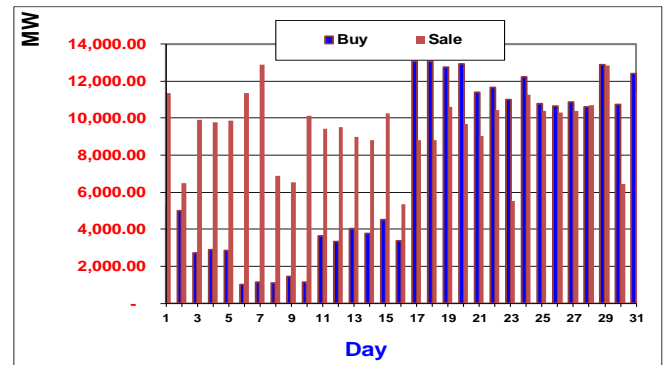




Fig 1.1 Total Buy and Sale Bids Received Daily in May 2016 (MWh).



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Participation Levels

There were eight (8) active portfolios from seven (7) members during the month of May 2016, exactly the same number of portfolios and participants when compared to April 2016 records.

Market Liquidity

Trading in the market was relatively lower during the month of May 2016 when compared to April 2016. With regards to bids submitted, there were more buy bids than sale offers received in May 2016 in the day ahead market (DAM) trading platform. A total of 224,403 MWh Sale offers and a total of 294,147 MWh Buy bids were received in May 2016. There was a decrease of 88,336 MWh or 28% in Sale offers received and an increase 23,973 MWh or 8.9% in Buy bids received in May 2016 when compared to April 2016 figures of 312,739 MWh Sale offers and 270,174 MWh Buy bids received.

Below is a summary of buy and sale bids received on the DAM for the month of May 2016.

Total traded volumes on DAM and intra-day market (IDM), Forward Physical Market Monthly (FPM-M) and Forward Physical Market Weekly (FPM-W) was relatively lower in May 2016 at 40,537.80 MWh. Of this, 38% or 15,330.80 MWh was traded on DAM, FPM-M recorded 18% or 7,280.00 whereas in FPM-W recorded 7,400 or 41% while 1,417 MWh or 3% was traded in IDM.

IDM decreased by 191 MWh or 11.8% in May 2016 when compared to April 2016 where 1,608.00 MWh was traded on IDM. Similarly, DAM traded volume decreased by 14,037.90 MWh or 48% from the 29,368.70 MWh recorded in April 2016. On a positive note, FPM Monthly recorded a slight increase of 300MWh or 4% in May 2016 when compared to 6,980MWh traded in April 2016. The largest increase in traded volumes was in the FPM Weekly market where volumes increased by 7,400 or 81% from the April 2016 figure of 9,110MWh.

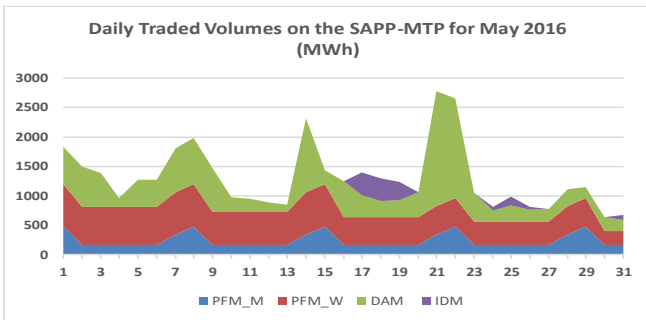
Below is the trading trend in DAM, IDM, FPM-M and FPM-W for the month of May 2016.



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Fig 1.2 Traded Volumes in MWh in DAM, IDM, FPM-W and FPM-M for the month of May 2016.

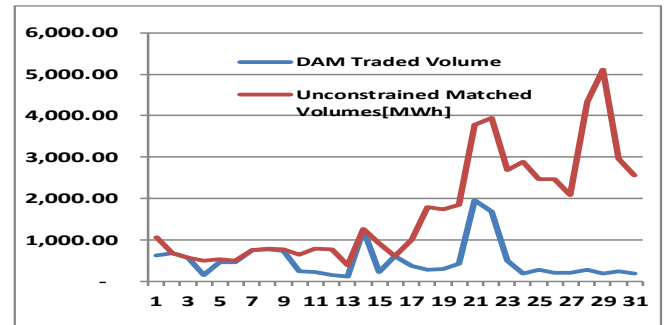


There was matching of bids in DAM for 31 days and 585 hours or 78.63% of the time during the month of May 2016. Trading however occurred for 31 days and 727 hours (including IDM, FPM-M and FPM-W) or 97.72% the time. In comparison, matching occurred for 30 days and 554 hours or 76.94% with trading occurring for 30 days and 627 hours or 87.08% of the time during the month of April 2016.

Impact of Transmission Constraints

Transmission access for the competitive market was constrained in the month of May 2016. As a result of this, out of a total of 53,164MWh that were matched on the DAM trading platform 15,330.80 MWh was able to be traded during the month of May 2016 resulting in 37,833.30MWh or 71% of the matched volume failing to be traded due to transmission constraints mainly within Zimbabwe to Zambia interconnections. In comparison, April 2016 had a total of 58,034 MWh that was matched on DAM resulting in 29,368.70MWh being traded and 28,664.80MWh or 49% failing to be traded in DAM due to lack of transmission path as DAM trades on mainly on the Zimbabwe to Zambia interconnections.

Fig 1.4 Impact of Transmission Constraints on DAM Trading for the month of May 2016.

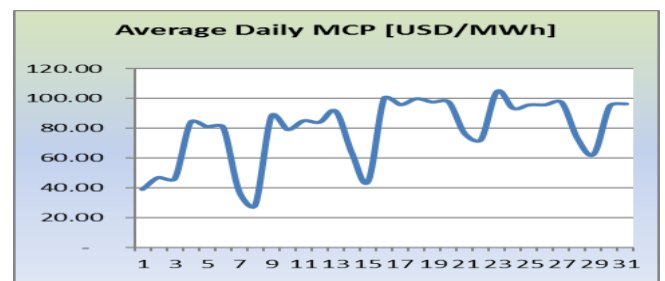


As can be seen from above graph, there is significant differences between matched and traded volumes during the month of May 2016 as a result of increased transmission constraints for the competitive market. There is a general increase in non-firm bilateral contracts that take most of the path ahead of the competitive markets. During off peak periods there is very limited transmission capacity for the competitive market especially on the ZESA to ZESCO corridor.

Market Clearing Prices

Prices were relatively stable on the competitive market for most of the days during the month of May 2016. The average monthly market clearing price (MCP) was relatively lower during the month of May 2016 at 7.864 USc/KWhr when compared to the 8.532 USc/KWhr recorded in April 2016. Below is a summary of the daily average MCPs for the month of May 2016.

Fig 1.5 Daily Average MCP prices for the Month of May 2016.



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Revenue Performances

A total of **USD 3,297,992.67** was exchanged on the DAM, IDM, FPM-W and FPM-M markets during the month of May 2016 when compared to a total of **USD 3,664,197.76** exchanged in April 2016. The decrease is mainly attributed to the decrease in traded volumes.



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