

LUSAKA TIMES

Zambia Faces 2027 Power Crisis as Kariba Water Allocation Cut by Third

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Former Zambian Energy Minister Yamfwa Mukanga has issued a stark warning to Zambians to begin preparing for potential load-shedding in 2027, following a significant reduction in water allocations for power generation at Kariba Dam. The Zambezi River Authority (ZRA) has allocated 23 billion cubic metres (BCM) of water for power generation next year, a cut of more than one third compared to previous allocations. Mukanga's warning signals that Zambia's energy crisis, which has periodically disrupted industrial and commercial activity in recent years, is far from resolved.

Kariba Dam remains a cornerstone of Zambia's power generation capacity, and reductions of this magnitude carry serious consequences for grid stability and electricity availability across the country. Load-shedding at the scale implied by this allocation cut would affect all energy-intensive industries, including mining operations in the Copperbelt, which are among the most significant power consumers in the national grid. For a country where reliable electricity underpins both industrial output and investor confidence, the ZRA's decision represents a material risk to economic activity through the 2027 planning horizon.

The warning from a former energy minister — rather than a current government spokesperson — adds credibility to the concern while also suggesting that official communications may be lagging behind the severity of the situation. Zambia has previously experienced prolonged load-shedding episodes tied to low reservoir levels at Kariba, driven by drought conditions across the Zambezi basin. Climate variability in Southern Africa has made hydro-dependent power systems increasingly

vulnerable, and the ZRA's reduced allocation indicates reservoir conditions remain under pressure.

For the broader Sub-Saharan African energy investment landscape, Zambia's recurring hydro-vulnerability reinforces the structural case for diversified generation — including thermal, solar, and gas-to-power solutions. Countries and investors watching Zambia's energy trajectory are likely to revisit the pace and scale of alternative generation development, including potential gas-fired peaker plants and expanded solar capacity, as mitigation against hydro shortfalls. The 2027 timeline provides a narrow but actionable window for project developers and equipment suppliers to engage with Zambian utilities and government counterparts.

Why this matters to partners and clients of Saga

Norwegian energy service companies with exposure to gas-to-power, distributed generation, or grid infrastructure should monitor Zambia's power deficit trajectory, as recurring hydro shortfalls typically accelerate procurement of alternative generation solutions. Companies with LNG or gas infrastructure capabilities may find early-engagement opportunities as Zambia seeks to reduce hydro dependency. This is a monitor-and-position situation rather than an immediate bid opportunity, but the 2027 timeline compresses the window for early commercial dialogue.

PARTNER ANGLES

- **LNG:** Zambia's hydro vulnerability strengthens the investment case for gas-to-power development; Norwegian LNG and gas infrastructure specialists should assess whether small-scale LNG supply chains could support peaker capacity ahead of the 2027 shortfall.
- **Service:** Energy service companies offering grid stability diagnostics, demand management, or backup power solutions can engage Zambian utilities now as procurement planning for 2027 contingencies begins.
- **Pipeline:** If gas-to-power projects advance as a hydro alternative, pipeline and gas distribution infrastructure will be required; Norwegian pipeline contractors should track project development closely.

- **Drilling:** Sustained power deficits may accelerate Zambia's interest in domestic gas exploration to feed thermal generation, creating a longer-term drilling services opportunity worth monitoring.

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