

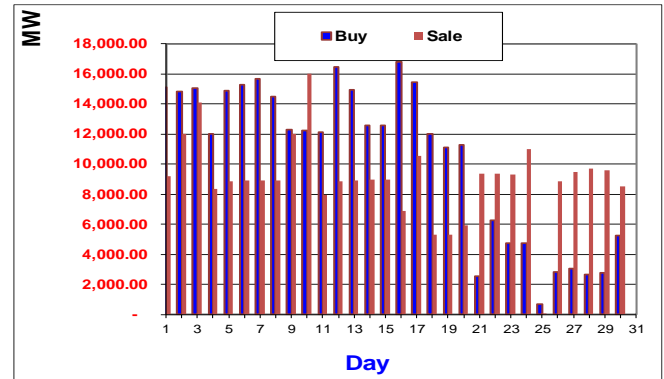


Promoting a Regional Competitive Electricity Market

April 2016



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



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The SAPP introduced Forward Physical Monthly (FPM\_M) and Forward Physical Weekly (FPM-W) markets during the month of April 2016.

### Participation Levels

There were eight (8) active portfolios from seven (7) members during the month of April 2016, exactly the same number of portfolios and participants when compared to March 2016 records.

Total traded volumes on DAM, intra-day market (IDM), FPM-M and FPM-W was relatively lower in April 2016 at 47,667.70 MWh. Of this, 63% or 29,368.70 MWh was traded on DAM, FPM-M recorded 19% or 9,110.00 MWh, FPM-W had 6,980MWh traded or 15% and 1,608 MWh or 3% was traded in IDM. IDM decreased by 3,756 MWh or 70% in April 2016 when compared to March 2016 where 5,364.00 MWh was traded on IDM. DAM traded volume decreased by 25,419.10 MWh or 46% from the 54,787.80 MWh recorded in March 2016.

### Market Liquidity

Trading in the market was relatively lower during the month of April 2016 when compared to March 2016. With regards to bids submitted, there were more buy bids than sale offers received in April 2016 in the day ahead market (DAM) trading platform. A total of 270,174 MWh Sale offers and 312,739 MWh Buy bids were received in April 2016. There was a decrease of 47,597 MWh or 15% in Sale offers received and another decrease of 156,586 MWh or 33% in Buy bids received in April 2016 when compared to March 2016 figures of 317,771 MWh Sale offers and 469,325 MWh Buy bids received.

Below is the trading trend in DAM, IDM, FPM-M and FPM-W for the month of April 2016.

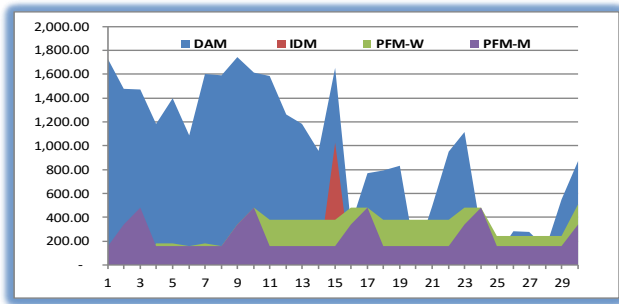
Below is a summary of buy and sale bids received on the DAM for the month of April 2016.



**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)



**Fig 1.2 Traded Volumes in MWh in DAM, IDM, FPM-M and FPM-W for the month of April 2016.**

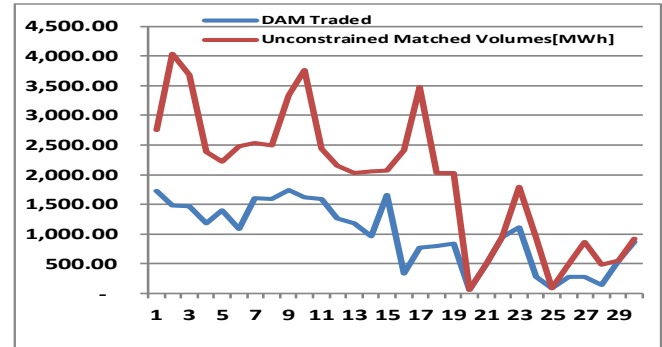


There was matching of bids in DAM for 30 days and 554 hours or 76.94% of the time during the month of April 2016. However, due to transmission constraints, trading occurred for 30 days and 627 hours (including IDM, FPM-M and FPM-W) or 87.08% the time. In comparison, matching occurred for 31 days and 691 hours or 92.88% with trading occurring for 31 days and 634 hours or 85.2% of the time during the month of March 2016.

### Impact of Transmission Constraints

Transmission access for the competitive market was constrained in the month of April 2016. As a result of this, out of a total of 58,034MWh that were matched on the DAM trading platform 29,368.70 MWh was able to be traded during the month of April 2016 resulting in 28,664.80MWh or 49% of the matched volume failing to be traded due to transmission constraints mainly on the Botswana-Zimbabwe - Zambia interconnections. In comparison, March 2016 had a total of 89,750 MWh that was matched on DAM resulting in 54,787.80MWh being traded and 34,962 MWh or 38.95% failing to be traded in DAM due to lack of transmission path as DAM trades on mainly on the same corridor.

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



As can be seen from above graph, there is significant differences between matched and traded volumes during the month of April 2016 as a result of increased transmission constraints for the competitive market. There is a general increase in non-firm bilateral contracts that take most of the path ahead of the competitive markets. During off peak periods there is very limited transmission capacity for the competitive market especially on the ZESA to ZESCO corridor.

### Market Clearing Prices

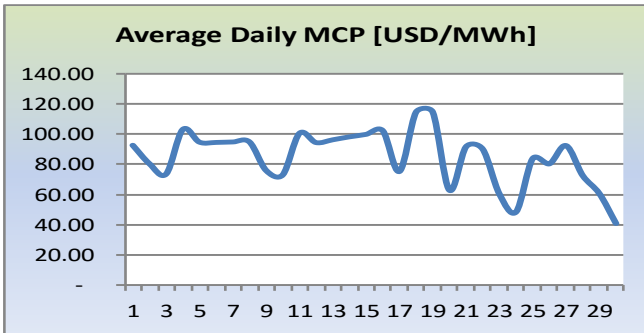
Prices were relatively stable on the competitive market for most of the days during the month of April 2016. The average monthly market clearing price (MCP) on the DAM market was relatively lower during the month of April 2016 at 8.532 USc/KWh when compared to the 8.965 USc/KWh recorded in April 2016. Below is a summary of the daily average MCPs for the month of April 2016.

**Fig 1.5 Daily Average MCP prices for the Month of April 2016.**



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 24 Golden Stairs Road, P.O. Box EH52, Emerald Hill,  
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 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)





## Revenue Performances

A total of **USD 3,664,197.76** was exchanged on the DAM, IDM, FPM-W and FPM-M markets during the month of April 2016 when compared to a total of **USD 5,220,916.15** exchanged in March 2016. The decrease is mainly attributed to the decrease in traded volumes.



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 Email: [info@sapp.co.zw](mailto:info@sapp.co.zw) Website: [www.sapp.co.zw](http://www.sapp.co.zw)

