



SOUTHERN AFRICAN POWER POOL

Press Release Concerning the 20th SAPP Executive Committee Meeting Held in Maputo, Mozambique, on 21 April 2006

At the 20th meeting of the Southern African Power Pool (SAPP) Executive Committee held in Maputo, Mozambique, on 26th April 2006, the SAPP Executive Committee:

1. Unanimously elected Mr. Manuel Cuambe, the Chief Executive and Chairman of EDM, as the SAPP Executive Committee Chairperson for the period of one year starting from April 2006. Mr. Cuambe officially took over from Dr. Veloso in October 2005 as Chairman of EDM and also as Chairperson of the SAPP Executive Committee. The Executive Committee also elected Mr. Cosmas Gutu, Managing Director of LEC, as Vice Chairperson of the Executive Committee.
2. Re-affirmed the SAPP commitment in addressing the diminishing generation surplus capacity the region was now experiencing. The SAPP had identified priority generation and transmission projects aimed at reversing the diminishing generation surplus capacity. The priority projects so identified included rehabilitation projects; short-term generation projects with completed environmental impact assessment and feasibility studies; transmission projects to interconnect non-operating members of the SAPP such as the Mozambique-Malawi, Zambia-Tanzania-Kenya interconnections and Westcor; and transmission projects to relieve congestion on the SAPP grid and to evacuate power to the load centres. The SAPP would package the priority projects and would source funds for them.
3. Expressed concern on the implementation of cost reflective tariffs and tariff setting in the SADC region. In some cases, the tariffs were so low and were affecting the operations of the utilities, and at the same time were not attracting investments into the power sector. The SAPP will work with the ministers responsible for energy in the SADC region and with country regulators and RERA in achieving the implementation of the cost reflective tariffs.
4. Approved the Coordination Centre budget for the period from 1 April 2006 to 31 March 2007. The approved budget will support the activities of the SAPP Coordination Centre.
5. Re-affirmed its commitment to the restructuring of the SAPP. The committee noted that the ministers responsible for energy in the SADC region signed the Revised Inter-Governmental MOU on 23 February 2006 in Gaborone, Botswana. The Executive Committee expressed gratitude to the Ministers responsible for energy in the SADC region for signing the Revised IGMOU as requested by SAPP. The SAPP Executive Committee made a commitment that the remaining base documents (Inter-Utility MOU, Agreement between Operating Members and Operating Guidelines) would be reviewed, completed and signed by the members of SAPP before the end of 2006.
6. Acknowledged the gesture of the Government of Zimbabwe for signing a host country agreement between SAPP and the Government of Zimbabwe for the hosting of the SAPP Coordination Centre in Harare, Zimbabwe.
7. Thanked EDM and the government of Mozambique for hosting the 20th meeting of the SAPP Executive Committee in Maputo, Mozambique.

Mr. Manuel Cuambe,
SAPP Executive Committee Chairperson
26 April 2006