



# MONTHLY REPORT

## DECEMBER 2014

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*Energising the region for economic development*

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### Meetings and Conferences

#### Zambia-Tanzania-Kenya Inter-connector Ministers Meeting

Energy Ministers from Zambia, Tanzania and Kenya signed an Inter-Governmental Memorandum of Understanding (IGMOU) for the construction of a 700-km, 330-kV Transmission line that will inter-connect the three countries. The signing ceremony took place in Livingstone, Zambia on 15 December, 2014. The same lines will not only see the inter-connection of Tanzania to the SAPP Grid but will also result in the interconnection of the East African Power Pool (EAPP) to the the Southern African Power Pool (SAPP).

### Update on SAPP Projects

#### ZIZABONA Transmission Project

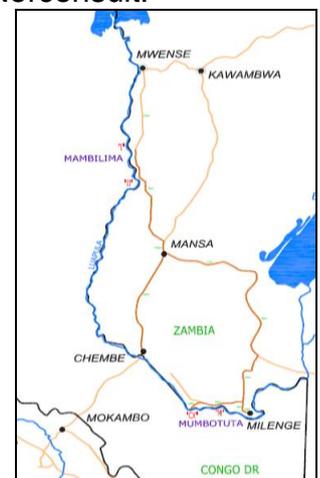
The SAPP Coordination centre is making follow-ups on payments to consultants appointed for various assignments with the African Development Bank.

Time schedules for activities will be updated as soon as payments are made to the consultants.

#### Luapula Hydro-Electric Power Project

Two SAPP member utilities, SNEL of the Democratic Republic of Congo (DRC) and CEC of Zambia intend to implement the Luapula Hydro-Electric Power Projects along the Luapula River, bordering the two countries. There are two sites under consideration: Mambilima and Mumbotuta. SNEL and CEC engaged Norconsult to carry out power system studies for integration of Luapula generation into the SAPP power grid. SNEL, CEC and SAPP Coordination Centre held a meeting in Kitwe, Zambia, from 15 to 16 December 2014 to discuss a load flow report and transmission integration options proposed by Norconsult.

Over 500MW of Luapula generation is expected to be on line in phases from 2019 to 2025 and will primarily supply loads in the Katanga province in DR Congo and Copperbelt and Luapula Provinces in Zambia.



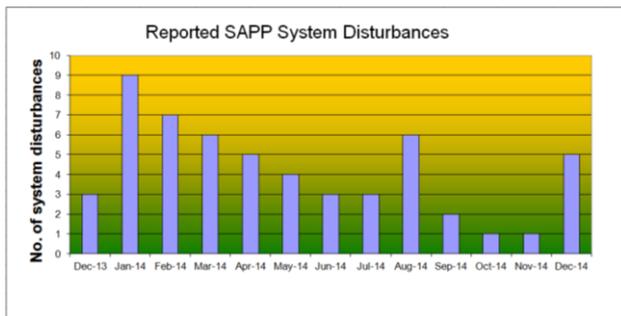
Location of Luapula River

### System Operations

#### System Disturbances

In the month of December 2014, five system disturbances were reported on the

SAPP interconnected power system. The first three were power frequency excursion incidences resulting from loss of generation. In the fourth one, one generator at Cahora Bassa in Mozambique tripped on over-load when the circuit breaker coupling AC and HVDC loads tripped. The last disturbance affected the power interconnection between Mozambique and Zimbabwe. A transmission line tripped due to lightning and adverse weather conditions. Figure below shows a general outlook of reported SAPP system disturbances.



Reported SAPP system disturbances

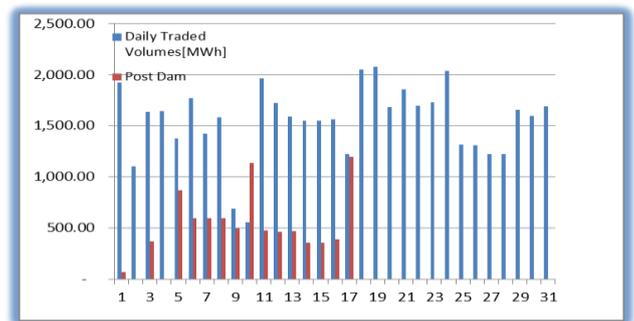
### Energy Trading

Trading in the market was higher during the month of December 2014 when compared to the traded volumes in November 2014. With regards to bids submitted, there were more buy bids than sale offers received in December 2014 in the day ahead market trading platform. A total of **132,784 MWh Sale offers** and a total of **376,124 MWh Buy bids** were received in December 2014. There was an increase of **4,112 MWh** or **1%** in **Sale offers** received and a huge increase of **43,318 MWh** or **48%** in **Buy bids** received in December 2014 when compared to November 2014 figures of **89,466 MWh Sale offers** and **372,012 MWh Buy bids** received. There could have been more trade in the market were it not for many generator outages that have become a trend during summer period.

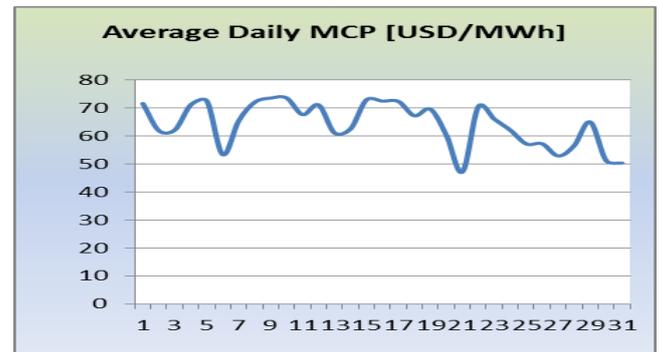
Total traded volumes on DAM and PDAM was significantly high in December 2014 at **56,497.60 MWhr**. Of this, **85%** or

**48,036.10 MWhr** was traded on DAM while **8,461.50 MWh** or **15%** was traded in PDAM. PDAM increased by **70.85%** in December 2014 when compared to November 2014 where **4,952.50 MWh** were traded in PDAM. On the other hand DAM trade increased by **1,059.80 MWhr** or **2.25%** from the **46,976.30 MWhr** traded in November 2014.

Below is the trend of trading in DAM and PDAM in December 2014.



Daily DAM & PDAM Traded Volumes, December 2014



Daily Average Market Clearing Prices, December 2014.

A total of **USD 2,940,430** was exchanged on the DAM and PDAM market during the month of December 2014 when compared to a total of **USD 2,932,894** exchanged in November 2014.

There is significant improvement in terms of access to transmission capacity for the market. As a result of this, out of a total of **49,282 MWhr (excluding PDAM)** that were matched on the DAM trading platform **48,036.10 MWh** was able to be traded

during the month of December 2014. In comparison, November 2014 had a total of **51,132 MWhr** that was matched on DAM resulting in **46,976.30 MWh** being traded and **4,155.90 MWh** or **8.1%** failing to be traded in DAM due to lack of transmission path as DAM trades on the Insukamini-Phokoje corridor.

**Environmental Corner**

**EU supported training in Equator Principles**

The Environmental Sub- Committee held training on Equator Principles and Due Diligence in Victoria Falls, Zimbabwe from 8 to 10 December, 2014.

The Equator Principles, which is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making was conducted by a South African based firm, SRK.



*ESC members who participated at Training in Equator Principles and Due Diligence in Victoria Falls*

**Upcoming Events**

DATE	EVENT
8 Jan 2015	Finance Working Group (FWG) Meeting, <b>Harare, Zimbabwe</b>
8- 9 January, 2015	New Trading Platform meeting, Johannesburg, South Africa
15 January, 2015	SADC Workshop on Sustainable Water Resources Management, <b>Johannesburg, South Africa</b>
15 -16 Jan 2015	SAPP-Eskom meeting with the World Bank, <b>Johannesburg, South Africa</b>
19-20 Jan 2015	New Trading Platform Site Acceptance Tests (SAT) by Enerweb, Harare, <b>Zimbabwe</b>
20 Jan 2015	Presentation - Defence Forces College, <b>Harare, Zimbabwe</b>
25-29 Jan 2015	Renewable Energy Training Week, <b>Abu Dhabi, UAE</b>
17-18 Feb 2015	Africa Energy Indaba 2015, <b>Sandton, South Africa</b>
24 -26 Feb 2015	44 <sup>th</sup> SAPP Management Committee Meeting, <b>Harare, Zimbabwe</b>
26 - 27 Feb 2015	ICP/ETG Meeting , <b>Gaborone, Botswana</b>
25 - 26 Mar 2015	Africa Investment Funds & Asset Management Forum, <b>Victoria Falls, Zimbabwe</b>
26 Mar 2015	38 <sup>th</sup> SAPP Executive Committee Meeting, <b>Johannesburg, South Africa, TBC</b>