



# MONTHLY REPORT

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***Energising the region for economic development***

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## Meetings and Conferences

### 10<sup>th</sup> Africa Power and Electricity Congress and Exhibition

The 10<sup>th</sup> Africa Power and Electricity Congress and Exhibition were held in Johannesburg, South Africa, at the Sandton Convention Centre from 14-18 April 2008. The congress was officially opened by the Honourable Minister, Mrs Buyelwa Sonjica, Minister of Minerals and Energy of the Republic of South Africa.

In her opening address, the Minister narrated the challenges that Africa and particularly South Africa was facing in power liberalisation and structural changes for African growth. She also gave the future directions for power and energy

in South Africa. At the same venue, Eskom Managing Director for Systems Operations and Planning, Ms Erica Johnson, outlined the Eskom's strategic plans to meet the growing energy needs of South Africa and the impact of the expansion programme on the current and future tariff structures in South Africa.

The SAPP was included in the program and made a number of presentations covering energy and power supply plans for 2010 FIFA World Cup to be hosted by South Africa, strategies to boost SADC's electricity generation capacity and the status of the competitive market that the SAPP has developed.

### 24<sup>th</sup> SAPP Executive Committee Meetings

The 24<sup>th</sup> Meeting of the SAPP Executive Committee was held at the Protea Hotel in Johannesburg, South Africa, from 24-25 April 2008. The meeting was officially opened by the Deputy Director of the Department of Minerals and Energy of the Republic of South Africa, Ms Nelisiwe Magubane, standing in for the Minister.

The meeting elected Mr. Rhodnie Paul Sisala, the Managing Director of ZESCO (Zambia), as the new SAPP Executive Committee Chairperson. Mr. Pius Gumbi, the Managing Director of SEC (Swaziland) was elected as the Vice Chairperson.



*Some of the delegates who attended the meeting pose for a photo with the Deputy Director, Ms Nelisiwe Magubane, Department of Minerals and Energy of South Africa.*



*Ms Nelisiwe Magubane, Deputy Director of Minerals and Energy of South Africa, chatting with Mr. Freddie Motlathedi, Senior Energy Programme Manager at SADC Secretariat*



*Mr. Rhodnie Paul Sisala, the New Elected SAPP Executive Committee Chairperson. Mr. Sisala is the Managing Director of ZESCO, Zambia*

Mr. Manuel Cuambe, the former SAPP Executive Committee Chairperson and Chairman and CEO of EDM (Mozambique), was thanked by the members of the SAPP Executive Committee for his leadership during his tenure of office.

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### **SADC Energy Ministers and Senior Officials Meetings**

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On 30<sup>th</sup> April 2008 the SADC Ministers responsible for Energy met at the Grand Hotel in Kinshasa, Democratic Republic of Congo (DRC). The Ministerial meeting was preceded by a preparatory meeting of Senior Energy Officials, held on 28<sup>th</sup> and 29<sup>th</sup> April 2008.

The Ministerial Meeting was Chaired by Hon. Kenneth Konga, Minister of Energy and Water Development of Zambia and opened by Hon. Joseph Francois Nzanga Mobutu, Minister of State in-charge of Agriculture and Rural Development who represented the Prime Minister of the DRC.

The Ministers took note of the difficulties that the region is experiencing towards the fulfilment of its mandate of providing reliable and affordable energy to its people which was particularly fuelled by the diminished installed capacity in the power sector. The Ministers regretted the Energy Paradox where the region is experiencing energy shortfalls against the backdrop of enormous energy resources.

The Ministers having deliberated on the status of the Power Surplus Capacity in the Region noted the following:

- That there has hardly been investment in the power sector for the last twenty years, and that since power shortfalls were predicted as far back as 1999, very few projects to address the same were approved by the Member States for implementation;
- Where approved, implementation of projects has been very slow. The installed capacity in

the region as at April 2008 stood at 55,032 MW;

- Available capacity in April 2008 was 47,067 MW *vis a vis* available capacity of 43,518 MW in December 2007. An improvement of 8% in available capacity between December 2007 and April 2008 has been achieved ;
- The difference between installed and available capacity is currently about 8,000 MW ;
- A total of about 1,700MW was commissioned in 2007 in Angola, South Africa and Swaziland against a target of 1,925MW. In 2008, the SAPP has planned to commission 1,757MW against a planned target of 2,014MW;
- Power deficits would persist between 2008 and 2012, during which projects aimed at providing additional power to the region amounting to 6,550 MW shall be implemented and commissioned at a cost of US\$ 5 billion;
- Long term projects shall be implemented between 2008 and 2025 and shall provide additional power amounting to 44,000 MW at a cost of US\$ 41.5 billion.

In view of the situation outlined above Ministers considered and approved the structures proposed to accelerate implementation of power projects, which include project teams, comprising of utilities and Independent players in the power supply industry; and project steering committees comprising Government officials. Ministers noted the need to strengthen existing structures such as the Energy Ministerial Task Force, the SADC Secretariat, and subsidiary institutions of SADC such as SAPP and RERA. Nominations to the Project Teams and Steering Committees were noted and Member States and utilities, which have not nominated representatives to these structures, were directed to do so by the end of the meeting. Ministers also directed the Secretariat to source funding from potential partners to

facilitate training for the implementation of regional power projects' cycle. In terms of financing of regional projects, the Ministers noted support from the Development Bank of Southern Africa (DBSA) in terms of assistance in the formulation of a financing model for cross-border projects to ensure collective implementation and the hosting of an Investors' Round Table meeting, which has been scheduled for August 2008.

## Market Development

### 2<sup>nd</sup> DAM Refresher and Certification Course

The final Day-ahead market (DAM) Traders Certification and refresher course was held in South Africa from 14-16 April 2008. Fourteen participants from six utilities attended the workshop. A total of eight new traders were certified to trade on the DAM. The workshop focused on issues raised by the Traders during the DAM dummy trading period which started from January 2008.



*Some of the delegates who attended the DAM Traders Certification and Refresher Course.*

### Day Ahead Market Opening

At the SAPP Executive Committee meeting held in South Africa on 24-25 April 2008, the SAPP agreed to continue with market trials and that real exchange of finances will occur after the 15<sup>th</sup> of May 2008 when it is expected that all issues relating to market monitoring and surveillance would have been sorted out.

## Planning and System Operations

### System Disturbances in SNEL (DRC)

On 25 April 2008, the Nseke-SCK 220kV line in the DRC was vandalised and this resulted in phase to ground fault that eventually led to the 220/120kV 100MVA transformer tripping on overload condition. The SNEL exports to SAPP were interrupted as a result. Vandalism of the transmission lines in the DRC has become one of the biggest challenges for the SAPP interconnected network.

### Restoration of the Interconnected System

At the Emergency Meeting of the SADC Energy Ministerial Task Force that was held in Botswana on 21 February 2008, it was noted that the system disturbances which occurred on 19-21 January 2008 and between 2-3 February 2008 resulted in the SAPP operating as 3-separate Islands:

- ✓ Zambia-DRC ( ZESCO & SNEL),
- ✓ Zimbabwe-Mozambique ( ZESA, BPC-North & EDM/HCB), and the
- ✓ South Africa (Eskom, BPC, EDM, LEC, SEB, NamPower)

The Task Force gave the SAPP 60-days from the date of the meeting to restore the interconnected network.

The ZESA-BPC-Eskom (Zimbabwe-Botswana-South Africa) interconnector was returned to service on 3 April 2008. The SAPP was now finalizing the technical procedures to return to service the ZESCO-ZESA (Zambia-Zimbabwe) interconnector. In this regard, a Joint Technical Committee (JTC) comprising of experts from ZESA and ZESCO met in March 2008 at the Kariba Dam complex and exchanged notes. The JTC was planning to meet again on 9 May 2008 and will thereafter issue a final report. After the report, ZESCO would seek government approval to close the interconnector.

## Technical and Other Issues

### ZIZABONA Development Plan

On 25 April 2008 and during the 24<sup>th</sup> SAPP Executive Committee meeting, the Chief Executive Officers of BPC (Botswana), NamPower (Namibia), ZESA (Zimbabwe), and ZESCO (Zambia), signed the Zimbabwe-Zambia-Botswana-Namibia, code named “ZIZABONA”, transmission project and development plan. The planned transmission line would link Hwange substation in Zimbabwe, proceeding to a proposed substation in Pandamatenga area in Botswana and then terminating at the Zambezi substation in Namibia. The project will also include a line from Victoria Falls in Zimbabwe to Livingstone in Zambia. The interconnector will link the four respective countries’ electricity networks and would decongest the central transmission corridor.



*(Left to Right): Mr. Jacob Raleru, BPC Acting CEO; Mr. Rhodnie P. Sisala, ZESCO Managing Director; Mr. Ben Rafemoyo, ZESA Holdings CEO; and Mr. Paulinus Shilamba, NamPower Managing Director; signing the ZIZABONA Development Agreement.*

## Inter-Utility MOU Signed

On 30 April 2008, the SNEL (DRC) Chief Executive Officer, Mr. Yengo Massampu, signed the Revised Inter-Utility MOU. SNEL was the last SAPP member utility to sign the Revised Inter-Utility MOU. The Revised Inter-Utility MOU will now be implemented by the SAPP as during 2008.



SNEL CEO, Mr. Yengo Mssampu, centre, signing the Revised Inter-Utility MOU. On his right is Prof. L. Kitoko and on his left is Mr. Kayombo Kayan, and standing behind are SAPP delegates.

## Upcoming Events for 2008

| DATE       | EVENT  |
|------------|--|
| 14 May     | SAPP-Norwegian Government-Sida Annual General Meeting.<br><b><u>Harare, Zimbabwe</u></b>     |
| 19-22 May  | Africa Utility Week.<br><b><u>Cape Town, South Africa.</u></b>                               |
| 27-28 May  | Industrial and Commercial Use of Energy Conference.<br><b><u>Cape Town, South Africa</u></b> |
| 24-26 June | UPDEA Congress. <b><u>Nairobi, Kenya</u></b>   |
| 2-4 July   | Africa Energy Forum. <b><u>Nice, France</u></b>  |
| August     | SAPP-Financiers Roundtable Meeting. <b><u>Midrand, South Africa.</u></b>                     |
| September  | 31 <sup>st</sup> SAPP Meetings.<br><b><u>Maputo, Mozambique.</u></b>                         |
| November   | 25 <sup>th</sup> SAPP Executive Committee Meeting. <b><u>Kinshasa, DRC.</u></b>              |

## Environmental Corner

### PCB Management Guidelines and Hydropower EIA Guides

The SAPP PCB Management Guidelines as well as the Hydropower EIA Guidelines were approved by the Management Committee and are now available on the SAPP Website ([www.sapp.co.zw](http://www.sapp.co.zw)). A presentation on the Guidelines was also made to the SAPP Executive Committee members during their meeting in Johannesburg in April 2008.