



Promoting a Regional Competitive Electricity Market

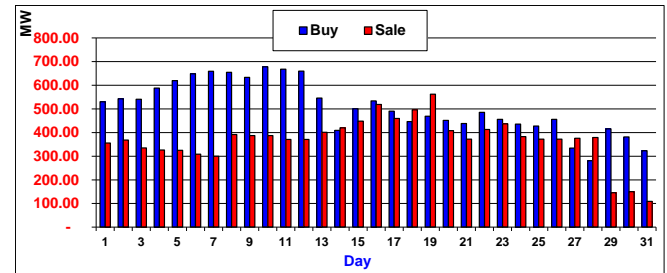
August 2015



for many generator outages that was experienced during the month.

Below is a summary of the buy and sale bids received in August 2015.

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



August 2015 recorded the highest traded volumes so far on the market in a single month with a total of 115,994.50 MWhr being traded on DAM and PDAM. Of this, 82% or 94,898.80 MWhr was traded on DAM while 21,095.70 MWh or 18% was traded in PDAM. PDAM increased by 11,852.00 MWh or 128% in August 2015 when compared to July 2015 where 9,243.20 MWh was traded in PDAM. On the other hand DAM traded volume increased by 10,110 MWhr or 11% from the 84,788.8MWhr recorded in July 2015.

There was matching of bids in DAM for 31 days and 708 hours or 98.33% of the time during the month of August 2015. When PDAM is included, trading occurred for 735 hours (including PDAM) or 99% the time. In comparison, matching occurred for 31 days and 719 hours or 99.86% with trading occurring for 31 days and 744 hours or 100% of the time during the month of July 2015.

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

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### Market Performance Highlights

#### Participation Levels

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

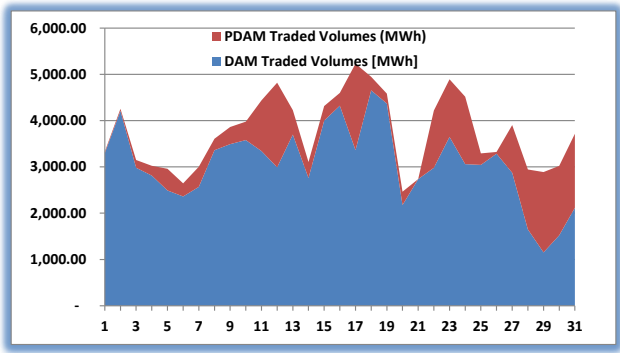
#### Market Liquidity

Trading in the market was relatively higher during the month of August 2015 when compared to the traded volumes in July 2015. With regards to bids submitted, there were more buy bids than sale offers received in August 2015 in the day ahead market trading platform. A total of 274,825 MWh Sale offers and a total of 376,915 MWh Buy bids were received in August 2015. There was a significant increase of 163,081 MWh or 146% in Sale offers received and an another huge decrease of 113,343 MWh or 23% in Buy bids received in August 2015 when compared to July 2015 figures of 111,744 MWh Sale offers and 490,258 MWh Buy bids received. There could have been more trade in the market were it not



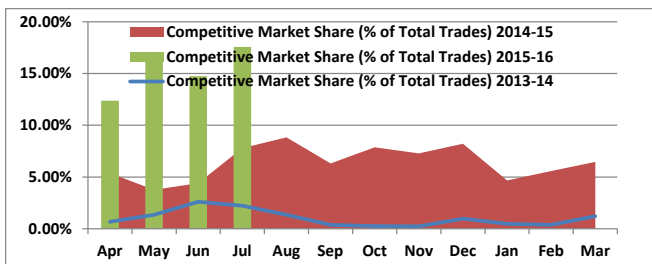
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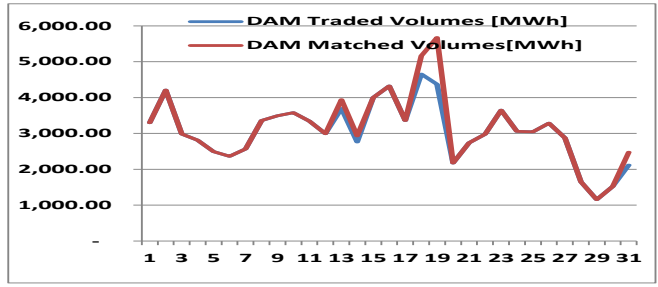


As a result of the high trades recorded on the market, market share for the competitive market was around 18% for the month of August 2015. Market share so far averaged 15% in 2015/16 compared to around 6% in 2104/15 and 1% in 2013/14.

Below is market share trend for 2013/14, 2014/15 and 2015/16 financial years.



**Fig1.2 Impact of Transmission Constraints on DAM Trading for the month of August 2015.**

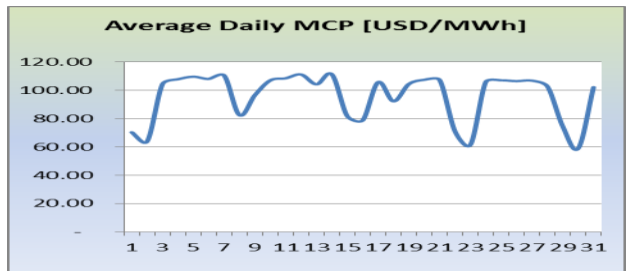


As can be seen from above graph, the matched and traded volumes were equal or very close to each other in most instances, a sign that there were less transmission constraints during the month of August 2015.

**Market Clearing Prices**

Prices continued to rise on the market for the month of August 2015. The average monthly market clearing price (MCP) increased during the month of August 2015 to 9.586 USc/KW hr when compared to the 9.112 USc/KW hr recorded in July 2015. Below is a summary of the daily average MCPs for the month of August 2015.

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



**Revenue Performances**

A total of **USD 9,545,150.55** was exchanged on the DAM and PDAM market during the month of August 2015 when compared to a total of **USD 7,104,712.74** exchanged in July 2015. The increase is mainly attributed to the increase in traded volumes.

**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 97,483 MWhr that was matched on the DAM trading platform 94,898.80 MWh or 97.3% was able to be traded during the month of August 2015 leaving only 2.7% of what was matched failing to be traded as a result of transmission constraints. In comparison, July 2015 had a total of 92,612 MWhr that was matched on DAM resulting in 84,788.80 MWh being traded and 17,823MWh or 8.5% failing to be traded in DAM due to lack of transmission path especially on the Insukamini-Phokoje corridor.



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