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Meetings, Workshops and Conferences

15th Annual African Utility Week 2015, Cape Town, South Africa

The African Utility Week for 2015 (AUW2015) was held in Cape Town, South Africa. The SAPP was represented by Dr Lawrence Musaba, Centre Manager, and Mr Musara Beta, Chief Market Analyst. The AUW2015 was attended by executives from the energy and water industries.

At a dinner that was held on the 13th of May 2015, Dr Lawrence Musaba was awarded the Lifetime Achievement Award.



Dr Lawrence Musaba receiving the Lifetime Achievement Award

The Lifetime Achievement Award is given to a CEO (or C-level executive) who has made an outstanding contribution to the utilities industry, whether from a public or private company. This award is also open to a person that is retired from active service but has made outstanding contributions while in service.

6th World Forum on Energy Regulation, Istanbul, Turkey

The 6th World Forum on Energy Regulation took place in Istanbul, Turkey for 24 to 28 May 2015. The SAPP Chief Engineer, Mr Alison Chikova attended and presented a paper on the Spot Market in the Southern African Power Pool and the Impact of Demand Side Management Options.

SAPP MSC Meetings on the SAPP Trading Platform Development, Harare, Zimbabwe

The SAPP Markets Sub Committee (MSC) met on 6-7 May 2015 at SAPP CC, Harare, Zimbabwe with the consultant developing the SAPP trading platform (Enerweb) to discuss the



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issues related to the development of the SAPP Market Trading Platform (SAPP-MTP) that include progress regarding development of the intraday, month and week ahead trading platforms, SAPP Market rules, proposals to incorporate bilateral wheeling and energy imbalance settlement calculations in the SAPP-MTP and revision of the SAPP transmission capacity allocation criteria. It was noted that target delivery date for the remaining trading platforms is August 2015.

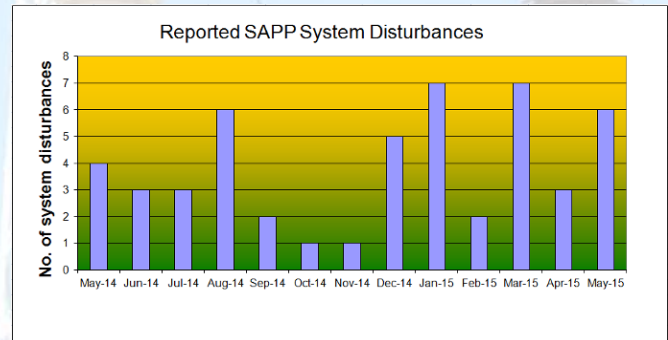


MSC Members pose for a photo during the meetings at SAPP CC Offices in Harare

System Operations

SAPP Emergency Meeting on System Disturbances, Harare, Zimbabwe

In the month of May 2015, six system disturbances were reported on the SAPP interconnected system. The first three were low frequency incidences resulting from tripping of generators in South Africa. In these incidences, power system frequency decay was arrested by demand response from selected customers and by switching mode of operation of the pumped storage power plants in South Africa. The next two were characterised by power swings and led to tripping of transmission lines and generators in Zimbabwe. The initiating event for the power swings is yet to be established. The last one affected the 220kV Zambia - DR Congo interconnector. Refer to the figure below for the outlook of reported SAPP System Disturbances.



Reported SAPP System Disturbances

Update on SAPP Projects

SAPP Project Advisory Unit Establishment

The SAPP Coordination Centre is in the process of recruiting staff for the Project Advisory Unit (PAU) which will be stationed in Johannesburg, RSA. The Unit is expected to be operational by 1 July, 2015.

ZIZABONA Project

The Consultant for the Transaction and Technical Advisory services (TA) (Package I) that include project packaging, project preparation, contracting and financing phases, review of Market study and Legal Advisory services (LA), Fichtner of Germany has commenced the assignment. The TA is starting the dialog with the four utility companies - ZESA, ZESCO, BPC and NamPower by distributing questionnaires. This will be followed by meetings and more structured discussions in the respective countries between the consultant and representatives of the utilities. As the overall project has evolved over time, currently only Phase-1 of the proposed implementation strategy will be evaluated and updated. In Phase-1, the existing 15 year, 80 MW ZESA-NamPower firm Power Purchase Agreement (PPA) will be utilized using the Hwange-Victoria Falls-Livingstone line and the existing 220kV Livingstone-Zambezi-Caprivi lines.



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Mozambique-Zimbabwe-South Africa (MOZISA) Transmission Project

A kick-off meeting for the project was convened at the Development Bank of Southern Africa (DBSA) offices in Johannesburg, RSA, between the three Project Sponsors (Eskom, ZESA and EdM), DBSA, and SAPP Coordination Centre.

It was pointed out in the meeting that the main task of the consultant was to perform a pre-feasibility and feasibility studies to prove that the Mozambique-Zimbabwe-South Africa (MOZISA) Transmission Project was technically sound. Based on the deliberations, high level studies had been performed to define the Project. The assumptions of the work performed to date needed to be agreed by all parties (utilities and the TA) as part of the pre-feasibility studies. It was imperative that the utilities agree or define the line routing of the Mozambique-Zimbabwe line.

KPMG has been appointed as the Transaction Advisor (TA). KPMG highlighted that as part of bankability considerations of the Project, there was need for power generation projects to anchor the Project. This will be addressed by the TA including other relevant documents necessary for the successful implementation of the Project.

MOZISA SIGNING CEREMONY

The MOZISA Project preparatory funding signing ceremony was held on 11 May, 2015 at the DBSA offices in Midrand RSA. In attendance were:

- Mr Moe Shaik, Group Executive, International Finance Division, DBSA
- Mr Michael Hillary, Group Executive, Financing Operations Division, DBSA
- Mr Mohan Vivekanandan, Group Executive, Strategy Division, DBSA
- Dr Thembinkosi Mhlono, SADC Deputy Executive Secretary for Regional Integration (DES-R)
- Mr Remigious Makumbe, Director-Infrastructure and Services, SADC Secretariat and
- Dr Lawrence Musaba, SAPP –CC Manager



Signing ceremony: from left to right- Dr Thembinkosi Mhlono, Mr Moe Shaik of DBSA and Dr Lawrence Musaba of SAPP-CC



Mr Moe Shaik of DBSA and Dr Lawrence Musaba of SAPP-CC, exchanging the signed documents

Central Transmission Corridor (CTC) Projects

The SAPP-CC has called for Expression of Interest for detailed Feasibility Studies for the three CTC projects, namely:

- I. Bindura to Mutorashanga 400kV line, approximately 80.2km (to be initially operated at 330kV)
- II. Alaska to Sherwood 400 kV line, approximately 160km (to be initially operated at 330kV) Triple bison line linking Alaska 330kV Substation and Orange Grove to Triangle line (to be initially operated at 330kV) approximately 300km,
- III.



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Zambia-Tanzania-Kenya Interconnection Project

Kenya - Tanzania - Financial closure has been reached. The project will be financed by JICA and the African Development Bank. TANESCO is working on compensation for acquiring wayleave. Engineering and Procurement is on-going

Singida to Iringa section: Construction of 400kV power transmission line is on-going and it is expected to be completed by June 2016.

Iringa - Mbeya Section: Feasibility study and conceptual design as well as Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP) studies have been completed.

Mbeya to Zambia: Feasibility studies, conceptual design, ESIA and RAP studies is ongoing and is being financed by NELSAP.

Electricity Trading

Market Bidding

There were more buy bids than sale offers received in May 2015 in the Day Ahead Market (DAM) trading platform. A total of 101,133 MWh Sale offers and a total of 305,853 MWh Buy bids were received in May 2015. There was a decrease of 9,431 MWh or 8.5% in Sale offers received and an increase of 32,745 MWh or 12% in Buy bids received in May 2015 when compared to April 2015 figures of 110,564 MWh Sale offers and 273,108 MWh Buy bids received.

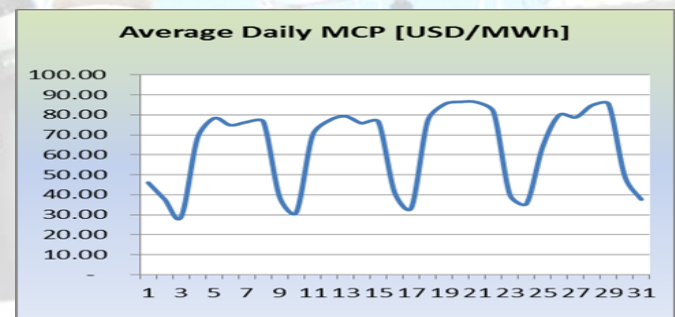
Energy Traded

Total traded volumes on DAM and PDAM was relatively higher in May 2015 at 71,339.80 MWhr. Of this, 96% or 68,515.20 MWhr was traded on DAM while 2,824.60 MWhr or 4% was traded in PDAM. PDAM decreased by 55% in May 2015 when compared to April 2015 where 6,321.30 MWhr was traded in PDAM. On the other hand DAM traded volume increased by 7,953.10 MWhr

or 13% from the 60,562.10 MWhr recorded in April 2015.

Market Clearing Prices

Prices on the market were steady for most of the days during the month of May 2015. The average monthly market clearing price (MCP) rose during the month of May 2015 to 6.391 US\$/KWhr when compared to the 5.370 US\$/KWhr recorded in April 2015. MCP prices have been averaging around 7.000 US\$/KWhr in the previous months. Below is a summary of the daily average MCPs for the month of May 2015. The dips on the prices are mainly related to weekends where the prices on the market are generally relatively low when compared to week days.



Daily Average MCP, May 2015

Market Revenues

A total of USD 3,088,703.29 was exchanged on the DAM and PDAM market during the month of May 2015 when compared to a total of USD 2,484,990.42 exchanged in April 2015. The increase is mainly attributed to the increase in traded volumes.

Environmental Corner

Environmental and Social Impact Assessment (ESIA) for the ZIZABONA Line route in Zambia

Scoping study was completed and revised following review by ZESCO. The Zambia Environmental Management Agency (ZEMA)



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required all experts to sign the scoping report before submission to them. This process delayed the process of submission, and hence approval of the terms of reference (ToRs) by ZEMA.

Attempts to perform route survey using an Unmanned Aerial Vehicle (UAV) were cancelled following too costly conditions imposed by Civil Aviation Authority (CAA). Instead an aerial survey using micro light aircraft is planned.

SWECO will be conducting classroom training in Lusaka from 24 to 26 June, 2015 for participants, from ZESCO, NamPower, ZESA, BPC and SAPP-CC.

The detailed environmental and social study started on 26th May in Lusaka and 1st June in Livingstone. SWECO is currently planning the logistics and mobilisation.

Upcoming Events

DATE	EVENT
1- 5 June 2015	SAPP QOS workshop, Kitwe, Zambia
8- 10 June 2015	Africa Energy Forum, Dubai, UAE
12 June 2015	SAPP-FICHNER Meeting on ZIZABONA, Harare, Zimbabwe
17-19 June, 2015	Second Workshop on IPP Framework, Cape Town, RSA
18-19 June 2015	Zambia International Mining & Energy Conference & Exhibition, Lusaka, Zambia
22 - 26 June 2015	SAPP OSC Study Tour to ENTSO-E, Europe
23-24 June 2015	Strategic Meeting on Market Framework , Future Energy Supply Trends, Namibia
24 June, 2015	MOZISA Workshop, South Africa
24-26 June, 2015	ZIZABONA ESIA Classroom Training, Lusaka, Zambia
9-10 July 2015	Telecommunications Working Group Meeting, Dar es Salaam, Tanzania

15-17 July 2015	Power Gen 2015 Africa, CTICC, Cape Town, South Africa
20-24 July 2015	Attachment at SAPP under IS4D Project, Harare, Zimbabwe
21-22 July 2015	EU MSC Workshop on Balancing Market Gap Analysis, Johannesburg, RSA
21-24 July 2015	PSC Workshop – Water and Energy Nexus in Zambezi Basin and SAPP, Cape Town, South Africa
30-31 July, 2015	Crime Prevention Working Group Meeting, Blantyre, Malawi
1-3 Sept 2015	45th SAPP Management Committee Meetings, Gaborone, Botswana
13-15 Oct 2015	Traders and controllers Forum, Lubumbashi, DR Congo
30 October 2015	39th SAPP Executive Committee Meeting, 20 th SAPP Anniversary Celebrations, Lusaka, Zambia
26-30 Oct 2015	CIGRE Symposium, Cape town, South Africa



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