

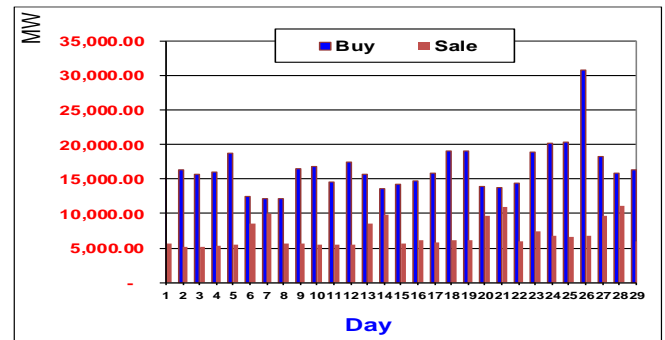


Promoting a Regional Competitive Electricity Market

February 2016



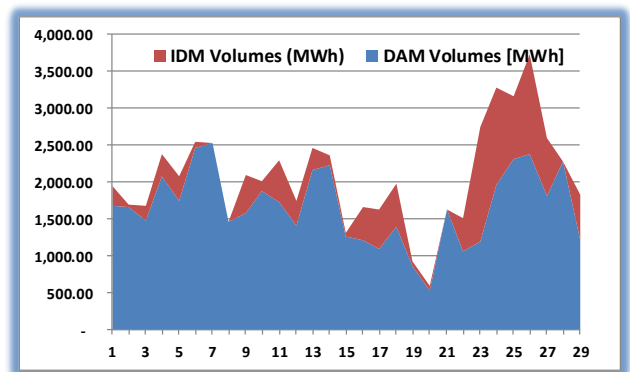
Fig 1.1 Total Buy and Sale Bids Received Daily in February 2016 (MWh).



Total traded volumes on DAM and intra-day market (IDM) was relatively lower in February 2016 at 60,168.40 MWh when compared to January 2016. Of this, 80% or 48,251.40 MWh was traded on DAM while 11,917.00 MWh or 20% was traded in IDM. IDM increased by 3,397 MWh or 40% in February 2016 when compared to January 2016 where 8,520.00 MWh was traded on IDM. On the other hand, DAM traded volume decreased by 11,735.30 MWh or 20% from the 59,986.70 MWh recorded in January 2016.

Below is the trading trend in DAM and IDM for the month of February 2016 and also for 2015/16 financial year.

Fig 1.2 Traded Volumes in MWh in DAM and IDM for the month of February 2016.



### CONTENTS

Participation Levels .....	1
Market Liquidity .....	1
Impact of Transmission Constraints .....	2
Market Clearing Prices .....	2
Revenue Performances .....	2

### Participation Levels

There were eight (8) active portfolios from seven (7) members during the month of February 2016, one portfolio and one participant less when compared to January 2016 records.

### Market Liquidity

Trading in the market was lower during the month of February 2016 when compared to January 2016. With regards to bids submitted, there were more buy bids than sale offers received in February 2016 in the day ahead market (DAM) trading platform. A total of 202,236 MWh Sale offers and a total of 479,437 MWh Buy bids were received in February 2016. There was a decrease of 37,533 MWh or 16% in Sale offers received and another decrease of 28,437 MWh or 6% in Buy bids received in February 2016 when compared to January 2016 figures of 239,769 MWh Sale offers and 507,874 MWh Buy bids received.

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



**Southern African Power Pool (SAPP)**  
 24 Golden Stairs Road, P.O. Box EH52, Emerald Hill,  
 Harare, Zimbabwe,  
 Tel: +263-4-335517/335558 / 335468 Fax: +263-4-307023  
 Email: [info@sapp.co.zw](mailto:info@sapp.co.zw) Website: [www.sapp.co.zw](http://www.sapp.co.zw)

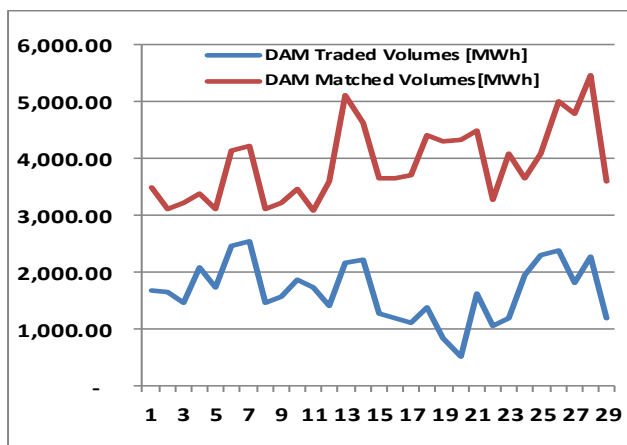


There was matching of bids in DAM for 29 days and 671 hours or 96.41% of the time during the month of February 2016. However, due to transmission constraints, trading occurred for 29 days and 666 hours (including IDM) or 95.7% the time. In comparison, matching occurred for 31 days and 723 hours or 97.18% with trading occurring for 31 days and 712 hours or 95.7% of the time during the month of January 2016.

### Impact of Transmission Constraints

Transmission access for the competitive market was constrained in the month of February 2016. As a result of this, out of a total of 113,538MWh that were matched on the DAM trading platform 48,251.40 MWh was able to be traded during the month of February 2016 resulting in 65,286.80MWh or 60.1% of the matched volume failing to be traded due to transmission constraints mainly on the Botswana-Zimbabwe-Zambia interconnections. In comparison, January 2016 had a total of 120,215 MWh that was matched on DAM resulting in 59,986.70 MWh being traded and 60,228.50 MWh or 50% failing to be traded in DAM due to lack of transmission path as DAM trades on mainly on the Botswana-Zimbabwe-Zambia interconnections.

**Fig 1.3 Impact of Transmission Constraints on DAM Trading for the month of February 2016.**



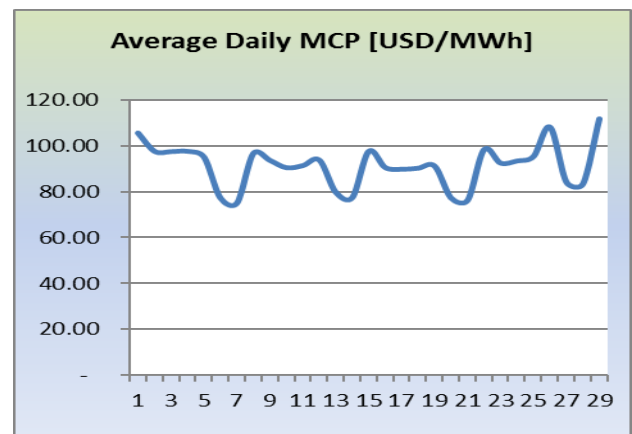
As can be seen from above graph, there is significant differences between matched and traded volumes during the month of February 2016

as a result of increased transmission constraints for the competitive market. There was a general increase in bilateral contracts that take most of the path ahead of the competitive markets. During off peak periods there was very limited transmission capacity for the competitive market especially on the BPC-ZESA-ZESCO corridor.

### Market Clearing Prices

Prices were relatively stable on the competitive market for most of the days during the month of February 2016. However, the average monthly market clearing price (MCP) was relatively higher during the month of February 2016 at 9.139USc/KWh when compared to the 8.178USc/KWh recorded in January 2016. Below is a summary of the daily average MCPs for the month of February 2016.

**Fig 1.4 Daily Average MCP prices for the Month of February 2016.**



### Revenue Performances

A total of **USD 5,563,004.08** was exchanged on the DAM and IDM markets during the month of February 2016 when compared to a total of **USD 5,553,309.94** exchanged in January 2016. The decrease is mainly attributed to the decrease in traded volumes.



**Southern African Power Pool (SAPP)**  
24 Golden Stairs Road, P.O. Box EH52, Emerald Hill,  
Harare, Zimbabwe,  
Tel: +263-4-335517/335558 / 335468 Fax: +263-4-307023  
Email: [info@sapp.co.zw](mailto:info@sapp.co.zw) Website: [www.sapp.co.zw](http://www.sapp.co.zw)

