relevant Market Definition***

38. For the purposes of assessing the proposed transaction, and without prejudice to the CID's approach in future similar cases, the CID has identified the relevant markets as **the generation and wholesale supply of electricity in Burundi, DRC, Malawi, Rwanda, and Uganda.**

### **Market Shares and Concentration**

39. The CID noted the parties' submission that Burundi has an installed generation capacity of only 179 MW, with independent power producers (IPPs) contributing approximately 8% of this capacity. Among recent developments is the Mubuga Solar Plant, which has a generation capacity of 7.5 MW. The parties further indicated that neither the merging parties nor the target group currently have any installed electricity capacity in Burundi, and the target group is not anticipated to enter the market until 2029, at the earliest. The target group is in the process of developing the Ruzizi III HPP, which will be a run-of-river HPP with a capacity of 206MW. The Ruzizi III HPP has planned commercial operations date in fourth quarter of 2029 and will have a [REDACTED] with Régie de Production et de Distribution d'Eau et d'Electricité in Burundi, Société Nationale d'Electricité (SNEL) and Energy Utility Corporation Limited (EUCL), the power utilities in Burundi, the DRC and Rwanda respectively.
40. In relation to DRC, the CID noted the parties' submission that the country's total installed capacity is estimated at approximately 2,819 MW, with 95% operated by ociété Nationale d'Electricité (National Electricity Capacity). Domestic electricity production is largely dependent on hydroelectric power, notably generated by the Inga I and Inga II dams located in the Kongo Central province. The parties also clarified that the Target Group currently has no installed electricity capacity in the DRC and is not expected to enter the market before 2029.
41. For Malawi, the parties stated that the country's installed generation capacity stands at 442 MW, with approximately 88% generated from hydroelectric sources, primarily on the Shire River in the south of Lake Malawi.
42. The parties highlighted recent energy sector reforms in Malawi, including the unbundling of the national utility, ESCOM, and the establishment of the Electricity Generation Company of Malawi ("**EGENCO**"). EGENCO now generates electricity in Malawi and operates: (i) four hydropower plants (Nkula, Tedzani, Kapichira, and Wovwe); and (ii) two solar power plants (Likoma and Chizumulu).



43. The parties further submitted that EGENCO accounts for 88% of Malawi’s installed capacity. It is noted that EGENCO has a total installed generation capacity of 441.95MW, with 390.55MW from hydro power plants and 51.4 MW from thermal power plants<sup>13</sup>. Several IPPs, such as Mulanje Hydro (Ruo–Ndiza Hydroelectric Power Station, 8.2 MW), JCM Solar (Salima Solar Power Station, 60 MW, and Golomoti Solar Power Station, 20 MW), and Serengeti (Nkhota-kota Solar Power Station, 21 MW), are active in Malawi. The parties also noted that various proposed solar and wind projects are in the pipeline by other IPPs.
44. The CID observed that TotalEnergies also supplies solar products branded TotalEnergies solar to households in Malawi<sup>14</sup>. The CID however noted from the parties’ submission that the merging parties have no installed capacity of electricity in Malawi and the target group is not expected to enter the market in Malawi until 2030, at the earliest. Therefore, it is unlikely that the proposed transaction will affect the existing market structure.
45. With the respect to Rwanda, the parties submitted that over 30% of electricity in Rwanda is derived from hydropower, while solar contributes a modest portion (under 10%). Other sources include peat, thermal energy, and methane.

**Figure 2: Evolution of installed capacity in MW in Rwanda<sup>15</sup>**



46. As illustrated in Figure 3, Rwanda’s installed electricity capacity has experienced growth, expanding from 100.4 MW in 2010 to 406.4 MW in 2024. Between 2010 and 2015, capacity grew steadily by approximately 85.68 MW. This was followed by a slower increase from 2015 to 2021, with an additional 51.92 MW added over six years. A sharp rise in capacity occurred from 2021 to 2024, with an increase of 168.4 MW, including a substantial surge of 110.83 MW between 2022 and 2023 alone. This growth is likely attributed to public and private investments, particularly

<sup>13</sup> <https://www.egenco.mw/>, accessed on 4 December 2024.

<sup>14</sup> [Solar lighting solutions | TotalEnergies Malawi](#), accessed on 1 December 2024.

<sup>15</sup> <https://www.reg.rw/index.php?id=2>, accessed on 4 November 2024.

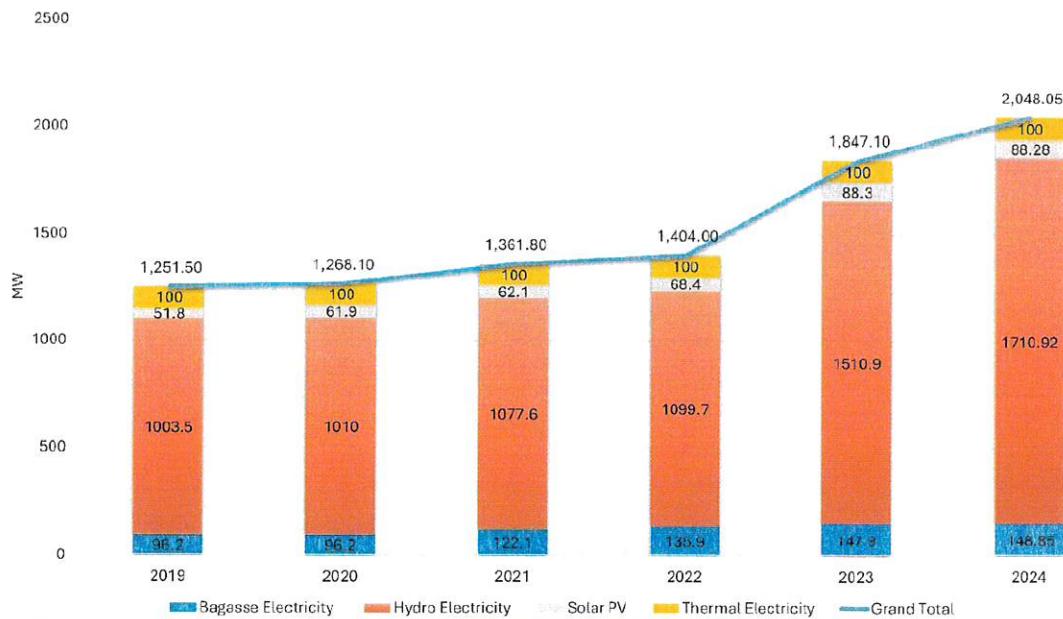


in renewable energy projects and strategic energy infrastructure expansions, such as grid enhancements.

47. The CID noted from the parties' submissions that several projects are in development stage to further expand Rwanda's installed capacity, with contributions from both public entities and IPPs. Hydropower plants play a major role, with ownership and operation arrangements that include public ownership, leasing to private companies, and private ownership by IPPs.
48. Furthermore, the parties indicated that the TotalEnergies Group is not currently active in the electricity generation and wholesale supply market in Rwanda. The target group has no installed capacity in the country and is not expected to enter the market until 2029, at the earliest. Consequently, the proposed transaction is unlikely to impact the current structure of Rwanda's electricity generation and wholesale supply market.
49. From the above, it is evident that the target group currently has no installed capacity and that the TotalEnergies Group does not have electricity generation plants in Burundi, the DRC, Malawi or Rwanda. Consequently, this transaction will not result in any increase in market share in these Member States. Given the absence of overlapping activities by the parties in these Member States, the proposed transaction is not likely to change the existing market structure.
50. From the perspective of Uganda, the parties submitted that while the target group and TotalEnergies Renewables operate different types of power plants (hydro and solar, respectively), their combined market share is low, and the incremental impact of the proposed transaction on the market is negligible.
51. The CID noted from the parties' submissions that the target group's installed capacity through the Bujagali Hydroelectric Power Plant (HPP) is 250 MW, while TotalEnergies Renewables' installed capacity through the Soroti Solar Plant is 10 MW. Following the proposed transaction, the merged entity will have a combined installed capacity of 260 MW, representing 12.7% of Uganda's total installed capacity (as shown in Figure 3 below) and reflecting a market share increase of only 0.5%.



**Figure 3: installed capacity of electricity generation from renewable energy sources in Uganda<sup>16</sup>**



52. Figure 3 above show a significant rise in Uganda’s installed electricity generation capacity from 2022 to 2024, with a 45% increase from 1,404.4 MW in 2022 to 2,048.5 MW in 2024. According to the parties’ submission, this growth is mainly attributed to the commissioning of the 600 MW Karuma HPP, which added 400 MW of capacity, along with several smaller power plants that became operational in 2023 and 2024. The target group’s generation through the Bujagali HPP contributes 250 MW to Uganda’s 1,710.92 MW total hydropower capacity, amounting to a 14.6% share. In contrast, TotalEnergies Renewables’ Soroti Solar Plant contributes 10 MW to the 88.28 MW of solar capacity in Uganda, representing an 11% share.
53. In terms of installed capacity from hydropower plants in Uganda, the parties submitted that there are multiple players, with the major hydropower plants and their respective installed capacities as presented in Table 3 below.

**Table 3: Estimated installed capacity of the main/large hydro power plants in Uganda**

Competitors	Estimated Installed Capacity in MW
Karuma Hydro Power Projects	600
<b>Bujagali Energy Limited (BEL) (target group)</b>	<b>250</b>
Kiira HPP	200

<sup>16</sup> See <https://www.era.go.ug/index.php/stats/generation-statistics/installed-capacity>, accessed on 5 November 2024 and the parties submission.



Isimba	183
Nalubale HPP	180
Achwa 1	42
Achwa 1	42
<b>Total</b>	<b>1497</b>

54. From Table 3, it is observed that Uganda's seven largest hydro power plants collectively generate approximately 1,497 MW, accounting for 73% of the country's total installed capacity of 2,048.5 MW in 2024, as shown in Figure 2. These primary plants include the Karuma Hydro Power Project (600 MW), Bujagali Energy Limited (BEL) (target group) (250 MW), Kiira Hydroelectric Power Plant (200 MW), Isimba (183 MW), Nalubale Hydroelectric Power Plant (180 MW), and Achwa 1 (42 MW).
55. The CID noted that certain power plants, such as Isimba and Karuma, are owned and operated by parastatals (e.g., UEGCL), while others are run by Independent Power Producers (IPPs). UEGCL is also in the process of developing additional small hydropower and renewable energy plants, including Muzizi (44 MW), Nyagak III (5.5 MW), Latoro SHPP (4.2 MW), Okulacere SHPP (6.5 MW), Agbinika SHPP (2.2 MW), and Maziba SHPP (1 MW)<sup>17</sup>.
56. The CID noted that the merged entity's market share in Uganda's broader electricity generation and wholesale supply market is insignificant, as the market consists of many large, medium, and small players, including both government-owned entities and IPPs. The proposed merger will result in only a minor increase in market share, around 0.5%. The parties also indicated that in the broader electricity generation market, there is limited overlap between TotalEnergies Renewables and the target group, with minimal market share. Additionally, the parties argued that the merged entity's market share will continue to decrease as more capacity is added to Uganda's electricity sector, reflecting the year-on-year growth in installed capacity. The long-term PPAs with UECTL, which govern each power plant, will not be affected by the proposed transaction.
57. The CID also noted that the players in the relevant market include government-owned electricity producers, which command a significant market share, as evidenced by Table 3 above. This broader participation makes it unlikely for any single independent electricity producer to exert market power. The presence of these established players, including the government-owned electricity producer, is expected to maintain competitive discipline, mitigating potential competition concerns arising from the proposed transaction. The CID further observed that competition concerns in electricity generation within the Common Market differ from those in other markets. This is primarily because electricity generation and

<sup>17</sup> <https://www.uegcl.com/about-uegcl/>, accessed on 5 November 2024.



supply are often characterized by a deficit, making it unlikely for suppliers to unilaterally increase prices. Moreover, electricity prices are typically regulated by the relevant regulatory authorities, which further limits the potential for unfair pricing.

### **Consideration of Third-Party Views**

58. In arriving at its determination, the CID also considered submissions from the national competition authorities of DRC, Egypt, Eswatini, Kenya, Libya, Malawi, Mauritius, and Zambia which confirmed the absence of competition and public interest concerns.

### **Determination**

59. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.
60. The CID, therefore, approved the transaction.
61. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 20<sup>th</sup> day of December 2024

**Commissioner Dr Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma**

**Commissioner Vipin Naugah**

