



**HM GOVERNMENT OF GIBRALTAR
PRESS OFFICE**

**No.6 Convent Place
Gibraltar
Tel:20070071; Fax: 20043057**

PRESS RELEASE

No: 527/2014

Date: 2nd October 2014

GSD Government was warned in 2005 about shortcomings of the electricity distribution network

In an internal expert report produced in 2005, the then Government was urged to “act now” and was warned that the existing attitude of “praying” and keeping their “fingers crossed” was not an option in relation to the electricity distribution network which was falling apart. The report highlighted that the problem was so serious that it could not be “deferred to the distant future for others to tackle.” Unfortunately, the GSD Government failed to take the necessary action and in 2011 they lost the general election and passed on the problem to their successors six years after receiving this damning report.

A further update from the report’s author in 2007 declared that “no matter how many generators are installed in a new purpose built power station, or even if electrical energy were to be acquired from ‘external’ sources, the state of the cable distribution network will determine the quality and reliability of electricity supplies that the consumer is provided with and if this cable network is deficient in areas, power outages and disruptions are highly likely to happen, with restoration times unnecessarily prolonged.”

This again confirms the point that this Government has been making all along which is that the solution to the power station issue is twofold. In the first place it is about the distribution network and secondly it is about power generating capacity. Indeed, it has been made clear several times that even today, after the fire at Waterport Power Station, there is enough generating capacity in Gibraltar. The issue is with the ancient and creaking distribution network that the GSD did precious little to tackle during their time in Government even though the problem had been flagged up to them time and time again.

The 2007 report goes on to stress that it was a matter of concern “that very little, if any, consideration is being given to the distributing capabilities of the generated power.” It then went on to make an analogy with the human body that has a heart and also arteries, veins and capillaries to convey that blood to different parts of the body including vital organs. It continues to say that even with a new heart or with life-support the person may die if the blood did not circulate through the body through the network of veins. The point of comparison is clear.

The Opposition should be ashamed of themselves because they have no right to point the finger about problems that they should have tackled when they were in office. It will be

recalled that the GSD promised a new power station by 2010. This did not happen even though they had been warned that Waterport Power Station was on its last legs. Instead they determined to progress vanity projects like the Theatre Royal which ended up as a hole in the ground that cost millions of pounds and the over-sized air terminal which was supposed to cost £ 24 million and ended up costing over three times as much. They took 178 months to progress a power station project, something that this Government has done in about 30 months, a fraction of the time.

Moreover, a considerable amount of time was also spent analysing the deal that the then GSD Government had progressed but had not finalised for their power station at Lathbury Barracks. It was discovered that this provided for a 30 metre chimney stack and for an increase of over 100% in electricity costs to the consumer. The Opposition have also said since that they would abolish the existing subsidy. It was only after a detailed and responsible examination of this project that the decision was taken not to proceed with it. It is important to point out that, given past experience, the power station at Lathbury Barracks would NOT have been ready today and also that the infrastructure problem remained unaddressed.

The 2005 report, for example, pointed out that distributor cables primarily in the City Centre were laid directly in the ground. It declared that the "majority of these have been in service for well over forty years and some even as much as sixty years." This situation gave rise to a spate of cable faults in these areas. It stressed that the high voltage network needed to be re-organised and reinforced. All smaller interconnecting cables needed to be replaced, new substations and additional transformer capacity was required as was a properly structured substation maintenance. It went on to say that "mandatory maintenance programmes have, due to pressure of work and other priorities, have been left in abeyance for a good number of years." Low voltage improvement and maintenance works were also required as well as the identification of key sites for new distribution feeder pillars. There were also concerns about the public lighting network and traffic signalling equipment where in 2005 temporary repairs "have remained as such for many months, even years at times."

The reality is that the GSD Government did not invest in electrical infrastructure in a way that was required during their time in office. It was only with the election of a GSLP/Liberal Government at the end of 2011 that the issue was finally taken seriously when the Government agreed to proposals made by the Gibraltar Electricity Authority to fund a seventeen year action plan. The first year has been funded and we are now in the second one. This Government has started in less than three years what the GSD failed to do in nearly sixteen.

The Opposition seem to have this peculiar notion that they are not accountable for what they did in the past or for what they failed to do during their time in office, even when Gibraltar to this day continues to suffer the repercussions of their lack of action on any particular issue. The question of power generation and the power distribution network are a case in point. This Government has awarded the tender for a new power station quicker than the previous one and we have tackled the distribution network that they did little about. The engines for the new power station are already in production, works are already underway in the port area to accommodate the project, the new caissons for the reclamation are in production and the dredging will start in the next 48 hours. No Government has ever moved so fast on electricity issues.