

RWANDA ENERGY GROUP LIMITED

(REG LTD)

*Audit Report and Audited Consolidated Financial
Statements*

For the year ended 30 June 2024

OAG Core Values

Integrity

In public Interest

Innovation

Objectivity

Professionalism

RWANDA ENERGY GROUP LIMITED (REG LTD)
BACKGROUND, MANDATE AND GOVERNANCE

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RWANDA ENERGY GROUP LTD (REG HOLDING)

BACKGROUND, MANDATE AND GOVERNANCE

1. BACKGROUND, MANDATE & GOVERNANCE

1.1 Background Information

Rwanda Energy Group Ltd was created after winding up of EWSA operations, to take on electricity transmission and distribution responsibilities previously undertaken by EWSA. The Company was established as a limited liability company fully owned by the Government of Rwanda. Share capital was paid through transfer of assets and liabilities previously owned by EWSA at the time of winding up of EWSA operations. Assets and liabilities transferred to REG were determined by Government through Prime Minister's Order N° 87/03 of 16/8/2014 gazetted on 18/08/2014, verified, and revalued by an Independent Consultant in accordance with the provisions of the Prime Minister's Order. The winding up of EWSA operations was done through Law N° 97/2013 of 30/01/2014 repealing Law N°43/2010 of 07/12/2010 establishing Rwanda Energy, Water and Sanitation Authority (EWSA) and determining its responsibilities, organization and functioning that was published in the official Gazette on 12/02/2014.

1.2 Mandate of REG Ltd

The core business of the Company is managing the subsidiaries namely Energy Utility Corporation Ltd (EUCL) and Energy Development Corporation Limited (EDCL).

EUCL

The core business of the EUCL subsidiary is generation, transmission, distribution and retail of electricity generated by Government owned power plants under concession arrangement to different players including the Company and also power purchased from independent power producers.

EDCL

The core business of the EDCL subsidiary is development of energy projects funded by the Government and other partners.

1.3 Results

Description	For the year ended 30 June 2024 (Frw)	For the year ended 30 June 2023 (Frw)
(Loss)/Profit	(50,875,883,890)	(37,502,663,207)

1.4 Governance of REG Ltd

1.4.1 Board of Directors

The Board of Directors who served during the year ended 30 June 2024 and up to the date of this report were as follows:

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N°	Name of Board member	Responsibility	Service period
1	Dr. Didacienne MUKANYILIGIRA	Chairperson	From 14/12/2020
2	Mr. Viateur MUGENZI	Member	From 14/12/2020
3	Mr. Jean Claude ILIBONEYE	Member	From 29/07/2014
4	Mr. Charles KALINDA	Member	From 14/12/2020
5	Ms. Clemence Rita MUTABAZI	Member	From 14/12/2020
6	Mr. Ron WEISS	Former Board Secretary	From 15 May 2017 to 03 September 2023
7	Armand Muyenzi ZINGIRO	CEO and Board Secretary	From 4/9/2023

1.4.2 Management

The management who held the office during the year ended 30 June 2024 and up to the date of this report were as follows:

S/N	Name	Designation/Function
1.	ZINGIRO Armand	Chief Executive Officer
2.	KAMANGAJU Reine	Company Secretary
3.	NYAUMA Obegi Vincent	Chief Finance Officer
4.	RWAMUNONO Joseph	Chief Internal Auditor
5.	ZAWADI Geoffrey	Director of External Link
6.	KABANANIYE Janvier	Director of Research Planning and Development
7.	UWAMAHORO Jocelyne	Director of Human Resources
8.	Dr ABIJURU Delphine	Acting Director of Strategic Planning

2. CONSOLIDATED ANNUAL REPORT

2.1. Executive summary

- **Power generation**

In power generation, the total installed capacity increased from 353.402 MW to 406.402 MW. This additional capacity came from the Rusumo HPP (27 MW) and Shema (56 MW). In December 2023, 30 MW from So Energy were decommissioned. The highest annual peak demand of 233.74 MW was recorded on June 13, 2024, compared to 201.46 MW in June 2023. The reserve margin this year stands at 17.30%. Energy demand growth for 2023/2024 is 13.93% (167.06 GWh), compared to 12.03% (129.73 GWh) in the FY 2022/2023.

- **Power transmission**

By the end of June 2024, the total length of the transmission network, including 220kV and 110kV lines, remained at 1,158.00 km across the country. No new transmission lines were constructed during this fiscal year.

- **Power distribution**

The distribution network increased with a total length of 611.9 Km of medium voltage lines and 2,357.7 Km of low voltage lines, bringing the total distribution network to 32,474.06 from 29,823.57 Km of the previous year of which 11,389.92 Km of medium voltage and 21,084.14 Km of low voltage.

- **Access to electricity**

During the fiscal year 2023/2024, 137,502 new households were connected to the National electricity grid, which brought the cumulative total to 1,946,781 HHs. In addition to this, a total of 181,859 households were connected to off-grid electricity, which brought the cumulative total of 800,080 HHs. The total cumulative number of households connected to electricity equals to 2,746,861 standing at 78.9% including on grid 55.9% and off grid 23 % as of June 2024. Again, during this financial year 547 Productive users were connected to the national grid and reached 9,375 equivalents to 90.29% of connection rate.

By the end of June 2024, Street lighting expanded to 2,227.62 km against the target of 2,473 km equivalent to 90.08%.

- **Energy efficiency**

In this financial year, REG/EDCL once again gave focus on raising awareness among the citizens on the use of modern cooking technologies transitioning from traditional cooking fuels. During the year 2023-2024, a total of 227,224 improved cook stoves were distributed. Among them, 31,403 were inspected for quality insurance.

- **Power reliability**

On the side of operations, power system performance and reliability remained generally stable. The total network collapse increased to 6 from 2 blackouts in 2022/2023, and the recorded transmission network availability in the year of 2023-24 was 99.77% from 99.72% in 2022-23.

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- **Network performance**

Countrywide, the distribution network performance is still stable though with slight increase as compared to last year. The System Average Interruption Duration Index (SAIDI) was 10.273 hours per year from 14.43 hours per year of the previous year and the average number of interruptions that a customer experienced (SAIFI) was 15.397 times per year from 21.71 times per year of the previous year.

- **Loss reduction**

The average total power losses for 2023-2024 financial year (technical and non-technical) are 17.99% from 16.9 % of the previous year, and the recorded monetary loss decreased to **Frw 312,884,572** of the previous year.

- **Revenue collection**

During the fiscal year 2023/2024, the total amount billed including export to Uganda, Dark fiber and works equivalent to **Frw 228 billion** with an increase rate of 12% when compared to **Frw 204.2 billion** in 2022/2023. The total collections were **Frw 220,876,369.59** compared to **Frw 198,220,931** collected in 2022/2023 which represents 11.2% increase.



Armand ZINGIRO

Chief Executive Officer

2.2.Introduction

The Rwanda Energy Group (REG) with its subsidiary companies, Energy Development Corporation Limited (EDCL) and Energy Utility Corporation Limited (EUCL), was incorporated in July 2014 as part of the wider Government reform program for the energy and water sectors in Rwanda. The overarching objective of the reform was to ensure that the energy sector is expanding the electricity generation capacity efficiently to meet the growing demand in the country.

The REG Holding therefore has the corporate mandate to provide overall coordination of utility operations and energy investment and development plans without operational responsibilities, while EUCL is to ensure efficiency in utility operations and end-users service delivery and EDCL is to ensure timely implementation and cost-efficient development of energy projects.

REG's overall goal is to achieve fast electrification levels for industry and household usage based on a sustainable and affordable tariff. In its strategic plan (2019 – 2024), REG has articulated the following ten industry and institutional focused objectives to guide the day-to-day operations.

1. **Generation:** Build a balanced and cost optimized Generation mix sufficient to meet growing Demand.
2. **Transmission:** Plan and Build infrastructure to ensure timely alignment of current and future Generation with National Demand
3. **Distribution:** Develop and Operate an Optimized Distribution Network to enhance Utility efficiency and reliability of power supply.
4. **Electricity Access:** Achieve 100% National Access to Electricity in 5 years (by 2024). using Grid and Off-grid Solutions
5. **Tariff evolution:** Develop a clear tariff trajectory with clear milestones based on effective engagement with IPPs, financiers and other stakeholders to achieve affordable tariff.
6. **Operation & Maintenance:** Ensure optimized plant and network operations for excellent service reliability, with most economical plan.
7. **Corporate Governance:** Structure and equip REG to competently implement strategy.
8. **Communication Strategy:** Build an awareness of REG's products and services to elicit commitment of stakeholders to the vision and mission.
9. **Capacity Building:** Enhance staff's professional and technical capacity to support REG consistently deliver on its mission.
10. **Commercial strategy:** To serve our customers and ensure their satisfaction through our culture of excellence.

This report highlights key achievements registered in the period between July 2023 and June 2024 in alignment with key sector strategic objectives outlined above, set in line with the National strategic documents such as NST1, REG Strategic Plan 2017 – 2024 (REGSP) and other sector priorities as adopted in different national fora such as National Leadership Retreat (NLR), National Umushyikirano Council (NUC), Cabinet decisions and other high-level commitments. The purpose of this report is therefore to provide information that depicts Rwanda Energy Group performance to the public, development partners and other stakeholders. More specifically, every year REG signs a performance contract, Imihigo, with

MININFRA for the implementation of key projects geared towards meeting the short- and medium-term sector targets as set in the strategic documents.

For the FY 2023/2024, REG signed to deliver 12 outputs of this report. The outputs were grouped under 4 key outcomes which are:

1. Electricity Generation Installed Capacity increased from 353.4 MW to 400 MW by June 2024.
2. Improved power transmission and distribution network for reliability of power supply
3. Access to Electricity increased from 71% to 75%
4. Reduced biomass usage for cooking.

By the end of June 2024, the Twelve (12) planned outputs were all on track.

2.3. ACHIEVEMENTS FOR THE FISCAL YEAR 2023/2024

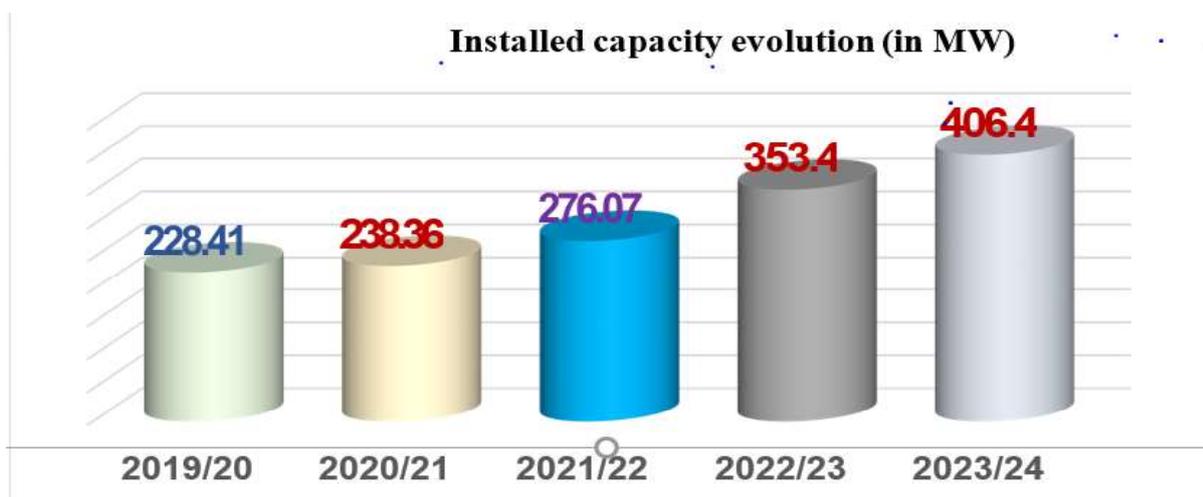
Access to safe, reliable, affordable, and cost-effective energy infrastructure is essential to achieve the levels of growth defined under the National Strategy for Transformation (NST1) and Vision 2020. It is planned that by 2024, universal access to electricity shall be attained at 100% (52% on-grid and 48% off-grid).

In order to attain the desired development impact of the above programs and other strategic interventions, the REG implemented different projects in the 2023/2024 and key achievements are provided in the following paragraphs. The status below, therefore, provides an insight into how the energy sector performed towards its ambitious targets.

2.3.1. Power Generation

The additional capacity was resulted from Rusumo HPP (27MW) and Shema (56 MW). 30 MW of rental diesel-fired generators (HFO) were decommissioned.

Table 1: Generation installed capacity evolution



The above graph shows the installed capacity trend, the current 406.402 MW excluded decommissioned.

The total installed capacity was composed of domestic capacity with 321.3 MW and 85.1MW from imports & shared power plants totalizing 406.4MW.

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The highest annual Peak demand registered was 233.74 MW was observed on 13th June 2024, compared to 201.46 MW observed in June 2023 and Energy demand growth of 2023/2024 is 13.93% (167.06GWh) against 12.03% (129.73GWh) of FY 2022/2023.

Among 54 domestic power plants, 51 of them are on grid while 3 are off grid.

Considering energy and capacity mix during the FY 2023/2024, domestic hydropower plants contribution was 27% (109.662MW) as capacity and 37.94% (518.48GWh) as generation.

Thermal power plants contributed 7.1% (28.8MW) as capacity and 0.87% (11.83GWh) as energy generation. Methane gas plants contributed 21.1% (85.79MW) as capacity and 31.7% (434.17GWh) as energy generation. Peat fired power plants contributed 20.9% (85MW) as capacity and 7.83% (107.05kWh) as energy production. Solar power plants contributed 3% (12.05MW) as capacity and 1.3% (17.83GWh) as energy generation. Import power plants contributed 11.3% (46.1MW) as capacity with 9.9% (135.23) as energy generation while shared power plant contribution was 9.6% (39MW) as installed capacity with 10.38% (141.81GWh) as generation contribution.

2.3.1.1. Energy generated by plants’ owners

Based on ownership of power plant, Domestic IPPs power plants contribution increased in production unit and reduced in share contribution to 62.82% from 64.01% of the previous year, while the GoR owned power plants contribution reduced to 16.90% from 26.55% of the previous year and import & shared resources contribution increased to 20.28% from 9.44% of the previous year. The table below presents the generation by plant owners:

Table 2: Power generation by source

Description	FY 2021/2022		FY 2022/2023		FY 2023/2024	
	kWh	%	kWh	%	kWh	%
IPPs Power Plants	642,902,300.20	60	767,689,384.45	64.01	858,418,248.75	62.82
GoR Power Plants	330,142,988.16	31	318,478,666.80	26.55	230,934,593.87	16.90
Import + Shared	96,535,846.81	9	113,159,678.62	9.44	277,040,906.15	20.28
Total Generation	1,069,581,135.16	100	1,199,327,729.87	100	1,366,393,748.77	100

2.3.1.2. Installed generation capacity by source

Hydropower a power continue to dominate with the highest shares of the installed generation capacity of 109.662 MW equivalent to 27.0%, while thermal and solar power contributes the least 3.0% and 7.1% respectively as per the table below:

Table 3: Generation installed capacity by Technology **Table 4: Generation energy mix**

Technology

Types	Installed Capacity	Percentage
Hydropower	109.66	27.0%
Import	46.1	11.3%
Methane Gas	85.79	21.1%
Peat Fired PP	85	20.9%
Shared	39	9.6%

ENERGY MIX		
Technology	Generation /kWh	%
Hydropower	518,477,855.78	37.94%
Import	135,233,249.72	9.90%
Methane Gas	434,165,536.97	31.77%
Peat Fired PP	107,045,820.00	7.83%
Shared	141,807,656.43	10.38%

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Solar Power	12.05	3.0%
Thermal Power	28.8	7.1%
Total	406.40	100%

Solar Power	17,830,063.87	1.30%
Thermal Power	11,833,566.00	0.87%
Total	1,366,393,748.77	100.00%

2.3.1.3. Energy generated by source of energy (GWh)

The corresponding energy generated by hydropower increased to 518.48 from 494.02 GWh, and its share in the energy mix reduced to 37.95% from 41.19% of the previous year. On the other hand, energy generated from thermal power plants reduced to 11.8 from 174.43 GWh and the corresponding share in the energy mix reduced to 0.87% from 14.54%. The contribution of Methane increased to 434.17 from 225.04 GWh, Peat contribution reduced to 107.05 from 174.85 GWh, Solar contribution remained constant with 17.83 GWh, import increased to 135.23 from 37.84 GWh while energy from regional shared plants increased to 141.81 from 75.32 GWh. The table below shows the changes in the energy mix overtime.

Table 5: Energy generated by source of energy (in GWh)

Details	Hydro	Methane	Thermal	Solar	Peat	Import	Shared	Total
2015-2016	271.9	114.5	174.5	13.9	1.4	56.9	18.9	652.1
2016-2017	277.2	197.6	129.6	14.5	14.3	22.9	56	712.1
2017-2018	333.8	195	138.7	16.9	15.3	31.5	50.2	781.4
2018-2019	337.5	213.1	158.7	18.1	31	32	63.9	854.2
2019-2020	387	213.6	135.9	17.7	19	30.2	69.2	872.6
2020-2021	494.4	206.8	92.7	18.1	30.6	29.7	82.3	954.7
2021-2022	461.52	218.6	194.51	17.53	80.9	31.98	64.56	1,069.58
2022-2023	494.02	225.04	174.43	17.83	174.85	37.84	75.32	1,199.33
2023-2024	518.48	434.17	11.83	17.83	107.05	135.23	141.81	1,366.39
Contribution to energy Mix (%)	37.95	31.77	0.87	1.30	7.83	9.90	10.38	100%

2.3.1.4. The Least Cost Power Development Plan

The least cost power development plan was revised and updated in December 2023 and therein are:

1. Update and realignment of CODs of power plants (*Nyabarongo_2 (CoD to 2027)*, *Rusizi III (CoD to 2031)*, *Nyirahindwe I & II (2025 & 2027)*, *Nyundo (2027/8)*, *Base I (2025)*, *Rwondo & Ngororero (2026)*.)
2. Model base year to 2023, with projections throughout 2050
3. Updated demand assumptions/inputs (informed by Demand Analysis, (MAED, 2022) inputs and 5th RPHC Census key results)
4. Consideration for utility-scale battery energy storages systems.
5. Solar PV systems integrating storage.
6. Integration of Generation Resource Assessment
7. Update cost estimates for solar PV and battery storages. i. especially in the longer planning horizon to reflect the global declining trends in the cost of these technologies, and advances in capacities.
8. Generic distributed wind generation

2.3.2. Electricity Transmission

During the fiscal year 2023/24 there was no additional length of the transmission network recorded. The transmission length remains **1,158.0 Km** as recorded in previous year.

Figure 1: Transmission line length trend (in Km)



2.3.2.1. Transmission Line Projects status

I. Bwishyura, Rubavu and Kibuye Substations

Regional Interconnection Lines between Rwanda and DRC in addition to Birembo and Shango already completed. The overall project progress is at 90.35%.

Civil works, designs, electromechanical and procurement are at advanced stage for Rubavu, Bwishyura and Shango substations while works for Kibuye substation will start after completion of Bwishyura substation.

II. Construction of 79.9 Km 220 kV Bwishyura-Kigoma-Rwabusoro transmission line

The project scope comprises of;

- (1) 75.5 Km of 220kV transmission line Bwishyura-Rwabusoro via Kigoma substation,
- (2) 4.5Km line connecting Shema Power Plant to Rwanda-DRC Interconnection Line
- (3) construction of a new substation at Kigoma and upgrade of Rwabusoro substation;and
- (4) construction of a Gas Insulated Substation (GIS) at Shema Power plant including two temporary substations (Phase 1 and Phase 2).

Currently, SPLK Substation Phase 2 and evacuation line has been completed 100% and energized. Procurement of material for phase 3 is ongoing. However, following the default of the contractor and termination of the contract, the component of 75km Bwishyura- Kigoma- Rwabusoro 220KV transmission Line and the construction of a new substation at Kigoma and upgrade of Rwabusoro substation were left at 5% and the tender process to hire a new contractor was initiated.

III. EPC for Nyabarongo 110/30kV 20MVA Substation and associated feeders

The project includes;

- ✚ Supply and installation of new transformer 110/30kV 20MVA at Nyabarongo I

-  Construction of a new feeder from Nyabarongo I substation to Gatumba and;
-  Load transfer from Gatumba and Ngororero Feeders.

The project has been completed 100% and successfully commissioned.

IV. EPC for the Upgrade of 1.6 MVA to 10 MVA for better liability Kilinda transformer

This project will upgrade the existing transformer of Kilinda from 1.6 MVA to 10 MVA for better reliability. The project has been completed 100% and testing and commissioning successfully completed.

2.3.2.2. The Transmission Plan Updates

In addition to the June 2024 updates already incorporated into the transmission model, the following June 2024 updates were made.

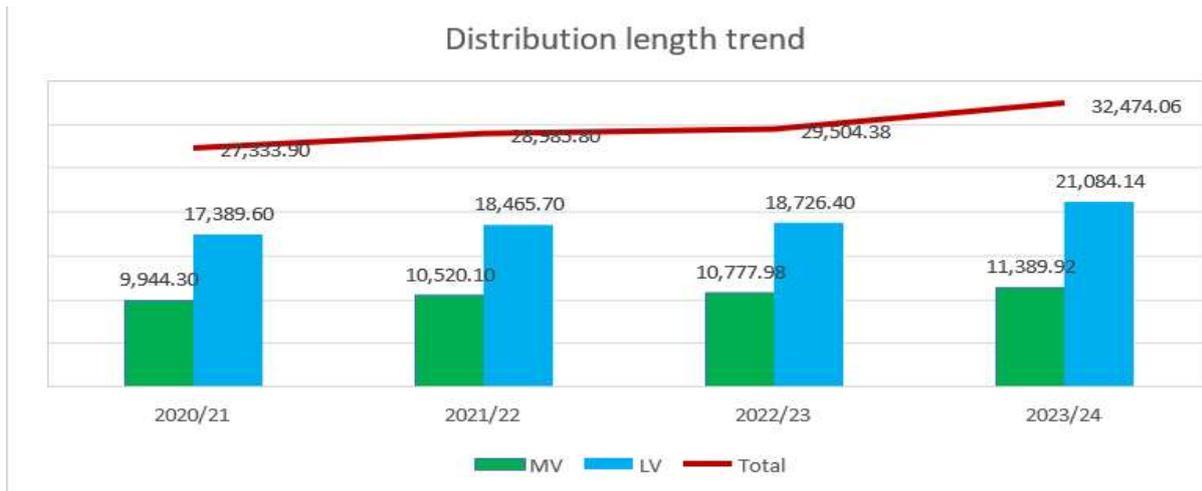
1. The total length of Existing Transmission Lines has not changed 1,158.0km
2. The Transmission Line 110kV Nyabarongo II-Nzove was presented to DPs, the funder is not yet available.
3. 110/15kV Nzove Cut in Cut_Out with an additional transformer of 20MVA was presented to DPs, the funder is AfDB.
4. Upgrade of Rukarara SS (from 2*10MVA to 2*20MVA) was presented to DPs, the funder is ASCENT.
5. The operational timeline for some projects is changed according to LCDP.
6. Some Projects have been accepted to be funded by EIB and KfW.
7. The 110kV Bugesera-Gasogi has been replaced by 220kV Kigoma-Rwabusoro i.e. this project is now under procurement with funds by Korea Exim Bank
8. Masaka substation is introduced in this version under AfDB
9. Upgrade of Birembo, Kigoma, Kibuye, Rukarara and Rwinkwavu SS/funder by ASCENT
10. Some Projects without feasibility studies are considered in this version.

Improving Substations System Automation and Security (To be remotely operable, having CCTV cameras, to have fingerprint system, AC in Control Room, Public Lighting, Lightning arrestors for control Room, to have Synchro-check).

2.3.3. Electricity Distribution

The Government of Rwanda established the Electricity Access Rollout Program (EARP) and Rwanda Universal Energy Access Program (RUEAP) to distribute power from the transmission nodes to the end-users, whilst bridging the rural-urban electricity access divide. The distribution network increased with a total length of 611.9 Km of medium voltage lines and 2,357.7 Km of low voltage lines, bringing the total distribution network to 32,474.06 from 29,504.38 Km of the previous year of which 11,389.92 Km is of medium voltage and 21,084.14 Km is of low voltage.

Figure 2: Distribution lines length evolution (in Km)



2.3.3.1. The Distribution Plan Updates

The distribution network development plan was revised and updated in June 23 mainly to include the following:

- ✓ Updates on Anticipated Major load demand on Distribution network from 2023-2028
- ✓ Assessment of all Distribution Transformers Loading profile countrywide to identify the status of each transformer whether are critically overloaded or under-loaded for better planning.
- ✓ Update of the list of Distribution Network Strengthening projects in pipeline i.e., funded, and un-funded projects.
- ✓ Illustrate the required Investment for distribution network strengthening projects.

2.3.4. Electricity Access

During the fiscal year 2023/24 a total of 137,502 new households were connected to the National grid. This brought the cumulative number of households connected to the grid to 1,946,781(55.9%) from 1,809,279 households as of June 2023.

Off grid new connection

During the fiscal year 2023/24 a total of 181,859 new households were connected to the Off grid. This brought the cumulative number of households connected to the Off grid to 800,080(23%) from 618,221 households as of June 2023.

Therefore, the total number of households connected to electricity equals to 2,746,861 HHs, standing at 78.9%, including on grid 55.9% and Off grid 23% as of June 2024.

During the fiscal year 2023/2024, 137,502 new Households were connected to the National electricity grid, which brought the cumulative total of 1,946,781 HHs. In addition to this, a total of 181,859 households were connected to off-grid electricity, which brought the cumulative total of 800,080 HHs. The total cumulative number of households connected to electricity equals to 2,746,861 standing at 78.9% including on grid 55.9% and off grid 23 % as of June 2023. Again, during this financial year 547 Productive users were connected to the national grid and reached 9,375 equivalents to 90.29% of connection rate.

Street lighting expanded to all populated areas and main roads to 2,227.62 km against 2,473 km which is achieved at 90.08% as of June 2024.

2.3.4.1. The Access Plan

The access plan was revised and updated mainly to include the following:

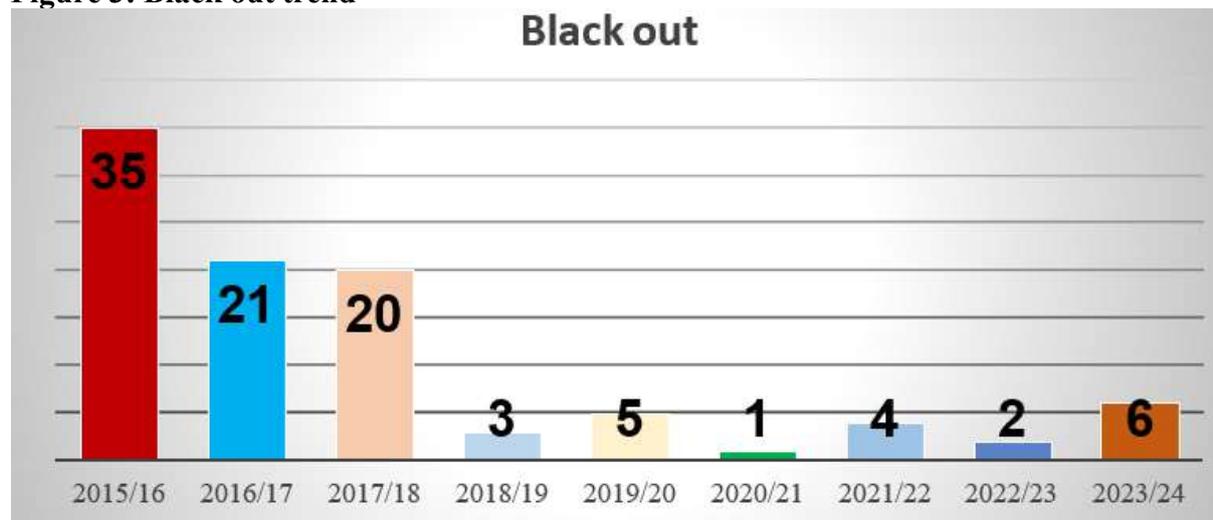
- ❑ Villages in the off-grid zone increased their share from 2,601 villages to 5,090 villages.
- ❑ The revision of the current NEP was guided by the figures in electricity access as published by the National Institute of Statistics during the recently conducted 5th Population and Housing Census.

2.3.5. Operations and maintenance

2.3.5.1. Blackouts

Causes of power system blackouts include transmission line tripping or overloading, control and protection systems mal-operation, lightning strikes on power systems equipment, poor maintenance, human error, voltage collapse, equipment failure, quick-frequency declines, and others. Below is the graph showing how blackouts have been reduced from 2015 to today. The number of total network collapses in 2023-2024 increased to 6 from 2 blackouts.

Figure 3: Black out trend



2.3.5.2. Network availability

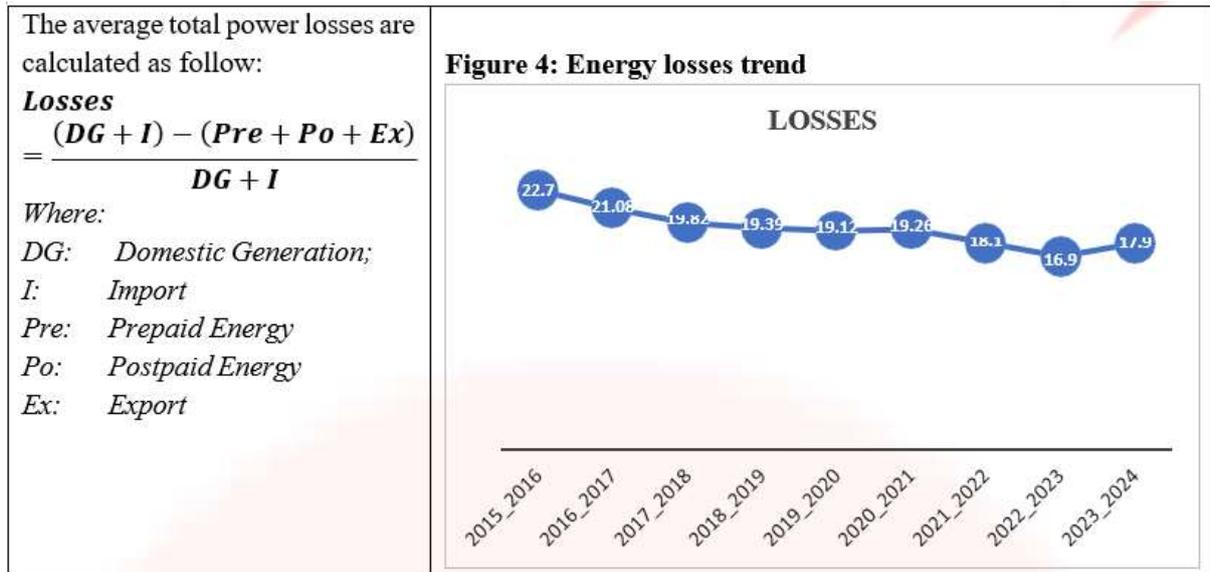
The recorded transmission network availability in the year of 2023-24FY was 99.77% from 99.72% in 2022-23 as shown in the table below:

Table 6: Transmission Network Availability in five years

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Annual duration (min)	527040	525600	525600	525600	527040
Annual Outage duration (min)	3319	3071	3581	1470	1221
Annual Network availability duration (min)	522281	522529	522019	524130	525819
Annual Network availability (%)	99.37%	99.42%	99.32%	99.72%	99.77%

2.3.5.3. Power Losses

Total average losses (Technical and non-technical losses) were evaluated to be 17.99% compared to 16.9% in the previous period noting it was averaging 23% in fiscal year 2015/16.



2.3.5.4. SAIDI and SAIFI

During the FY 2023/2024, the entire country distribution network performance was as follow: The System Average Duration Index (SAIDI) reduced to 10.273 from 14.42 of the previous year and the average number of interruptions that a customer experienced (SAIFI) reduced to 15.397 from 21.71 of the previous year.

Table 7: SAIDI&SAIFI

DESCRIPTION	UNITS	BASELINE (July 22- June 23)	SMART	STRETCH	ACH' July 23 - June 24
SAIDI	Hours / Year	25.2	24.95	24.7	10.273
SAIFI	Times / Year	41.16	40.75	40.34	15.397

2.3.6. Corporate Governance

General duties and responsibilities of the Board of the company

1. The board of directors’ role is to oversee the proper functioning of the Company. In order to achieve this, the Board shall have clear, well-defined and understood responsibilities.
2. The Board shall retain full and effective control over the Company and be responsible for monitoring the management in respect of implementation of the Company’s plans and strategies.
3. The Board shall give strategic direction to the Company, discuss and approve its organizational structure.
4. The Board shall ensure the management complies with all relevant laws, regulations and policies to which the Company is subject and ensures that any deviations are reported to

the appropriate level of management or, if necessary, to the Board.

5. The Board shall ensure that the Company maintains a positive image within the sector and the economy as a whole. To this extent, therefore, the Company is expected to provide adequate services and facilities both efficiently and competitively in line with safe and sound practices.

Board committees

1. The Board shall use committees where this would enhance its effectiveness in key areas while retaining its overall responsibility. Board committees assist the board of directors in discharging its duties and responsibilities more effectively and efficiently.
2. At a minimum, the board shall ensure the following committees are in place: the Audit Committee, the Planning, risk management and Investment Committee and, the Nomination and Remuneration Committee / Corporate Governance committee.
3. The management may be invited to the Board or Board committee meetings to provide input on any matter that is of interest to the board.
4. Proceedings of the board Committee meetings should be properly recorded and reported back to the board to allow other directors to be informed and seek clarification from the Committee members if so desired before a resolution is taken.

The board shall consider occasional rotation of members and the chairperson of all board committees taking account of the specific experience and knowledge required to sit on a particular committee.

The functional strategies identified in REG strategic plan can only be realized by putting them in place. structures, systems policies, and procedures that support efficient implementation and the need to attract, develop and retain staff with the requisite skills for effective implementation. It is in that regard that Eight (8) meetings of the Board of Directors were held, sixteen (16) committee meetings were held successfully and provided guidance and resolutions necessary for REG's smooth operations. Resolutions of the Board and Committees were communicated to concerned institution/Staff for implementation. Moreover, 2 policies and 4 procedure manuals were reviewed, 26 projects related to energy were assessed, 14 requested legal opinions were assessed and provided, 3 Board Members and company secretary were trained.

2.3.7. Communication and Public Relations

During the fiscal year 2023/2024 communication activities on awareness raising campaigns, visibility in media and extensive use of social media to enhance the corporate positive image and ensuring satisfaction of customers. The following activities were achieved:

- **Media publications:** More than 170 success stories Published in local media houses 2023/2024. These stories were published thanks to the good relationship between REG and media. Daily monitoring of media publications was also done to ensure that all negative issues reported in media are shared with concerned departments and handled accordingly.
- **Awareness activities:** REG used talk-shows and advertorial spots on Radios and TVs, to ensure education and awareness on the use of off-grid solutions, clean cooking technologies and safety among others. Around 35 Talk-shows held or attended in media for awareness (Especially on TID Roll-over Campaign) Off-grid Campaigns (Countrywide), fight against corruption, safety, fight against vandalism and power theft as well as the new subsidies programs to promote the use of off grid solutions and clean cooking technologies.

- **Using social media in customer service:** Extensive use of social media in interaction with customers has been key among the communication priorities during the year 2023/2024. This consisted of closely following up on customers’ queries submitted via social media immediately responding to these queries. The aim is to ensure satisfaction of customers seeking support and information on electricity services. Feedback submitted by the customers on the same social media indicate that REG is much appreciated when it comes to caring for customers’ issues.

2.3.8. Capacity Building

2.3.8.1. REG Organizational Structure

The existing REG/EDCL/EUCL organizational structures were approved by the Board of Directors in July 2020. In accordance with these approved structures, REG Holding has 50 staff. EUCL has 1,156 on permanent structure, whereby 64 of them who were working at Gishoma Peat power plant under Generation Department are no longer part of the structure, making EUCL remaining with 1,092 on active structure. EDCL has 318 on its permanent structure and 68 on RUEAP project, totalling 386. It is worth noting that 61 staff from Electricity Access Rollout Program (EARP), and 21 from Lake Kivu Monitoring Program (LKMP) which were on the structure are no longer in EDCL while EARP phased out and LKPM transferred to REMA. Revision of the above structures is under process to reflect the changing nature of the organization and allow it to meet its goals.

2.3.8.2. Recruitment

During the fiscal year 2023/2024, 60 employees have been placed in different positions through recruitment: 7 in REG Holding, 4 in EDCL and 49 in EUCL. Among 60 candidates; 29 were already company employees while the others 31 were from external pool.

Table 8:REG Recruitment status

S/N	COMPANY	Q1			Q2			Q3			Q4			Total/Year
		M	F	Total										
1	REG Holding	2	0	2	0	0	0	1	0	1	4	3	7	10
2	EDCL	10	4	14	27	5	32	30	9	39	3	1	4	89
3	EUCL	16	10	26	12	7	19	13	4	17	39	10	49	111
TOTAL		28	14	42	29	12	51	40	12	57	46	14	60	210

As indicated in the table above, during FY 2023/2024, 210 were placed in various positions in REG/EDCL/EUCL (REG Holding: 10; EDCL: 89; EUCL: 111). In comparison to the previous year 2022/2023, recruitments increased, considering that during FY 2022/2023, only 153 staff were recruited. Among the 210 candidates; 90 candidates (42.9%) were already company employees while the others 120 (57.1%) were from an external pool.

2.3.8.3. Training

Table 9: Staff trained in 2023-24FY

S/N	COMPANY	Q1	Q2	Q3	Q4	TOTAL/Year
1	REG Holding	4	10	8	2	24
2	EDCL	4	29	56	94	183
3	EUCL	135	272	147	28	582
	TOTAL	143	311	211	124	789

2.3.9. Commercial services

2.3.9.1. Electricity billing and revenue collections

During the fiscal year 2023/2024, the total amount billed including export to Uganda, Dark fiber and works was equivalent to Frw 228 billion which represents an increase of 12% when compared to Frw 204.2 billion in 2022/2023. The total collections were Frw 220,876,369.59 compared to Frw 198,220,931 collected in 2022/2023 which represents 11.2% increased.

2.3.9.2. Revenue Protection Program (RPP)

During the year 2023/2024, various inspections were made and out of 16,127 inspected customers, irregularities were noted including 104 unmetered electricity cases including 42 theft cases, 44 tampered meters, 16 faulty meters, 2 cases of consumption without meters. As result, we recovered **Frw 86.7 million** in payment of fines and **Frw 45 million** paid as regularization bills. In a bid to uphold the rule of law, 20 complaints of theft of electricity were handed to investigation authorities for follow through.

In its drive to continue system modernization, EUCL purchased 1000 smart meters to cover postpaid customers who are still served by the conventional meters, almost 75% of these customers have been covered. Currently, the automated Metering System (MDM) is now linked to the billing system (CMS) and results yielded will enable data from customers' meters to be pushed into the Customer Management System.

2.3.10. Energy Efficiency

The Government of Rwanda plans to reduce dependency on biomass/traditional cooking technologies from 79.9% to 42% by 2024 (NST1). Consequently, EDCL continues to carry out awareness campaigns on the use of alternative cooking technologies and dissemination of Improved Cook Stoves (ICS). From July 2023 to June 2024, 227,224 improved Cook Stoves were distributed. Among them, 31,403 were inspected for quality insurance.

2.3.11. Gender Mainstreaming

Table 10: REG Holding employees by gender

	M		F	
	Number	%	Number	%
Executive	1	100%	0	0 %

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	M		F	
	Number	%	Number	%
Director	4	66.67 %	2	33.33 %
Head	6	75 %	2	25 %
Manager	11	78.57 %	3	21.43 %
Specialist	8	53 %	7	46.67 %
Officer	0	0.00 %	1	100 %
Technician	1	100 %	0	0 %
Support staff	0	0 %	0	0 %
Total	31	67.39 %	15	32.61 %

The above table shows revealed the number of REG Holding women employees smoothly increasing overtime, currently 32.61% are women while 67.39% are men.

Table 11: EDCL employees by gender

	M		F	
	Number	%	Number	%
Executive	1	100 %	0	0 %
Director	6	66.67 %	3	33.33 %
Head	19	82.61 %	4	17.39 %
Manager	23	76.67 %	7	23.33 %
Specialist	107	76.98 %	32	23.02 %
Officer	37	63.79 %	21	36.21 %
Technician	80	86.02 %	13	13.98 %
Support staff	42	100 %	0	0.00 %
Total	315	79.75 %	80	20.25 %

The above table shows revealed the number of EDCL women employees are still low but with hope to be increased overtime, currently 20.25% are women while 79.75% are men.

Table 12: EUCL employees by gender.

	M		F	
	Number	%	Number	%
Executive	1	100 %	0	0 %
Director	6	75 %	2	25 %
Head	24	88.89 %	3	11.11 %
Manager	67	84.81 %	12	15.19 %
Specialist	61	77.22 %	18	22.78 %
Officer	164	72.57 %	62	27.43 %
Technician	339	74.18 %	118	25.82 %
Support staff	57	100 %	0	0 %
Total	719	76.98 %	215	23.02%

The above table demonstrates the number of women in the company is still low compared to men. As indicated in the table above, only 23.02% of employees are women while 76.98% are men.

Table 13: REG Management by gender.

	M		F	
	Number	%	Number	%
Executive	3	100%	0	0 %
Director	16	69.57 %	7	30.43 %
Head	49	84 %	9	15.52 %
Total	68	80.95 %	16	19.05 %

The above table shows the gender status in REG management (From Head to Executive level), the illustrated table shows the management position for the women rate stands at 19.05% while men stand at 80.95%.

2.3.12. Research and Development

KEY RESEARCH & DEVELOPMENT PROJECTS

The main research and development projects are as follows:

1. Solar powered induction cooker
2. Solar Energy transition
3. Wooden poles reinforced
4. Efficient revenue recovery
5. Alleviation of Bankruptcy and sustainability of the company
6. H2 Atlas Africa project in Rwanda

COLLABORATION AND PARTNERSHIP

REG has signed Memorandums of Understanding (MoUs) with various institutions, including Carnegie Mellon University (CMU), the University of Rwanda (UR), Kigali Collaborative Research Center (KCRC), Integrated Polytechnic Regional College (IPRC), and the National Council for Science and Technology (NCST).

FUTURE RESEARCH AND DEVELOPMENT PROJECTS

1. Solar Energy transition for clean cooking using solar battery technology.
2. Competitive tariff case: comparative study in EAC
3. Understanding e-cooking behavior and national grid readiness for e cooking adoption
4. Power losses and efficiency improvements on Rwanda power Grid
5. Solar powered induction cooker.

3. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view of **Rwanda Energy Group Limited (REG Ltd)** comprising the consolidated statement of financial position as at 30 June 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 24 to 61, in accordance with International Financial Reporting Standards and in the manner required by the provisions of the Law N° 019/2023 of 30/03/2023 amending Law N° 007/2021 of 05/02/2021 Governing Companies in Rwanda.

The Directors' responsibility includes the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, overseeing and endorsing the designing, implementing and maintenance of internal control relevant to the preparation and fair presentation of these consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances and is also responsible for safe guarding the assets of the company.

The Directors have made an assessment of the ability of **Rwanda Energy Group Limited (REG Ltd)** to continue as going concern and have no reason to believe that the business will not be a going concern in the year ahead from the date of this statement.

In our opinion, the consolidated financial statements of **Rwanda Energy Group Limited (REG Ltd)** for the year ended 30 June 2024 give a true and fair view of the state of financial affairs of **Rwanda Energy Group Limited (REG Ltd)**. We further accept responsibility for maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements and ensuring adequate system of internal controls to safeguard assets of **Rwanda Energy Group Limited (REG Ltd)**.

Approval of the financial statements

The consolidated financial statements of **Rwanda Energy Group Limited (REG Ltd)** for the year ended 30 June 2024, on pages 24 to 61, were approved by the Board of Directors on and signed on its behalf by:



Digitally signed by
Didacienne
Mukanyiligira

Dr. Didacienne MUKANYILIGIRA
Chairperson of the Board of Directors



Armand ZINGIRO
Chief Executive Officer

Date: -----

**4. REPORT OF THE AUDITOR GENERAL
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

Mr. Armand ZINGIRO
Chief Executive Officer

4.1. Opinion on consolidated financial statements

As required by Article 166 of the Constitution of the Republic of Rwanda, and Articles 6 and 14 of Law N° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances (OAG), I have audited the consolidated financial statements of **Rwanda Energy Group Limited (REG Ltd)** for the year ended 30 June 2024. These consolidated financial statements comprise the consolidated statement of financial position as at **30 June 2024**, the consolidated statements of profit or loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes. These financial statements are set out on pages 24 to 61.

In my opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of **Rwanda Energy Group Limited (REG Ltd)** as at **30 June 2024**, and of its financial performance and its cash flows for the year then ended in accordance International Financial Reporting Standards (IFRS) and the Law N° 019/2023 of 30/03/2023 amending Law N° 007/2021 of 05/02/2021 Governing Companies in Rwanda.

4.2. Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under ISSAIs are described in section 4.5 of this report.

I am independent of **Rwanda Energy Group Limited (REG Ltd)** and have fulfilled my ethical responsibilities in accordance with the ethical requirements that are relevant to my audit of consolidated financial statements of public entities as determined by the *Code of ethics* for International Organisation of Supreme Audit Institutions (INTOSAI). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

4.3. Other information

In connection with my audit of consolidated financial statements of Rwanda Energy Group Ltd, my responsibility is to read the **other information set out on pages 3 to 18**, to confirm whether the other information is not materially inconsistent with the audited consolidated financial statements as required by ISSAI 720 “*the Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*”.

If based on the work I have performed, I conclude that Other Information contain a material inconsistency with the audited consolidated financial statements, I am required to report that fact. I have nothing to report in this regard.

4.4. Responsibility of management and those charged with governance for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of Law N° 019/2023 of 30/03/2023 amending Law N° 007/2021 of 05/02/2021 Governing Companies in Rwanda.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the **REG Ltd**'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Government either intends to discontinue operations of **Rwanda Energy Group Limited (REG Ltd)**.

Those charged with Governance of this Company are the Board of Directors and they are responsible for overseeing the Company's financial reporting process.

4.5. Auditor General’s responsibilities for the audit of the financial statements

My objective when conducting an audit is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

An audit conducted in accordance with ISSAIs requires an auditor to exercise professional judgment and maintain professional skepticism throughout the audit and involves:

- The identification and assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform procedures responsive to those risks and to obtain sufficient and appropriate audit evidence to provide a basis for the auditor’s opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of internal control.
- Evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management.
- Concluding on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern as well as evaluating the presentation of the financial statements.
- Evaluation of the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.
- Obtaining sufficient and appropriate audit evidence regarding the financial information of the entities or activities within the group to express an opinion on the group financial statements.

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- The auditor is responsible for the direction, supervision and performance of a group audit.
- The auditor remains solely responsible for the auditor's opinion.

I have communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

KAMUHIRE Alexis
AUDITOR GENERAL

KIGALI, 10th March, 2025

