



# MONTHLY REPORT

**June 2014**

**Issue No. R06-14**

*Energising the region for economic development*

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## Meetings and Conferences

### SAPP-Government of Norway-Sida AGM

The SAPP Coordination Centre (SAPP-CC) and the government of Norway and Sida held an annual general meeting (AGM) on the 4<sup>th</sup> of June 2014 in Harare, Zimbabwe, at the SAPP-CC offices. Updates were given on the following activities:

- Day-ahead market (DAM) support and maintenance,
- Transmission pricing,
- Projects packaging,
- Projects peer review and
- Capacity building.

The following activities were the new initiatives discussed during the meeting:

- Development of the new SAPP Trading Platform
- Study Tour for SAPP MANCO and EXCO Members on Electricity Markets and Power Pool Operations, and

- Establishment of the Projects Acceleration Team at SAPP.

The meeting also discussed the planned activities for the period 2014 to December 2015.



*Representatives from Government of Norway, Sida and NORAD pose for a photo with SAPP CC team during the AGM on 14 June 2014*

### Transmission Planning Working Group Meeting

The Transmission Planning Working Group met from 9 to 10 June, 2014, in Johannesburg, South Africa. The working group reviewed the procedure for managing the SAPP base case file and the procedure for determining power transfer limits on tie-lines and major transmission corridors. The working group also discussed various planning issues.

### Dakar High Level Financing Summit for Africa's Infrastructure Projects

A high level summit on projects financing was held in Dakar, Senegal, from 14 to 15 June 2014. The summit was officially opened by H.E. Macky SALL, President of the Republic of Senegal and Chairperson of the NEPAD Heads of State and Government Orientation Committee (HSGOC) and was attended by the Heads of State from Nigeria and Mali. Other organisations that attended included the Africa Union Commission

represented by H.E. Dr. Nkosazana Dlamini Zuma, Chairperson of the African Union Commission, NEPAD, financial institutions including the African Development Bank, World Bank etc, regional economic communities including ECOWAS, COMESA, SADC, EAC etc, Power Pools, private sector representatives etc. The SAPP was represented by Mr Musara Beta, the SAPP Chief Market Analyst.

The main purpose of the summit was to showcase to investors the 16 projects from the Programme for Infrastructure Development for Africa (PIDA) projects with a view to involve private players in the implementation of the identified projects.

The summit came up with the Dakar Agenda for Action that include the following action items:

- the need for the nature of the project to be developed to an extent that the project is commercially viable for private participation. In other words projects should be well prepared to attract investors,
- the need to de-risk the projects e.g. the development risk. It should be noted that private sector do not usually like to take on developmental risks,
- the need to minimize political risks for projects; governments should avoid changing the rules and regulations along the way,
- the need to utilize AfDB's Africa50 initiative where the AfDB will avail USD100 million to prepare projects,
- the need to utilise local resources for sustainability of infrastructure projects,
- the need for governments to play a critical role in infrastructure development. 50 years after independence Africa should not continue begging but should start financing their own projects, and
- the need to blend private and public finance and also to diversify funding options e.g. utilize diaspora remittances.

The Dakar Agenda for Action will be presented to the AU summit to be held in Equatorial Guinea later in June 2014.

## **Africa Clean Energy Corridor Meeting**

The International Renewable Energy Agency (IRENA) organized a meeting on Africa Clean Energy Corridor (ACEC) that was attended by EAPP, RERA and SAPP on the 30<sup>th</sup> of June 2014 at the IRENA Head Quarters in Abu Dhabi, United Arab Emirates. The objective of the meeting was to identify and come up with infrastructure projects for promotion under the ACEC.

The SAPP was represented by Dr Musaba, the Centre Manager. Both the EAPP and SAPP presented priority projects for ACEC that covered generation, transmission and other enabling projects. RERA also presented priority areas for ACEC that covered regional markets and IPP frameworks.

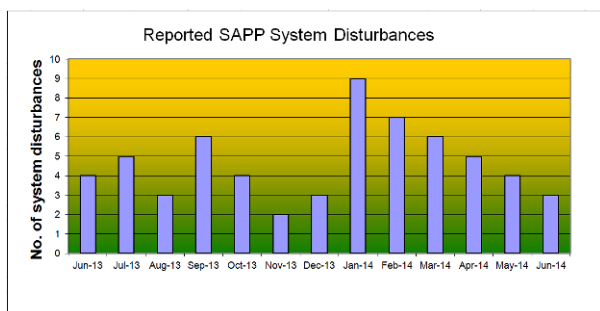
## **System Operations**

### **SAPP Inter-Area Power Oscillations Studies**

In February 2014 the SAPP Operating Sub-Committee (OSC) noted that the interconnected power system experienced a few disturbances characterized by power oscillation. The OSC then formed a Task Team to carry out system studies and recommend new settings for stabilizers and related power controllers. The Task Team met for the second time from 12 to 13 June, 2014, at Eskom Simmerpan Office Complex in Johannesburg, South Africa. The Task Team is expected to close this project in July 2014.

## **System Disturbances**

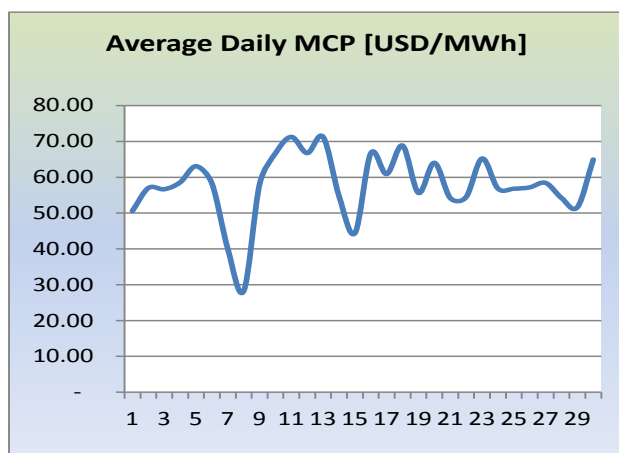
In the month of May 2014 three (3) system disturbances were reported on the SAPP interconnected system. The first one was caused by a fault on the 220kV Zambia-DRC tie-line due to bushfire. In the second and third disturbances, generation tripped in South Africa. Inter-area power oscillations were triggered leading to tripping of some transmission lines and generation in Zimbabwe. Figure below shows a general outlook of reported SAPP system disturbances.



Reported SAPP system disturbances

## Energy Trading

Trading continued to be firm with 24,774-MWh being exchanged in the auction market at a total cost of USD 1,368,076 in June 2014 indicating a slight growth from the 23,743-MWh traded in May 2014 amounting to USD 1,580,362. However, the monthly average market clearing price (MCP) increased from USD 54.91/MWh achieved in May 2014 to USD 57.85/MWh recorded in June 2014. Below is a summary for the daily average MCPs for June 2014.



DAM Average MCPs for June 2014

## Environmental Corner

### Clean Development Mechanism (CDM) Projects for the SAPP region

Following a meeting held between the head of the Regional Collaboration Centre of the United Nations Framework Convention on Climate Change and the SAPP-CC in Harare in June, the SAPP utilities agreed to submit two regional Programmatic CDM projects for consideration by the UN. These are the LED and Solar Water Heaters. SAPP utilities are in the process of

compiling data for the submission of a Prior Consideration Forms to the UNFCCC. All SAPP utilities have indicated their willingness to participate in the two projects. The SAPP-CC will be the co-ordinator for the projects.

## Upcoming Events

DATE	EVENT
7 – 11 July 2014	PDRA, Luanda, <b>Angola</b>
9 July 2014	ZIZABONA Package-3 Kick-off Meeting, <b>Lusaka, Zambia</b>
14 July 2014	Meeting with CEC, <b>Harare, Zimbabwe</b>
14 – 17 July 2014	DAM Training, <b>Lusaka, Zambia</b>
15-18 July 2014	AfDB Mission to SAPP on ZIZABONA, <b>Harare, Zimbabwe</b>
18 July 2014	New Trading Platform Development Documentation Review, <b>Harare, Zimbabwe</b>
22-25 July 2014	Design Study Framework for Open Access –Transmission Grid for Energy Intensive Users, <b>Victoria Falls, Zimbabwe</b>
28-30 July 2014	HRWG meeting, <b>Harare, Zimbabwe</b>
29-30 July 2014	New Trading Platform Functional Design Workshop, <b>South Africa</b>
30-31 July, 2014	Crime Prevention Working Group Meeting- <b>Maputo, Mozambique</b>
4 – 5 Aug 2014	PDRA, <b>Botswana</b>
6 – 7 Aug 2014	GPWG Meeting, <b>Johannesburg, South Africa</b>
6 – 7 Aug 2014	New Trading Platform Development meeting, <b>Johannesburg, South Africa</b>
18 – 19 Aug 2014	UZ, DAM Training, <b>Harare, Zimbabwe</b>
25 - 29 Aug 2014	43 <sup>rd</sup> SAPP Meetings, <b>Maputo, Mozambique</b>
2-4 Sept 2014	EAPIC Conference, <b>Nairobi, Kenya</b>
8-12 Sept 2014	18 <sup>th</sup> Congress of APUA, Talatola Convention, <b>Luanda, Angola</b>
16-18 Sept 2014	Integration of renewables, <b>Windhoek, Namibia</b>
23 Sept 2014	Climate Forum, <b>New York, USA</b>
23-24 Sept 2014	PDRA, <b>Malawi</b>
October 2014	37 <sup>th</sup> SAPP Executive Committee Meeting, <b>Luanda, Angola</b>
13-16 Oct 2014	PDRA CEC, ZESCO, <b>Zambia</b>
22-23 Oct 2014	Energy Traders & System Controllers Forum, <b>Lubumbashi, DRC</b>
29-30 Oct 2014	Telecommunications Working Group meeting, <b>Namibia</b>