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Meetings, Workshops and Conferences

SADC Investors Conference and Energy Ministers Meetings

The SADC Energy Ministers meeting was held in Manzini, Swaziland on 11 July 2017 and was followed by the SADC investors conference. The status of the priority generation and transmission projects were presented.

SAPP Legal Working Group Meeting

The SAPP Legal Working Group met in Johannesburg, South Africa to finalize a number of documents that are under review.

SAPP Finance Working Group Meeting

The Finance Working Group met in Harare, Zimbabwe on 6 July 2017. The main objective of the meeting was to review the audited financial statements for SAPP as well as to review the report to management which was issued by the external auditors.

MSC IT Task Team Meeting

The Markets Sub Committee IT Task Team held a meeting on the 21st and 22nd of July 2017. The meeting was a follow up meeting of the first meeting, which was held to Investigate and give a professional advice on cloud hosting for the MTP system to the Markets Sub Committee. A detailed report on cloud hosting was drafted and the report will be presented to the MSC - Members during the next SAPP Meetings.

SAPP Demand Side Management Working Group Meeting

The Demand Side Management Working Group (DSMWG) convened a meeting in Maputo, Mozambique from 24 to 25 July 2017. Members agreed to focus on energy efficient sales with emphasis on

- Energy availability factor
- Maintaining sales to the current connected customers
- Undertaking a network profile analysis
- Focusing more on customer benefits and lifestyle using social aspects perceptions
- Adoption of procedures for adequate implementation of Measurement and verification guidelines by utilities for uniform and independent assessment

The DSMWG is seized with the requirement for best practices in Integrated Demand

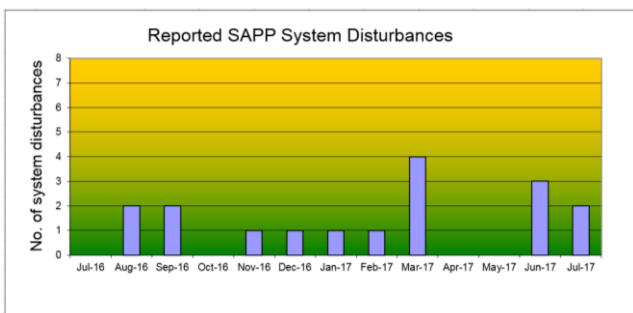


Management (IDM) activities and quality output performance for impact. To attain the status, a Benchmark Study Visit overseas was agreed upon and terms of reference are currently being developed as well as sourcing of funding for the study visit.

System Operations

System Disturbances

In the month of July 2017, two SAPP system disturbances were reported. The first one was a power system frequency excursion incident due to loss of generation units in South Africa. The second one was caused by a bus bar fault at an interconnection substation in Botswana. The Botswana - Zimbabwe 400 kV interconnector tripped and the Botswana system experienced cascading tripping of equipment and loss of load. Refer to Figure below for an outlook of reported SAPP system disturbances.



Reported SAPP System Disturbances

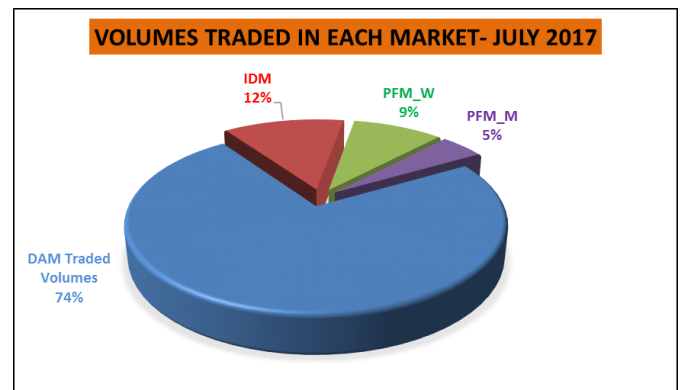
Equipment Outage

Various planned equipment maintenance works were carried out in the month of June 2017. Of these, only one affected energy interchange among SAPP countries.

Electricity Trading

Energy Traded

Trading in the market was significantly higher during the month of July 2017 when compared to June 2017. Total traded volumes on the Day Ahead market (DAM), intra-day market (IDM), Forward Physical Market Monthly (FPM-M) and Forward Physical Market Weekly (FPM-W) increased by 28.4% to 162,787.7 MWh in the month of July 2017, from the June 2017 figure of 126,795.9MWh. Below is the overview of volumes traded in DAM, IDM, FPM-M and FPM-W for the month of July 2017.



Traded Volumes in MWh in DAM, IDM, FPM-W and FPM-M for the month of July 2017.

Market Clearing Prices

FPM Monthly Prices

Non off-peak prices marginally increased by 0.8% from 7.432USc/KWh in June 2017 to 7.495USc /KWh in July 2017. Off Peak prices also marginally decreased by 5.3% from 4.456 USc/KWh in June 2017 to 4.22 USc/KWh in July 2017.

FPM Weekly Prices

The average price for the Peak period was lower by 8.3% at 10.179USc/KWh in July 2017 from the June average peak price of 11.101USc/KWh. Standard period average prices decreased from



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the June 2017 average prices of 6.448 USc/KWh to 6.174 USc/KWh in July 2017. The average Off-Peak price also decreased by 3.2% from 3.003USc/KWh in June 2017 to 2.908USc/KWh in July 2017.

Day Ahead Market

The monthly average Day Ahead market clearing price (MCP) was slightly lower during the month of July 2017 at 4.92USc/KWh when compared to the 5.531USc/KWh recorded in June 2017. Below is a summary of the daily average MCPs for the month of July 2017.



Daily Average MCP prices for the month of June 2017.

Market Revenues

A total of **USD 7,719,656.27** was exchanged on the DAM, IDM, FPM-W and FPM-M market during the month of July 2017 when compared to a total of **USD 7,744,117.48** exchanged in June 2017. The decline is mainly attributed to the changes in traded volumes.

Update on SAPP Projects

Angola Namibia Interconnector Project

Technical Committee and Management Committee meetings on the Angola - Namibia Interconnector project were held in Luanda, Angola. The draft concept report was issued in July 2017.

Botswana – South Africa Interconnector Project

The line route for the Botswana – South Africa (BOSA) interconnector was changed to take into account the location of the Watershed B substation in South Africa. The change has been managed such that there is least impact on the project timeline for the feasibility study.

Environmental Corner

SAPP Grid Emission Factor Update

The update of the SAPP Standardized Baseline (SB) for the interconnected electricity system of Southern Africa currently being done by GFA Consulting Group is 90% complete. This Standardized Baseline determines the CO2 emission intensity of the electricity system. This SB is applicable to all the nine inter-connected SAPP countries. Some countries signed the Grid Emission factor (GEF) while some indicated to the United Nations Framework Convention on Climate Change (UNFCCC) office that they are ready to sign. However, the Department of Energy (DoE), South Africa raised some questions on data for Medupi and Dedisa and discussions are currently underway between DoE, Eskom and the consultant on the way forward. Approval process by the UNFCCC is expected to commence once there is full agreement on data issues with DoE, RSA. The Standardized Baseline will allow for developing carbon finance approaches e.g. under the Clean Development Mechanism (CDM), and supports the assessments of carbon footprints of individual companies as well as the Greenhouse Gas (GHG) accounting and reporting of individual countries.



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Upcoming Events

DATE	EVENT
1 – 2 Aug 2017	CPWG Meeting, Walvis Bay, Namibia
2 – 4 Aug 2017	ZIZABONA Finance, Technical and MANCO meetings, Johannesburg, South Africa
16 – 17 Aug 2017	COMESA – first meeting of the Steering Committee, Lusaka, Zambia
17 Aug 2017	PDRA, Maseru, Lesotho
21 – 23 Aug 2017	Zambia Tanzania Kenya Final Draft Worksop, Arusha Tanzania
22 – 24 Aug 2017	SAPP System Controllers Training on Use of SAPP-MTP, Johannesburg, South Africa
29 Aug 2017	MOZISA Management Committee Meeting, Johannesburg, South Africa
4 – 8 Sept 2017	SAPP Management Committee Meetings, South Africa
19 - 21 Sept 2017	SAPP - EAPP Transmission Integration Study Workshop, Lusaka, Zambia
19 October 2017	SAPP Executive Committee Meeting, Malawi
Nov 2017	SAPP Human Resources Working Group, Harare, Zimbabwe
6 – 18 November 2017	Conference of Parties (COP) 23 on Climate Change, Bonn, Germany



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