



SAPP MARKET MONTHLY PERFORMANCE REPORT

February 2015

Promoting a Regional Competitive Electricity Market

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1. Monthly Market Performance Highlights

1.1 Participation Levels

There were ten (11) active portfolios from nine (9) members during the month of February 2015, one more portfolio and participant when compared to January 2015 records.

1.2 Market Liquidity

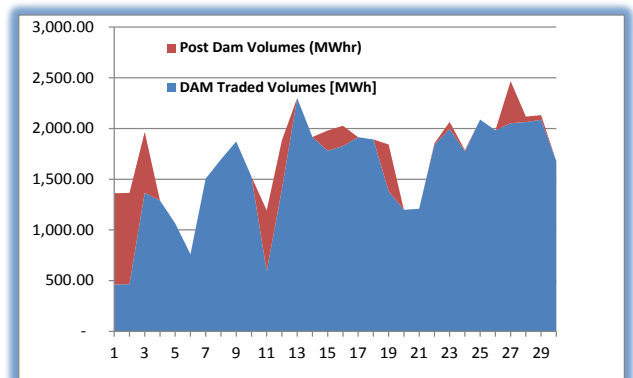
Trading in the market was lower during the month of February 2015 when compared to the traded volumes in January 2015. With regards to bids submitted, there were more buy bids than sale offers received in February 2015 in the day ahead market trading platform. A total of **40,406 MWh Sale offers** and a total of **252,420 MWh Buy bids** were received in February 2015. There was a huge decrease of **100,200 MWh** or **71.26%** in **Sale offers** received and a decrease of **32,984 MWh** or **11.56%** in **Buy bids** received in February 2015 when compared to January 2015 figures of **140,606 MWh Sale offers** and **252,420 MWh Buy bids** received. There could have been more trade in the market were it not for many generator outages that was experienced during the month.

Total traded volumes on DAM and PDAM was relatively lower in February 2015 at **32,321.20 MWhr**. Of this, **95.42%** or **30,841.20 MWhr** was traded on DAM while **1,259.70 MWh** or **4.58%** was traded in PDAM. PDAM increased by **671.81%** in

February 2015 when compared to January 2015 where **220.30 MWh** was traded in PDAM. On the other hand DAM traded volume decreased by **10,881.60 MWhr** or **26.08%** from the **41,772.80 MWhr** recorded in January 2015.

The market share for the competitive market in the months of April to January 2015 was around 8% when compared to 4% that was achieved for April, May and June 2014.

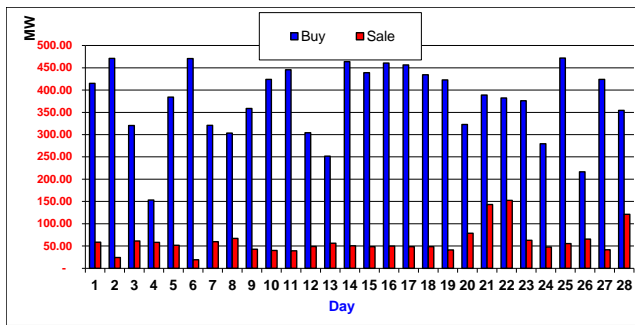
Below is the trend of trading in DAM and PDAM in February 2015.



Of interest to note is the continued reduction in PDAM trades from May 2014. This is a sign that there was more matching on DAM from May 2014.

There was matching of bids in DAM for **28 days and 672 hours** or **100%** of the time during the month of February 2015. However due to transmission constraints, trading occurred for **28 days and 656 hours (including PDAM)** or **97.62%** of the time. In comparison, matching occurred for **31 days and 744 hours** or **100%** with trading occurring for **31 days and 715 hours** or **96.10%** of the time during the month of January 2015. Below are summaries of market performance in terms of volumes traded, offers and bids received during the month of February 2015.

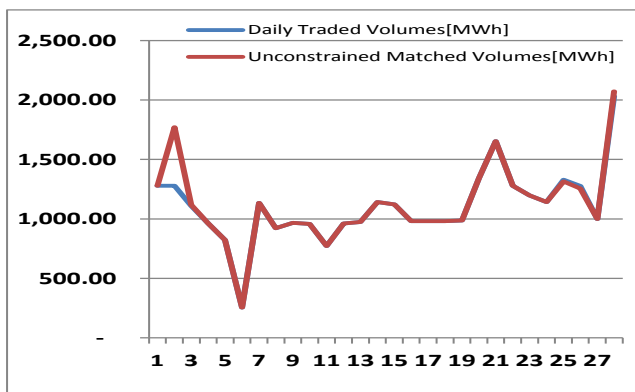
Fig 1.1 Total Buy and Sale Bids Received Daily in February 2015 (MWh).



1.3 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 **31,347 MWhr (excluding PDAM)** that were matched on the DAM trading platform **30,841.20 MWh** was able to be traded during the month of February 2015. In comparison, January 2015 had a total of **48,917 MWhr** that was matched on DAM resulting in **41,722.80 MWh** being traded and **7,194.40 MWh** or **14.71%** failing to be traded in DAM due to lack of transmission path as DAM trades on the Insukamini-Phokoje corridor.

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



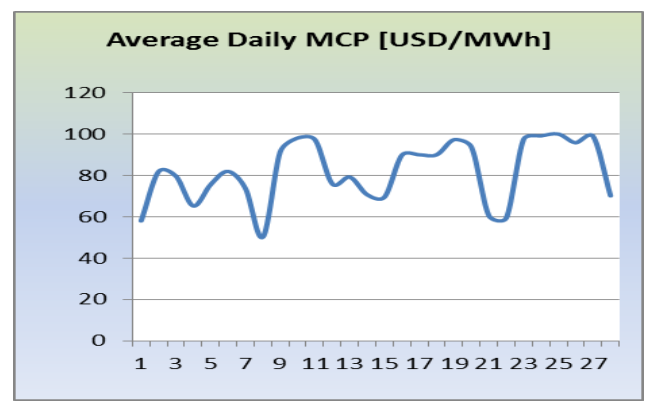
As can be seen from above graph, the matched and traded volumes were close to each other in most instances, a sign that there were less transmission constraints during the month of February 2015.

No congestion income was collected in February 2015 as was the case in January 2015.

1.4 Market Clearing Prices (MCPs)

Prices were steady on the market for most of the days during the month of February 2015. The average monthly market clearing price (MCP) rose sharply during the month of February 2015 to **8.187 USc/KWhr** when compared to the **6.670 USc/KWhr** recorded in January 2015. MCP prices have been averaging around **7.000 USc/KWhr** in the previous months. Below is a summary of the daily average MCPs for the month of February 2015. The general increase in sale prices currently prevailing on the market often resulted in less matching of bids.

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



1.5 Revenue Performances for Feb. 2015

A total of **USD 1,989,129.81** was exchanged on the DAM and PDAM market during the month of February 2015 when compared to a total of **USD 2,398,557.57** exchanged in January 2015. The reduction is mainly attributed to the reduction in traded volumes.