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Meetings, Workshops and Conferences

SAPP Market Trading Platform Development

Development of bilateral wheeling and losses settlement and energy imbalance settlement calculations modules was completed and commissioned during the month of January 2016. The modules to carry out the settlement calculations for bilateral wheeling and energy imbalances were incorporated in the SAPP

Market Trading Platform (SAPP-MTP) and are now available and ready for use by members.

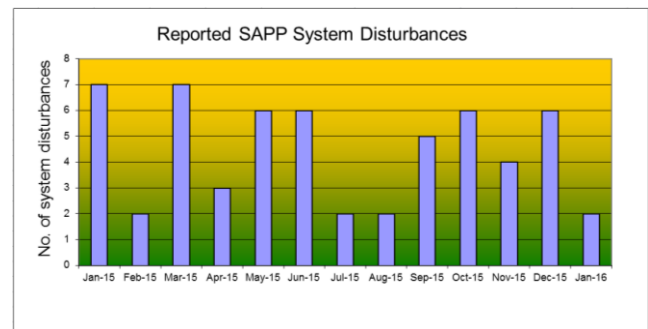
SAPP Pool Plan Kick-off Meeting

Following a competitive bidding process the SAPP appointed Economic Consulting Associates of UK for the updated of the SAPP Regional Generation and Transmission Expansion Master Plan. The first kick of meeting on the project took place at the SAPP Offices from 20 to 21 January 2016. The project is being supported by the World Bank grant.

System Operations

System Disturbances

In the month of January 2016, two (2) SAPP system disturbances were reported. In the first one, the 220 kV Zambia - DR Congo interconnector tripped due to a broken conductor. In the second one, a suspected faulty isolator at a major substation in Zambia led to tripping of transmission lines, generators and a substantial customer load in Zambia. Figure below gives an outlook of reported SAPP system disturbances.



Reported SAPP System Disturbances



Update on SAPP Projects

Zimbabwe – Zambia- Botswana –Namibia (ZIZABONA) Transmission Project

The financing and contracting strategy is still being discussed internally by the Project sponsors.

Mozambique - Zimbabwe - South Africa (MOZISA) Inter-connector Project

The technical inputs report was delivered by the Transaction Advisor. The development of the steady state model is now in progress. The environmental and social impact assessment along the line route is also in progress.

400kV Botswana – South Africa (BOSA) Project

Clarifications from the bidders are still in progress following the financial evaluation for the Botswana–South Africa Interconnector Project.

Angola – Namibia (AnNa) Inter-connector Project

The Inter-Utility Memorandum of Understanding (IUMOU) on the project is being finalized by the two utilities, RNT and NamPower.

Kafue Gorge Lower Power Generation Project

Construction of the 750 MW Kafue Gorge Lower hydropower project in southern Zambia is ready to begin. The project site was handed over to Sinohydro Corporation of China in late November 2015, at a ceremony attended by Zambia's President, Edgar Lungu. The launch of the project follows the signing of an agreement in October 2015 between Zambia's national power utility, ZESCO, and Sinohydro for the financing and construction of the US\$ 2 billion project. Under Engineering, Procurement and Construction contract, the Chinese contractor is going to build the project within 51 months. The

contractor will also arrange debt financing from China Exim Bank and Industrial and Commercial Bank of China to fund the project. The Government of Zambia will fund 15 per cent of the cost equity, while the remaining fund will be contributed by the contractor. The power station will alleviate the power shortages not only in Zambia but also in the Southern African Power Pool. [Source: *The International Journal on Hydropower & Dams*, Volume 23, Issue 1, 2016]



Zambian President, Edgar Lungu, unveils a nameplate at the launch ceremony of Kafue Gorge Lower Hydro-power project in Chikankata, Zambia, on 28 November 2015

Electricity Trading

Energy Traded

Total traded volumes on DAM and IDM was relatively lower in January 2015 at 68,506.70 MWhr. Of this, 88% or 59,986.70 MWhr was traded on DAM while 8,520.00 MWh or 12% was traded in IDM. IDM decreased by 18,959.80 MWh or 69% in January 2016 when compared to December 2015 where 27,479.80 MWh was traded in IDM. On the other hand DAM traded volume decreased by 38,039.70 MWhr or 39% from the 98,026.40 MWhr recorded in December 2015.

Market Clearing Prices

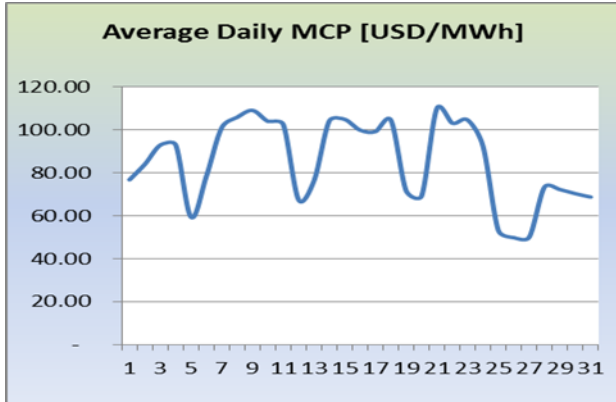
Prices were relatively stable in the market for most of the days during the month of January 2016. The average monthly market clearing



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price (MCP) was slightly lower during the month of January 2016 at 8.17 USc/KWhr when compared to the 8.55 USc/KWhr recorded in December 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 January 2016. The general increase in sale prices currently prevailing on the market often resulted in less matching of bids



Daily Average MCP, January 2016

Market Revenues

A total of **USD 5,553,309.94** was exchanged on the DAM and IDM market during the month of January 2016 when compared to a total of **USD 7,375,518.36** exchanged in December 2015. The decrease is mainly attributed to the decrease in traded volumes.

Environmental Corner

Environmental and Social Management Framework for SAPP

Procurement for a consultant to undertake the Environmental and Social Management Framework (ESMF) for the SAPP is underway. A pre-proposal conference was convened with shortlisted consultant where all clarifications were done by the Southern African Power Pool team together with a team from the Project Acceleration Unit. Proposals will be submitted by 11 February, 2016.

Itezhi-tezhi Approved for Clean Development Mechanism (CDM)

The 120 MW Itezhi Tezhi hydropower project on the Kafue River in central Zambia has received Clean Development Mechanism (CDM) approval from the United Nations Framework Convention on Climate Change (UNFCCC). The power station is being built and will be operated in a joint venture between ZESCO, the national power utility in Zambia, and Tata Power of India. The project, registered under CDM project activity in September 2015, is expected to result in a reduction of about 5.9×10^6 tonnes of CO₂ emissions over the ten-year credit period. [Source: *The International Journal on Hydropower & Dams*, Volume 23, Issue 1, 2016]



Itezhi Tezhi Power Station under Construction



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Upcoming Events

DATE	EVENT
13-14 Jan 2016	Bilateral Wheeling and Energy Imbalance Modules SAT, Johannesburg, South Africa
14 – 15 Jan 2016	SAPP-RERA-USAID Meeting, Johannesburg, South Africa
19 Jan 2016	BOSA Project Meeting, Harare, Zimbabwe
20 – 21 Jan 2016	SAPP Pool Plan Kick-off Meeting, Harare, Zimbabwe
20 – 22 Jan 2016	SAPP World Bank Meeting, Johannesburg South Africa
26 Jan 2016	SAPP Environmental & Social Management Framework Pre-Proposal Meeting, Harare, Zimbabwe
2 - 4 Feb 2016	SAPP-MTP Certification Training, Johannesburg, South Africa
3 – 4 Feb 2016	Crime Prevention Working Group, Gaborone, Botswana
9 Feb 2016	Eskom-BPC-ZESA-ZESCO meeting on interconnector protection, Harare, Zimbabwe
9 Feb 2016	SAPP Stanbic Bank Meeting, Harare, Zimbabwe
9 – 11 Feb 2016	Visit to SAPP, Senior Transaction Advisor, Harare, Zimbabwe
11-12 Feb 2016	Joint PSC/MSC Meeting on Transmission Pricing, Harare, Zimbabwe
16-18 Feb 2016	8 th Annual Africa Energy Indaba, Johannesburg, South Africa
22-24 Feb 2016	46 th SAPP Management Committee Meetings, Luanda, Angola
24 Feb 2016	SADC Energy Thematic Group Meeting, Gaborone, Botswana
22-25 March 2016	Power Pool Meetings / APUA Scientific Committee Meeting, Dakar, Senegal
31 March 2016 Confirmed	40 th SAPP Executive Committee Meeting, Dar es Salaam, Tanzania



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