

# Wholesale Electricity Price Projections for Senegal

## A market on the verge of a major energy transition

Senegal is one of the smaller electricity markets in Africa – electricity demand today is less than 4 TWh per year, and installed capacity is dominated by a handful of diesel-fired engines. About 70% of the population have access to the grid, and end-user prices are among the highest on the continent (as it is reliant on fossil-fuel imports).

However, the electricity sector is on the verge of a major transition. Significant gas discoveries off the coast of Senegal have led to the development of a gas-to-power strategy which aims to eliminate the sector's dependence on liquid fuel imports and develop a domestic gas economy. Renewable energy, including the significant hydropower resources Senegal shares with neighbouring countries, are also expected to be developed and will contribute to the Government's ambition to ensure universal electricity access by 2025.

Central to the transition will be re-structuring of the beleaguered state-owned integrated utility, Senelec. It is envisaged the company will be disaggregated into separate generation, transmission, and distribution businesses. At the same time, private sector involvement in generation is being encouraged – the first privately-owned CCGT and wind farm were recently commissioned.

Therefore, in our latest Senegal report we explore:

- How will the gas-to-power strategy and other initiatives impact the future power generation mix?
- What will be the value of electricity in the country at the wholesale level, and what will the value of the revenue streams available to independent generators in the future?
- What are the prospects for off-grid renewable solutions, especially in the commercial and industrial (C&I) sectors?

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# Our Offering

## AFRY Independent Market Report

- Presents our annual projections for wholesale electricity prices out to 2060 for our three internally consistent scenarios (High, Central and Low).
- Considers the main drivers of electricity prices in each scenario, including:
  - the evolution of generation capacity mix;
  - carbon and commodity prices; and
  - developments in technology costs and electrification.
- Delivers in-depth market intelligence, including insights into:
  - government policy and regulation;
  - renewable subsidy support schemes; and
  - future technology trends.
- Based on highly detailed modelling from our suite of worldwide commodity models.

## Bespoke updates

- Projections updated bespoke, ensuring all the latest regulatory and market developments are reflected.
- Updated projections are accompanied by an Update Note, which summarises the major changes and drivers in prices.

Key data for AFRY projections is provided in a usable Excel format annually, with updates available.

## Half-day workshop

- Provides the opportunity to discuss the market, our modelling and price developments.

## Webinar

- Access to webinars held on a quarterly basis presenting the latest results of our modelling.

## Invitation to our Power Market Conference

- Hear the latest developments in our modelling, insights into new topics and areas of research every year.

## Subscriber support

- Prompt access to our experts who have a wealth of experience and constantly follow market developments.

## Our reports and projections are:

- **Independent.** Our reputation is built on providing an impartial view.
- **Trusted.** The 'AFRY curves' are the definitive benchmark for the power sector.
- **Bankable.** Relied on by the financing community for over 25 years.



## Our Senegal market expert



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# Additional Services

## Transaction support services

*M&A advisory including commercial, market, regulatory and technical due diligence*

## Bespoke scenarios and sensitivities

*Customisation for client-led assumptions e.g. fuel prices, decarbonisation goals,...*

## Climate change modelling

*Bespoke simulations of physical and transitional risk for assets and/or portfolios for 2, 4 and 6 degree pathways*

## Model offerings

*BID3 and Pegasus models and datasets are available for purchase*

## Other AFRY Independent Market Reports available

*Our expansion is client-led: if you're interested in any other market, please contact us for options*

## Capture prices

*Available for all markets and technologies*

## AFRY Analytics Capture

*A cloud-based digital tool to calculate asset-specific capture price projections*

## Imbalance projections

*Projections of the costs of imbalance for wind and solar farms*

## Ancillary service projections

*Reserve product value projections for flexible generation and storage*

