India's Jindal wins bid to build Botswana's 300MW coal power plant

By Brian Benza   22 Nov 2022

Botswana has picked India's Jindal Steel & Power as the preferred bidder in a tender to build a 300MW coal-fired power plant, a notice from its energy ministry showed on Monday, 21 November.

Source: Andreas Karelias © 123RF.com

It is the only fossil fuel-based power plant the Southern African country plans to procure in the next 20 years.

Four companies were initially shortlisted for the contract but one pulled out leaving Jindal, African Energy Resources, and Minergy in a three-way race.

Botswana has over 200 billion tonnes of coal resources and despite recent pressure on coal due to climate change, the diamond-dependent country is pressing ahead with monetising its coal for economic development.

"The contract (is) for the design, finance, construction, ownership, operation, maintenance and decommissioning at the end of its economic life ... of a 300MW net greenfield coal-fired power plant in Botswana as an independent power producer," the notice read.

Jindal will finance construction of the plant and recoup its investments from selling electricity to the Botswana Power Corporation (BPC) under terms to be negotiated between the two parties.

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State-owned Morupule Coal Mine and Minergy's Masama are the country's only operating coal mines.

Jindal Botswana country head Neeraj Saxena did not respond to enquiries but the company told Reuters in November 2021 that it would start building a coal mine in south-eastern Mmamabula coalfields in 2022, aiming to supply the export market and the planned coal power plant.

Russia's invasion of Ukraine has triggered a global energy crisis, boosting demand for coal. Botswana has in the past months ramped up coal exports to Europe via Mozambique and Namibia, with the country's two operating mines looking to secure more new deals.

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