



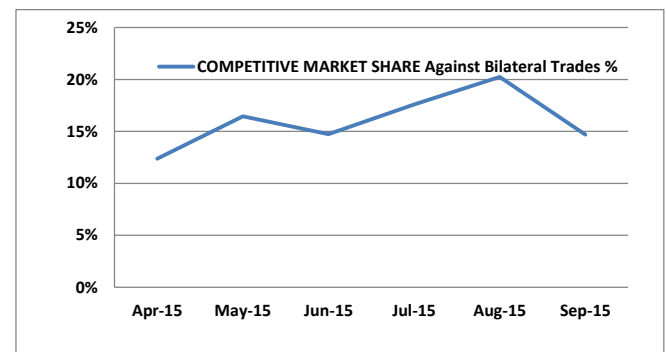
Promoting a Regional Competitive Electricity Market



of 43,777 MWh or 30% in Sale offers received and a decrease of 33,838 MWh or 7% in Buy bids received in October 2015 when compared to September 2015 figures of 147,515 MWh Sale offers and 514,503 MWh Buy bids received.

October 2015 recorded the highest traded volumes on the market so far in a single month with a total of 125,765.80 MWhr being traded on DAM and PDAM. Of this, 93% or 116,631.60 MWhr was traded on DAM while 9,134.20 MWh or 7% was traded in PDAM. PDAM decreased by 9,495.30 MWh or 51% in October 2015 when compared to September 2015 where 18,629.50 MWh was traded in PDAM. On the other hand DAM traded volumes increased by 50,164.40 MWhr or 75% from the 66,467.20 MWhr recorded in September 2015.

The competitive market share has been going up in 2015-16 averaging around 15%. August 2015 recorded the highest market share of 20% so far in the year for the competitive market. 2014-15 financial year recorded an average of 6% market share for the competitive market. Below is the competitive market share for 2015-16 when compared to bilateral trade volumes.



Below is the trend of trading in DAM and PDAM in October 2015.

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Performance Highlights

Participation Levels

There were ten (10) active portfolios from nine (9) members during the month of October 2015, exactly the same number of portfolio and participants when compared to September 2015 records.

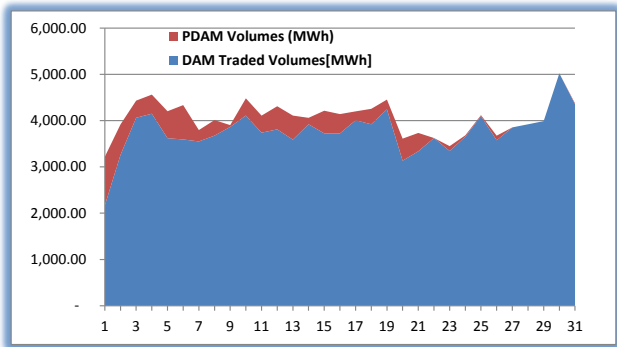
Market Liquidity

Trading in the market was higher during the month of October 2015 when compared to the September 2015. With regards to bids submitted, there were more buy bids than sale offers received in October 2015 in the day ahead market trading platform. A total of 191,292 MWh Sale offers and 480,665 MWh Buy bids were received in October 2015. There was an increase



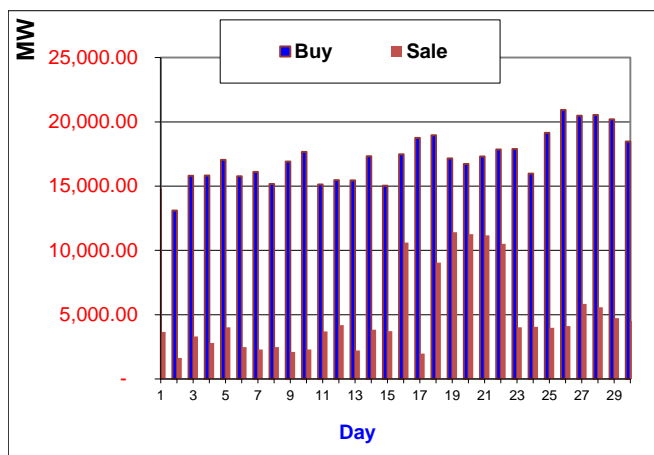
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There was matching of bids in DAM for 31 days and 737 hours or 99.06% of the time during the month of October 2015. However due to transmission constraints, trading occurred for 31 days and 733 hours (including PDAM) or 98.5% the time. In comparison, matching occurred for 30 days and 710 hours or 98.61% with trading occurring for 30 days and 713 hours or 99% of the time during the month of September 2015. Below are summaries of market performance in terms of volumes traded, offers and bids received during the month of October 2015.

Fig 1.1 Total Buy and Sale Bids Received Daily in October 2015 (MWh).

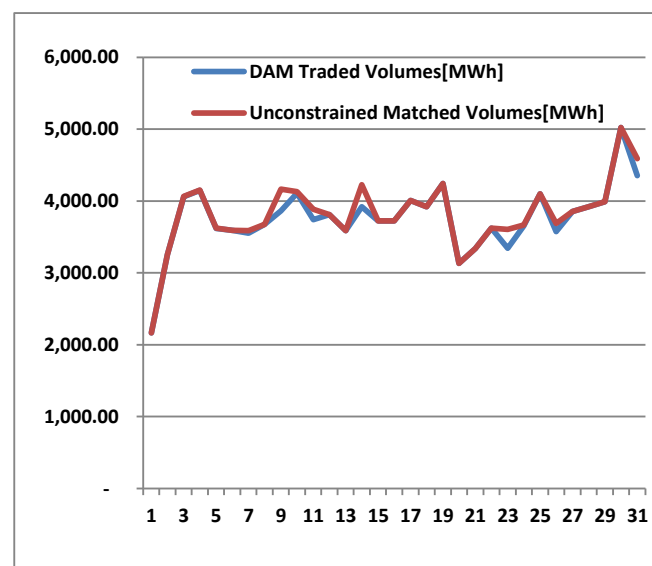


Impact of Transmission Constraints

There is significant improvement in terms of access to transmission capacity for the market. As a result of this, out of a total of 118,074MWhr (excluding PDAM) that were matched on the DAM

trading platform 116,631.60 MWh was able to be traded during the month of October 2015 resulting in only 1,442 MWhr or 1% failing to be traded due to transmission constraints. In comparison, September 2015 had a total of 72,167 MWhr that was matched on DAM resulting in 66,467.20 MWh being traded and 5,699.80 MWh or 8% failing to be traded in DAM due to lack of adequate transmission path.

Fig1.3.1 Impact of Transmission Constraints on DAM Trading for the month of October 2015.



As can be seen from above graph, the matched and traded volumes were close to each other in most instances, a sign that there were less transmission constraints during the month of October 2015.

Market Clearing Prices

Prices were relatively stable in the market for most of the days during the month of October 2015. The average monthly market clearing price (MCP) was slightly lower during the month of October 2015 at 9.28 USc/KW hr when compared to the 9.54 USc/KW hr recorded in September 2015. MCP prices have been averaging around 9

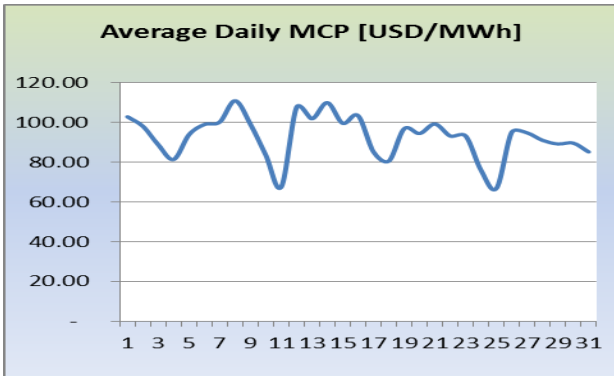


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USc/KWhr in the last three months. Below is a summary of the daily average MCPs for the month of October 2015.

Fig 1.4.1 Daily Average MCP prices for the Month of October 2015.



Revenue Performances

A total of **USD 8,733,361.40** was exchanged on the DAM and PDAM market during the month of October 2015 when compared to a total of **USD 5,925,849.07** exchanged in September 2015. The increase is mainly attributed to the increase in traded volumes.



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