



MONTHLY REPORT

APRIL 2009

Issue No. R2

Energising the region for economic development

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Meetings and Conferences

North-South Corridor

The three regional community blocks, the Southern African Development Community (SADC), the Common Market for East and Southern Africa (COMESA) and the East African Community (EAC) hosted the North-South corridor conference in Lusaka, Zambia, from 6-7 April 2009.

Over 800 participants attended the conference including four African Heads of States and several Government ministers. The Heads of State were H. E. President Motlanthe of South Africa (SADC Chair), H. E. President Mwai Kibaki of Kenya (COMESA Chair), H. E. President Yoweri Museveni of Uganda (EAC Chair) and H.E. Rupiah Banda of Zambia (host).

Also in attendance was the World Trade Organization (WTO) Director General, Deputy Secretary General of the African Union (AU) as well as high level representatives from the World Bank, Africa Development Bank, International Trade Centre, donor organizations and regional governments. The conference was organized to attract donor support for funding of corridors activities. Pledges of up to US\$1.2 billion were committed to the energy sector.

SADC Investors Roundtable

Preparations for the SADC Investors Roundtable (IRT) are progressing well. A meeting to map the way forward on the Roundtable was held in Lusaka, Zambia, on 7 April 2009 between the Government of Zambia, represented by the Department of Energy, SADC Secretariat, SAPP, DBSA, RERA, Energy Regulation Board (ERB) of Zambia, ZESCO and the consultant, Utho Capital.

The meeting agreed to form an Organising Committee to spearhead the conference preparations. The dates for the conference have now been set for 15-17 July 2009 in Livingstone, Zambia. A Project Owners' Workshop is planned for 18-19 June 2009 and will be hosted by the SAPP Coordination Centre in Harare, Zimbabwe. The Organising Committee met on 17 April 2009 and identified the key activities to be performed. Five sub committees were formed to spearhead the preparations.

ZIZABONA Management & Steering Committees Meetings

The 8th Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA) Management and the 3rd Steering Committees meetings took place in Maputo, Mozambique, from the 23-25 April 2009. Key amongst the issues discussed were the following agreements:

- i. The finalisation of the project timeline for phase-1 of the project. Phase-1 of the project is now expected to be completed and commissioned by December 2010. The contractor is expected to move on site by November 2009.
- ii. The finalisation and adoption of the terms of reference for the Project Coordinator.
- iii. The finalisation of the Inter-Governmental MOU and the Joint Development Agreement by June 2009.
- iv. The finalisation of power purchase and wheeling agreements by October 2009.

With the new timelines, members committed to sign off the Timeline and to strictly adhere to it.

26th SAPP Executive Committee Meeting

The 26th SAPP Executive Committee meeting took place in Maputo, Mozambique, on 27 April 2009. The aim of the meeting was to feed into the SADC Energy Ministers meeting that was planned for 29 April 2009 in Mozambique.



Members of the SAPP Executive Committee who attended the 26th SAPP Executive Committee meeting in Maputo, Mozambique

The meeting reviewed the status of power supply in the SADC region and the progress made in the implementation of power generation and transmission projects. The meeting also reviewed the status of DSM program and the way forward on the subject of cost-reflective tariffs.

Pledge to support South Africa's host for the FIFA 2010 World Cup

At a meeting of the SADC Energy Senior Government Officials and the SAPP Executive Committee meetings that took place in Maputo, Mozambique, on 27 April 2009, the SAPP signed the pledge to support South Africa and the 2010 FIFA World Cup™ in areas of Generation, Transmission, Customer Contributions and Demand Side Management initiatives. The pledge is the culmination of several months of planning and discussions aimed at ensuring that the World Cup is seen as a triumph for the entire African continent.

The initiative is part of Eskom's plans to ensure the reliability of electricity supply for the 2009 Confederations Cup™ and the 2010 FIFA World Cup™. The pledge of solidarity among the Southern African countries will be backed by commercial agreements to be negotiated and signed separately between SAPP members and Eskom and include initiatives that will ensure a targeted amount of power supplied, to be green power.



SAPP Executive Committee members pose for a photo after signing the FIFA 2010 Pledge to support Eskom

Some key parts of the agreement include ensuring adequate transmission capacity for the transfer of power to South Africa, preventative pre-event maintenance and clean servitudes, maximising plant production, energy efficiency initiatives and load management during the events.

SAPP members will also engage in demand-side initiatives and manufacturers will be encouraged to slow production during the evening peak and optimise production during the off peak periods. Some may also elect to take their plants off the grid for planned maintenance during game times, thus reducing pressure on the interconnected SAPP system.

The surplus power intervention would ensure that any surplus power capacity that SAPP members may have would be made available to Eskom as a contribution towards the 2009 and 2010 events.

Market Development

Day Ahead Market Trials and Opening

DAM Trials continued during the month of April 2009. There was an improvement in the number of participants during the month of April when compared to March 2009. Week 4 had the highest number of participants where five utilities BPC, Eskom, NamPower ZESA and ZESCO participated. DAM system performance during the month was satisfactory with system availability averaging 95%, access through the internet was 90% and through the email was almost 100%. This information is based on participants who attempted to access the system during the month. EDM and BPC reported difficulties in bids submissions. This was looked into and rectified for email accessibility. Challenges are still being experienced on internet accessibility. Efforts to improve internet access are being pursued with the internet service providers.

The SAPP Coordination Centre successfully conducted a DAM Certification Training Course in Maputo, Mozambique, from 28-29

April 2009 for 8 participants (6 from EDM and 2 from HCB).

System Operations

System Disturbances

No SAPP interconnected system disturbance was reported in the month of April 2009. Figure-1 below shows an updated outlook of reported SAPP system disturbances from May 2008 to April 2009.

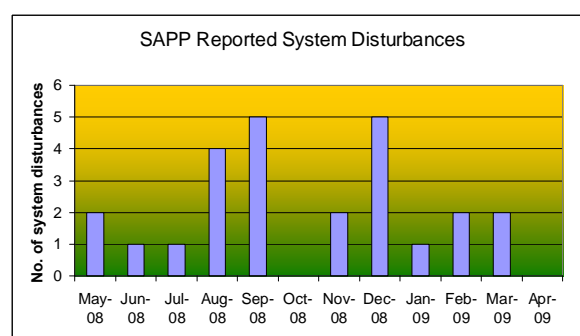


Figure 1: Reported SAPP system disturbances

Technical and Other Issues

Telecommunications Working Group

The SAPP Telecommunications Working Group (TWG) Published invitation to tender for supply and installation SCADA/EMS System and the responses are expected to be submitted by the 15th of May 2009. The TWG will meet in June 2009 to evaluate the tenders and also discuss the out standing TWG issues.

Environmental Corner

PCB Phase out Proposal

The Environmental Sub-Committee (ESC) members from all SAPP utilities are working on their inputs to the GEF sponsored PCB Phase out proposal. As a requirement for funding, governments of different countries are required to write letters of endorsement in support of the project. To date only Zimbabwe and South Africa have submitted such letters and other countries have been urged to follow suit.

SAPP Guidelines on CFLs Disposal

Draft Guidelines on the disposal of CFLs are now ready for presentation to the SAPP Management Committee. The Guidelines would ensure safe disposal of the mercury containing CFLs after use which will soon be introduced at a large scale within SAPP in its DSM Project.

Upcoming Events for 2009

DATE	EVENT
6 May 2009	SAPP-Sida- Norwegian Government Tripartite meeting. <u>Harare, Zimbabwe.</u>
11-13 May 2009	SADC Energy Thematic Group Meeting. <u>Maputo, Mozambique.</u>
19-22 May 2009	Africa Utility Week. <u>Cape Town, RSA.</u>
7-11 June 2009	Study Tour visit to SAPP <u>Harare, Zimbabwe.</u>
11-13 June 2009	NCPE Visit to SAPP <u>Harare, Zimbabwe</u>
16-18 June 2009	Roundtable Workshop <u>Harare, Zimbabwe</u>
15-17 July 2009	Investors Roundtable <u>Livingstone, Zambia.</u>
Sept	33 rd SAPP Meetings <u>Kinshasa, DRC</u>
Nov 2009	SAPP Executive Committee Meetings. <u>Lusaka, Zambia</u>