



MONTHLY REPORT

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Energising the region for economic development

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the analysis. Construction works for Soyo generation project and the Angola-Namibia interconnector project had not yet started. A site visit was undertaken for the Campambe I and II projects.



Construction works in progress at Campambe II power station

Meetings and Conferences

PDRI, Luanda, Angola

A Project Definition Rating Index (PDRI) analysis was held on 8-10 July 2014 for some power projects in Angola. The following projects were assessed:

- i. Campambe I (additional 80MW) & Campambe II (new 700MW) hydro Generation Projects
- ii. Soyo Combined Cycle Generation (new 500MW)
- iii. Lauca Hydro Generation project (new 2,070 MW) and
- iv. Angola-Namibia Interconnection Project

Construction works for Campambe I started in 2009 and works were completed on the plant side. What is left is the raising of the dam wall to achieve the required head and this is currently in progress. Construction works on Campambe II are in progress. Construction works on Lauca had also started at the time of



PDRI Team pose for a photo during a site visit at Campambe I and II Dam wall that is being raised to achieve the required head

DAM Training, Lusaka, Zambia

DAM Certification training was held for ZESCO on 15-17 July 2014 in Lusaka, Zambia. The training covered the following topics among others;

- Introduction to SAPP
- Introduction to market reforms and SAPP markets including Intra Day and forward

- physical markets to be introduced next year
- Electricity pricing under market conditions and economic dispatch
- practical DAM trading sessions
- market surveillance etc

A total of ten (10) participants drawn from trading operations, business development and finance divisions attended the training.



Some of the participants during the practical sessions of the DAM training in ZESCO, Zambia

AfDB Mission to SAPP

The Department of NEPAD, Regional Integration and Trade (ONRI), undertook a mission to visit the Southern African Power Pool (SAPP), based in Harare, Zimbabwe, from July 15 to July 18, 2014.

The mission was composed of Dr. Jacques Moulot, Chief Energy Specialist, Dr ADDISON Ernest Kwamina, Lead Economist, Mr Peter STURMHEIT, Chief Country Programme Officer and Dr Emmiely MUTAMBATSERE, Principal Region ONRI.1. In Harare, the mission was joined by Mr KANONDA, Epiphanius Farai, chief investment Officer, ONEC-2.

The terms of reference of the mission, shared with the SAPP, highlighted the following objectives:

- Review and advise SAPP on issues related to the supervision and coordination of the ZIZABONA project;
- Review and advise the Project Implementation Unit on issues related to disbursement and financial management;

- Update the project implementation and disbursement schedule;
- Discuss and develop solutions for accelerating the implementation of the projects in timely manner, and
- Seize the opportunity to collect updated information on the status of SAPP priority projects for 2014-2017, and identify new projects for the pipeline of the Bank or IPPF, notably those selected under the PIDA energy PAP.

The mission held intensive and fruitful work sessions from 15-17 July 2014 on the ZIZABONA project. Overall, the objectives of the mission as spelled out were all met.

SAPP New Trading Platform Development

The first workshop on the SAPP new trading platform development was held with the SAPP Markets Sub Committee (MSC) on 29-30 July 2014 in Johannesburg, South Africa. The workshop focused on the functional designs for the trading platforms that will be developed as part of the SAPP new trading system. These include the Day Ahead Market (DAM), the Intra Day Market (IDM) and the Forward Physical Markets (FPMs) covering month ahead and week ahead. The functional designs were discussed and agreed between the MSC and the consultant, Enerweb who have been engaged to develop the new trading platform for SAPP. Work on the development of the new trading platform has started. The new DAM system is expected to be operational beginning of 2015 while the IDM and FPM trading platforms are expected to be operational in mid-2015.



MSC Members and Consultants pose for a photo during the SAPP New trading platform functional Design Workshop in Johannesburg, RSA.

Workshop on Framework for Open Access to the Transmission Grid

Under the EU-funded SAPP Capacity Building Project, the workshop on Framework for Open Access to Transmission Grid for Energy Intensive Users was held from 23 to 24 July, 2014, in Victoria Falls, Zimbabwe. The workshop covered energy markets, energy sector restructuring and regulation, and tariff settings. Apart from one, all SAPP member utilities were represented at the workshop.



Some of the participants at the workshop

Human Resources Working Group Meeting

The Human Resources Working Group held their meeting at the SAPP Coordination Centre from the 29th to 30th of July 2014. The objective of the meeting was to finalise some policies and proposals for employee's conditions of service for presentation to the Coordination Centre Board Meeting in Maputo in August 2014.

Update on SAPP Projects

ZIZABONA

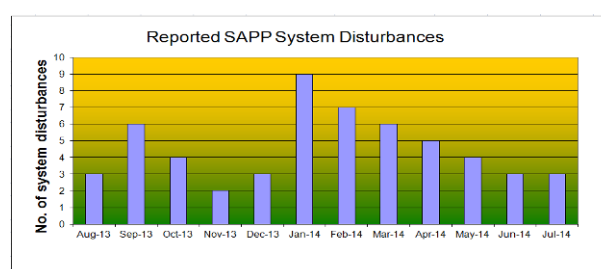
The kick-off meeting for Environmental and Social Impact Assessment for the line route in Zambia was convened in Lusaka during the month of July 2014. The meeting involved the SAPP-CC, ZESCO and SWECO, the consultant. The consultant indicated that the study should be complete by March, 2015. The consultant has since submitted an inception report whose aim is to account for the start-up of the project, convey the consultant's understanding of the scope of activities, proposed methodology for undertaking the

study and to outline of the continued project work plan.

System Operations

System Disturbances

In the month of July 2014 three (3) SAPP system disturbances were reported on three consecutive dates. They were all characterized by tripping of the 400kV Zimbabwe – Botswana interconnector due to un-damped power swings triggered by loss of generation. Figure below shows a general outlook of reported SAPP system disturbances.

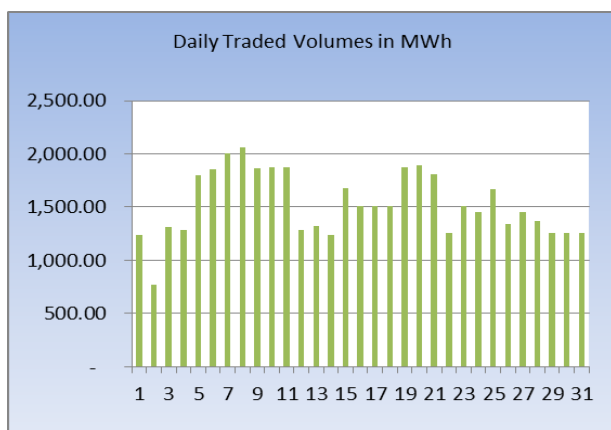


Reported SAPP system disturbances

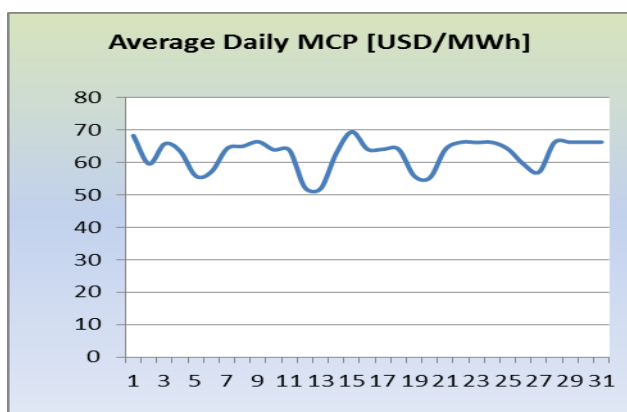
Energy Trading

Trading rose significantly with 47,336.50MWh being traded at a cost of USD 1,638,377.99 in July 2014. Comparatively, 24,794.20MWh were traded in June 2014 amounting to USD 1,368,076.23. However, the market clearing price (MCP) rose sharply from USD 57.85/MWh recorded in June 2014 to USD 62.64/MWh achieved in July 2014. Although trading was significantly higher than the previous months, transmission bottlenecks on the SAPP central corridor continued to limit trading on the auction market with 8,503MW being matched but failing to access wheeling in July 2014. Similarly, June 2014 had a total of 9,111MW which were constrained by wheeling challenges. It should however be noted that the matched but not traded volumes have been reducing when compared to previous months.

Below is a summary of the daily traded volumes and average MCPs for July 2014. Note that trading on the market occurred for all the days for the month of July 2014.



Daily Traded DAM Volumes – July 2014



Daily Average MCP-July 2014

from prospective consultants have been called for and TORs have been posted on the SAPP Website.

Upcoming Events

DATE	EVENT
4 – 5 Aug 2014	PDRA, Botswana
6 – 7 Aug 2014	GPWG Meeting, Johannesburg, South Africa
6 – 7 Aug 2014	New Trading Platform Development, Johannesburg, South Africa
18-19 Aug 2014	INGA Steering Committee Meeting, South Africa
20-21 Aug 2014	UZ, DAM Training, Harare, Zimbabwe
25 - 29 Aug 2014	43 rd SAPP Meetings, Maputo, Mozambique
2-4 Sept 2014	EAPIC Conference, Nairobi, Kenya
8-12 Sept 2014	18 th Congress of APUA, Talatola Convention, Luanda, Angola
16-18 Sept 2014	Integration of renewables, Windhoek, Namibia
23 Sept 2014	Climate Forum, New York, USA
23-24 Sept 2014	PDRA, Malawi
October 2014	37 th SAPP Executive Committee Meeting, Luanda, Angola
6-10 Oct 2014	International Renewable Energy Agency (IRENA), Workshop, Harare, Zimbabwe
13-16 Oct 2014	PDRA CEC, ZESCO, Zambia
22-23 Oct 2014	Energy Traders & System Controllers Forum, Lubumbashi, DRC
29-30 Oct 2014	Telecommunications Working Group meeting, Namibia

Environmental Corner

Regional CDM Projects on LEDs and Solar Water Heaters

Prior Consideration Forms for Clean Development Mechanism (CDM) regional projects on LEDs and Solar water Heaters have been prepared and completed for consideration by the United Nations Framework Convention on Climate Change (UNFCCC). The next stage will involve the preparation of Project Identification Forms (PIN) for the two projects that will involve all utilities.

Training on Equator Principles

The SAPP is in the process of procuring a consultant to conduct training on Equator Principles for members of the Environmental Sub-Committee (ESC) following financial assistance from the EU. Request for proposals