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Meetings, Workshops and Conferences

SAPP Sub Committee and Management Committee Meetings

The 58th SAPP Management Committee were held virtually, starting with sub-committee meetings on 22 February 2022 and ending with the Management Committee on 25 February 2022. SAPP members deliberated on various power system planning, system operations, energy markets, environmental, and governance issues.

Med-TSO/MedReg Workshop

SAPP attended and made presentations at the Med-TSO/MedReg Workshop looking at Mediterranean region trading in electricity. Areas covered during the workshop included the role of TSOs, role of Grid Codes and role of regulators. Other presentations were from DG Energy, ENTSO-E, GCCIA and Energy Community.

System Planning

SAPP Database Management System

The Consultant issued the draft report, and the report was circulated to the SAPP Planning Sub-Committee for comments.

Continental Master Plan Update

The Consultant issued resource assessment, techno-economic data and assumptions report. This was circulated to utilities for comments.

SAPP Load forecasting Review

The SAPP acquired the EViews load forecasting software for all utilities. This would be the standard tool that utilities will use to determine the country load forecasts for SAPP regional planning purposes. Special training will be arranged for the utilities.

Update on SAPP Projects

Angola – Namibia Interconnector Project

On 17 February 2022, the PAU held the ANNA Project MANCO, in Johannesburg, South Africa, to commission the Part 3 component of the project. Physically present at the MANCO meeting was the resident PAU team, Zutari – the Technical and ESIA consultant on the project, NamPower, RNT,



DBSA. Other key stakeholders participated in the MANCO meeting virtually.

The Part 3 scope of works comprises the following deliverables:

- Updated Market Analysis
- Updated Financial Model
- Contract Support (Variable cost)
- Kunene Preliminary Design Update
- Tender Documentation
- Environmental and Social Governance

Implementation of Part 3 started effective 17 February 2022.

Baynes Hydro-Power Plant Transmission Project

On 21 February 2022, the PAU finalised the revision of Technical Feasibility study TORs, by ensuring a high degree of alignment between the technical and ESIA TORs. The revised TOR documents were submitted to the NEPAD-IPPF and SwedFund for final review and approval. The amendment of technical TORs with the EISA ones mainly focused on strengthening alignment needs at the following stages:

- At Prefeasibility study stage, a sequencing of tasks, where the technical, and environmental and social screening processes are well aligned to contribute to the establishment of alternative transmission route options.
- At Feasibility study stage, a sequencing of tasks, where the detailed analysis of alternative transmission route options leads to the identification and selection of preferred route options, using the multiple criteria assessment method, resulting in a set of optimal techno-economic solutions and least cost mitigated environmental and social

impact, for each preferred transmission route scheme.

Approval of the amended technical TORs and technical procurement plan by NEPAD-IPPF, will advance the procurement process to Request for Proposal (RFP) stage. Similarly, approval of ESIA and procurement clarifications by SwedFund will initialise the Expression of Interest (EOI) procurement process.

Kolwezi – Solwezi Interconnector Project

On 16 February 2022, the PAU handed over to the AfDB and NEPAD-IPPF final Feasibility Study and ESIA Study reports for the project.

Malawi – Zambia Interconnector Project

Both the technical and ESIA studies for the proposed Malawi – Zambia Interconnector are funded by the World Bank under the SAPP Program for Accelerating Regional Energy/Transformational Projects.

Technical Study:

Contract negotiations have been completed and the approval of the draft contract is under consideration.

ESIA Study:

The contract negotiations which were earlier planned to be conducted in February will now take place in March 2022.

Mozambique – Zambia Interconnector Project

The techno-economic and ESIA studies for the Mozambique – Zambia Interconnector are funded by the AfDB (NEPAD-IPPF) and the World Bank under the AREP.



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Techno-economic Study

The studies are in the final stages of completion. The review of the final report is still ongoing.

ESIA Study

Final comments were received from ZESCO and the Consultant is in a process of updating the Final Report. The Final draft report on the Mozambican portion of the line had areas that raised flags which needed clarity and detailed engagement with the World Bank. A meeting has been scheduled for the 3rd of March to discuss the way forward. The planned submission for Final ESIA / RPF for the project remains end of 1st quarter of 2022.

Mozambique – Tanzania Interconnector Project

The Mozambique – Tanzania Interconnector Project (MOTA) is supported by the NEPAD-IPPF. The financial support is towards the technoeconomic feasibility and ESIA studies.

A joint meeting of utilities was held on 9 February 2022 to discuss the developments on the project and the way forward. The meeting agreed on updating the ToRs for the techno-economic and ESIA studies which were prepared earlier in the project timeline. A workshop to review and finalise the ToRs is planned to take place in March 2022.

Zambia – Tanzania Interconnector Project

On the Zambian side, the preparation of tender documents for the project was completed in October 2021. The World Bank under the AREP supported the assignment. The next steps include resource mobilisation by ZESCO/Government of Zambia for the implementation of the project. The status of the project has remained the same.

Luapula Hydro Electric Power Scheme

The prefeasibility study and preliminary environmental scanning were completed in 2019. Commencement of the detailed feasibility study and the ESIA await the mobilisation of funds. The World Bank, NEPAD-IPPF, NEPAD-AUDA and Swedfund are being engaged for possible financial support for the detailed studies. The NEPAD-IPPF has since committed funds towards the techno-economic studies. Additional funds are however still required to cover the costs for the technical and ESIA studies. The review of the ToRs for the detailed ESIA studies is still ongoing.

The project was included in the PIDA PAP 2 pipeline by AUDA NEPAD. The project will be one of those to be presented to financiers in the upcoming 7th PIDA Week in Nairobi in March 2022.

Regional Transmission Infrastructure Financing Facility (RTIFF)

SAPP and the Consulting Team progressed efforts across all critical workstreams during the reporting period, which covers February 2022.

Key achievements are summarised below:

- Finalised RTIFF structure and approach and provided recommendations for the SAPP Management Committee.
- Coordinated discussions on key assumptions to finalise the financial and energy models.

In terms of high-level engagements, a follow-up meeting was held with SADC and the Consulting Team responsible for supporting the RDF on 11th February 2021. The meeting aimed to gain an understanding of the recently accelerated RDF development process.



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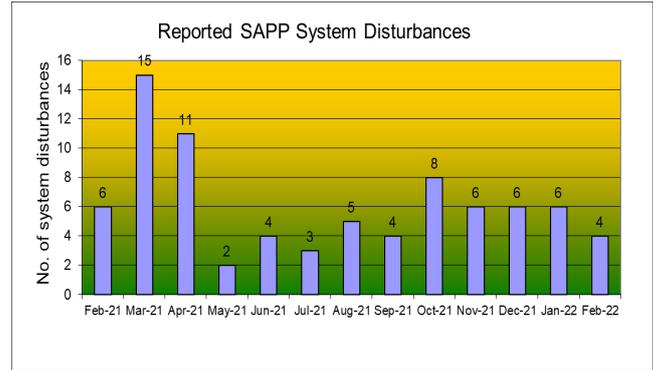
RTIFF was also included as an agenda point at the MANCO meeting held on 24th February 2022. The engagement provided an opportunity to:

- (i) Frame RTIFF's role in unlocking investment, articulating how it will evolve and the value of SAPP acting as an anchor investor for the Fund;
- (ii) Articulate the technical recommendations for RTIFF services, institutional and governance structure and associated domicile for MANCO referral to EXCO – noting that formal support from SAPP is required to progress to pre-establishment analysis; and
- (iii) Share key considerations on the energy and financial modelling work for noting by MANCO. The engagement with SAPP MANCO was very fruitful and identified areas of consensus and for follow up.

System Operations

SAPP System Disturbances

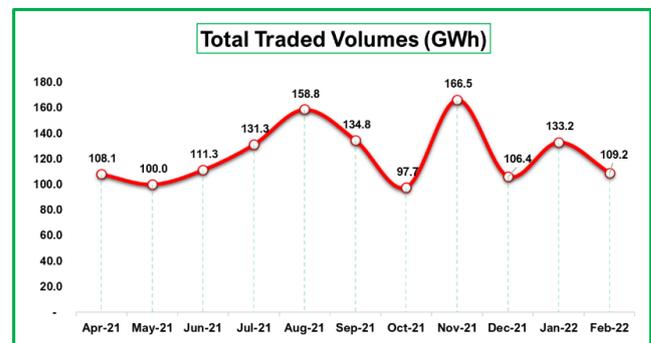
In the month of February 2022, four SAPP system disturbances were reported. In the first one, the 400 kV South Africa - Botswana interconnector tripped due to a transient earth fault attributed to birds' activities on the line. The second and third disturbances were low frequency incidents in which power frequency temporarily dropped below 49.50 Hz when a generation unit tripped from 487 MW and when a generator was shutdown from 755 MW during load rejection tests in South Africa. The fourth one was caused by a snapped 66 kV dropper conductor in Zambia that led to cascaded tripping of transmission lines, generators and loads in wide areas of the interconnected power system. Refer to the figure below for an outlook of reported SAPP system disturbances in the last 12 months.



Electricity Trading

Traded Volumes

Market performance during the month of February 2022 was lower when compared to January 2022. Total traded volumes on the Day Ahead Market (DAM), Intra-Day Market (IDM), Forward Physical Monthly Market (FPM-M), and Forward Physical Weekly Market (FPM-W) decreased by 18% to in the month of February 2022, from the January 2022 volume of 133.2 GWh.



Monthly Traded Volumes (GWh) in DAM, IDM, FPM-W, and FPM-M (April 2021 to February 2022)

Market Revenue

A total of USD 7.6 million was exchanged on the competitive market during the month of February 2022 compared to USD 7.8 million exchanged in January 2022. The change is mainly attributed to a change in traded volumes and prices. USD 6.4 million was



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exchanged on the competitive market during the same month of February in 2021.

Market Monitoring and Surveillance

During the month under review there were no observed cases of market manipulation or use of insider information.

On year-on-year basis compared to February 2021, the average hourly DAM-Market Clearing Prices (MCPs) for February 2022 were relatively higher for all the time periods driven by the supply side. There was less appetite for power in the IDM as very few participants participated on this market.

According to the transmission allocation rules, transmission capacity utilisation was deemed to be efficient for the month under review. The Market Operator observed its own processes and procedures.

Environmental Corner

Environmental and Social Safeguard Reporting

Project preparation generally on track although affected by COVID-19 restrictions, especially with respect to stakeholder engagement and public hearing meetings, field work and delayed review feedback from authorities. Virtual means are explored to address this.

Upcoming Events – 2022

DATE	EVENT
17 March 2022	SAPP Executive Committee Meeting, Virtual
1 - 3 March 2022	Africa Energy Indaba, Virtual
10 March 2022	Baynes Hydropower Workshop, Windhoek, Namibia

22 - 25 March 2022	International Renewable Energy Conference and Expo, Victoria Falls, Zimbabwe
28-31 March 2022	AUDA-NEPAD Continental Master Plan Power Pool Workshop, Harare, Zimbabwe
21 – 22 April 2022	Namibia International Energy Conference, Windhoek, Namibia
28 April 2022	RenPower Mozambique 2022, Maputo, Mozambique
7 – 9 June 2022	ENLIT Africa, Cape Town, South Africa
15 June 2022	SAPP CC Board Meeting
21 – 24 June 2022	AEF 2022, Brussels, Belgium
13 – 16 July 2022	APUA Meetings, Senegal
28 – 31 August 2022	CIGRE 2022, Paris, France
5 – 9 September 2022	SAPP Sub-Committee & Management Committee Meetings
7 September 2022	SAPP CC Board Meeting
19 - 20 October 2022	SAPP EXCO meeting and AGM



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