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United States Senate

May 12, 2023

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The Honorable Samantha Power Administrator U.S. Agency for International Development 1300 Pennsylvania Avenue, NW Washington, DC, 20004

Dear Administrator Power,

Power Africa is an important U.S. Agency for International Development (USAID) initiative that supports renewable energy projects across sub-Saharan Africa. It can play a key role in the fight against climate change, to which many African countries are especially vulnerable. As a supporter of both Power Africa and the global commitment to combatting climate change, I want to ensure that the program succeeds, including bolstering its role in the President's Emergency Plan for Adaptation and Resilience (PREPARE).¹ To that end, I write seeking additional information about Power Africa, including data that will help us understand the results it has achieved to date.

Coordinated by USAID, Power Africa convenes the collective resources of nine U.S. government agencies and departments, the private sector, and selected donor governments to increase energy access and end energy poverty in sub-Saharan Africa. Power Africa seeks to add more than 30,000 megawatts of cleaner and more reliable electricity generation capacity and increase transmission and distribution infrastructure in order to connect 60 million new homes and businesses to power by 2030.² In 2015, Congress passed, and President Obama signed into law, the Electrify Africa Act of 2015, endorsing as U.S. policy an approach closely mirroring that of Power Africa.³

According to USAID, since 2013, Power Africa has helped deliver new or improved electricity to more than 165 million people across sub-Saharan Africa. Power Africa-supported projects are generating 6,500 megawatts of new, cleaner and more reliable electricity, helping to mitigate

¹ FACT SHEET: U.S-Africa Partnership in Supporting Conservation, Climate Adaptation and a Just Energy Transition, The White House (Dec. 13, 2022), <u>https://www.whitehouse.gov/briefing-room/statements-releases/2022/12/13/fact-sheet-u-s-africa-partnership-in-supporting-conservation-climate-adaptation-and-a-just-energy-transition/</u>.

² Power Africa, USAID, <u>https://www.usaid.gov/powerafrica</u>.

³ Electrify Africa Act of 2015, Pub. L. No. 114-121, 130 Stat. 86, <u>https://www.congress.gov/bill/114th-congress/senate-bill/2152/text</u>.

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climate change, and end energy poverty. In 2022, Power Africa-supported renewable energy projects helped prevent the emission of 7.7 million tons of CO2, the equivalent of burning 8.5 billion pounds of coal.⁴

Despite these reported achievements, concerning questions remain regarding the validity of USAID's methods for describing its successes with regard to power generation, transmission, and connection projects that Power Africa supports or brings to a "financial close." It is also unclear whether the long-term viability and operation of projects that Power Africa reports as successes are subsequently tracked and whether Power Africa undertakes interventions in cases where intended outcomes falter or fail in the longer-term. In addition to supporting enduring development changes, these transparency, accountability, and intervention measures are vital to ensuring that Power Africa investments result in cleaner, sustainable power generation and transmission.

The Biden administration has pledged to provide at least \$1.1 billion to support African-led efforts to facilitate conservation, climate adaptation, and a just energy transition. Since January 2021, \$193 million has already been invested in Power Africa, and an additional \$100 million is planned for FY 2023.⁵

Given the importance of achieving the goals of Power Africa and the substantial U.S. government resources that have been committed to funding, financing, or otherwise enabling projects that the initiative has supported, we request written answers to the following questions by June 2, 2023:

 The 2019 USAID Office of Inspector General (OIG) Report on Power Africa states in part: "Power Africa reported results that overstated its impact at the time. Although Power Africa's 2017 annual report stated that it was on track to add 30,000 megawatts of electricity by 2030, this figure was based on potential results and not on actual increases in capacity. Power Africa has counted megawatts foreseen when deals were made instead of power generated, and projects that were envisioned but never built. It also frequently changed how it counted connections and defined them in a way that overstated its impact. For example, almost 80 percent of the 10.6 million reported new connections made by

⁴ Power Africa Annual Report, USAID (2022), <u>https://www.usaid.gov/sites/default/files/2023-02/PowerAfrica-Annual-Report-2022 1.pdf</u>.

⁵ FACT SHEET: U.S-Africa Partnership in Supporting Conservation, Climate Adaptation and a Just Energy Transition, The White House (Dec. 13, 2022), <u>https://www.whitehouse.gov/briefing-room/statements-releases/2022/12/13/fact-sheet-u-s-africa-partnership-in-supporting-conservation-climate-adaptation-and-a-just-energy-transition/</u>.

2017 consisted of solar lanterns that, while improving the lives of recipients, have limited utility in driving large-scale economic growth and sustainable development."⁶

- a. USAID responded to the recommendations in the report with numerous target completion dates. Has USAID since addressed all concerns or implemented all recommendations provided in the 2019 OIG report to the satisfaction of OIG? If so, please include supporting documentation. If not, why not?
- b. Of the megawatts foreseen, deals made, and uncompleted projects that did not ultimately generate power yet were counted as successes, has USAID since removed these from the total tally of connections, megawatts generated, or other successes reported? If so, please provide supporting documentation. If not, why not?
- c. Are micro-scale, limited-value "connections," such as handheld solar lanterns or similar technologies still employed and counted as connections? If so, how many connections consist of these types of technologies? Has USAID since removed these types of connections from the total tally of connections reported? If so, please provide supporting documentation. If not, why not?
- 2. What are the methods by which USAID reports installed connections? Please identify:
 - a. The definitions of the types of connections that Power Africa tracks (e.g., for business or private home, and via grid, mini-grids, stand-alone systems, and sub-types thereof, if applicable).
 - b. How Power Africa connections data is collected, including the criteria that define when a connection is reflected in reporting on aggregate measures of connections (e.g., is the criterion "financial close" for a project that Power Africa supports, or is it the actual connection, i.e., the physical installation and/or initiation of power flows to a given connection).
- 3. Please describe what metrics, if any, are used to track connections that Power Africa has reported in its results with regard to:
 - a. The continuing functionality of connections after they are reported as an achievement by Power Africa.
 - b. Determining that beneficiaries continue to receive power and can financially or otherwise continue to receive power for which they have a connection.

⁶ Power Africa Coalesced Energy Efforts but Lacked Portfolio-Wide Risk Management and Consistent Measures of Progress, Office of Inspector General, USAID (Mar. 7, 2019), <u>https://oig.usaid.gov/sites/default/files/2019-03/4-698-19-001-P.pdf</u>.

- c. Connections that are no longer operational or financially viable, and whether the total tally of connections reported by Power Africa is adjusted to reflect this or is otherwise reported or tracked.
- 4. In addition to supporting projects and transactions intended to result in the installation of physical infrastructure associated with power production, distribution, and connections, Power Africa has used third-party implementers to provide technical assistance to beneficiaries (e.g., governments, utilities, and communities). This assistance supports power sector reforms (e.g., enhanced tariff collection, financial management, and operation and maintenance) and project transaction assistance geared towards helping project developers sign contracts with lenders for permanent financing an end-goal known as "financial close." Please provide the following information:
 - a. Out of the total number of electricity generation, transmission, or distribution projects or commercial or other transactions intended to produce physical infrastructure that Power Africa has technically assisted, financed, or otherwise supported, how many remain functional and are sustainably operated, maintained, and managed by the entities that are technically responsible for their operation (e.g., governments, utilities, or communities)?
- 5. Please provide the following information regarding the overall sustainability of Power Africa investments:
 - a. In general, how is the long-term sustainability of Power Africa investments measured? How, if at all, does Power Africa track and attempt to ensure the sustainability of investments after Power Africa's funding, technical contribution, or financing of a given project, transaction, activity or outcome for which the initiative provides support? For example, does Power Africa monitor the ongoing progress or continuity of projects or outcomes that it has reported as achievements *after* it has included them as achievements in its annual or other reporting? (Examples might include the actual transfer of finance and subsequent construction of power generation plants or transmission infrastructure after financial close; the persistence of power connections achieved with Power Africa help, especially with regard to micro grids or off-grid systems, which might require a community to develop and sustain the technical capacity to maintain such systems; or the financial viability of a project or utility's activities with respect to the success of revenue generation or other self-sustaining finance over time.)
 - b. Have there been any ex-post or other types of impact evaluations of Power Africa projects or programs? If so, please provide all relevant evaluations.

- c. Describe the process that is used to determine which countries receive Power Africa investments. For example, is the determination based upon the greatest need, the level of risk, local ability to operate and maintain these systems, or other metrics or priorities?
- 6. According to USAID, 80 percent of online power projects that were funded through Power Africa use renewable energy.⁷
 - a. What energy generation technologies comprise the remaining 20 percent of online power projects?
 - b. Does Power Africa currently invest or intend to invest in fossil-fuel related projects? If so, please explain how these projects are consistent with the Biden administration's commitment to the Statement on International Public Support for the Clean Energy Transition, which requires a cessation of direct public support for the international unabated fossil fuel energy sector.⁸
- 7. According to USAID, 7.7 million tons of CO2 emissions were avoided in 2022 through Power Africa investments.⁹ For each year that they were reported, please provide the methods by which the reported CO2 emissions avoided were calculated.
- 8. Launched alongside the Power Africa Roadmap, the Power Africa Tracking Tool (PATT) was designed as a platform for real-time tracking of power transactions across the continent.¹⁰
 - a. Is PATT still available either in a mobile phone app form or online? If not, why did Power Africa cease support of this tool?
 - b. Where can the data provided via PATT be accessed, or can USAID provide this data in another form?

⁷ Power Africa, USAID, <u>https://www.usaid.gov/powerafrica</u>.

⁸ Statement on International Public Support for the Clean Energy Transition (hereinafter "Glasgow Statement"), UN Climate Change Conference UK 2021 (Apr. 11, 2021), <u>https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy-transition/</u>.

⁹ Power Africa Annual Report, USAID (2022), <u>https://www.usaid.gov/sites/default/files/2023-02/PowerAfrica-Annual-Report-2022_1.pdf</u>.

¹⁰ Meet PATT, Power Africa's New App, Advancing Energy Deals in Africa, USAID, <u>https://2017-2020.usaid.gov/power-africa/newsletter/jan2016/powerafrica-tracking-tool</u>.

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Power Africa has long received bipartisan support, and we continue to work together to ensure its success. I thank you in advance for your attention to these requests.

Sincerely,

Edward J Markey

Edward J. Markey United States Senator