



SADC ETG coordination to be reviewed

THE ENERGY thematic group in southern Africa has begun some consultations on how to improve future cooperation in the energy sector.

The SADC Energy Thematic Group (ETG) is made of SADC and International Cooperating Partners (ICPs). Other regular members of the group include the Southern African Power Pool (SAPP), the Regional Energy Regulatory Authority for Southern Africa (RERA); and the Southern African Research and Documentation Centre (SARDC).

The main of the SADC ETG is to promote SADC's regional potential and ability to utilise its energy resources to fuel its future sustainable growth in line with the Protocol on Energy in the SADC Region, and the Energy Sector Plan of the recently approved SADC Regional Infrastructure Development Master Plan. The group also acts as a forum for dialogue, networking and creation of shared understanding between SADC Secretariat, the ICPs and main regional SADC partners; and for platform for coordinating energy-related assistance at the regional level.

Norway is currently the lead ICP for the SADC ETG. However, Norway has indicated its desire to relinquish the post, and Austria has accepted to take over the leadership in 2014.

According to the SADC ETG meeting held in February in Gaborone, Botswana, it was agreed that the review of the ETG coordination will be based on the SADC-ICP Partnership Strategy, Draft Generic ToR for the Thematic Groups and the Draft WD Action Plan.

The meeting further agreed that a working group be constituted to develop the new modus operandi of the SADC ETG.

The working group would comprise of the outgoing Lead ICP (Norway), the in-coming lead ICP (Austria), as well as Finland, Sweden and the SADC Secretariat. It was further proposed that the ETG should meet back-to-back with the meeting of the working group.

In the meantime, Norway indicated to the meeting that it would as Lead ICP would focus on two main issues. Norway said it will continue to be "a catalyst of the message going to political leadership in the form of contributing to the development of the Agenda of Energy Ministers."

However, to undertake this task, Norway said it would need guidance from SADC regarding the challenges being faced.

The second issue is that Norway will look at power projects that are priority to the Region but are facing challenges in moving forward.

Norway urged SAPP to identify the priority projects so that possible actions can be employed to address the challenges.

The ETG meeting also discussed proposed process of the review of the SADC Energy Protocol; the energy sector policy framework; the feasibility of setting up a centre of excellence for renewable energy and energy efficiency in the Region; and the status of the RESAP.

The meeting noted that the review of the Protocol was not submitted to Norway because SADC was still looking to review a number of Protocols and there is need for synergy and cross fertilization of the processes.

A proposal would therefore be submitted to ICPs once this internal stage is complete.

The meeting emphasized the need to take stock of the level of implementation of the Protocol at both the regional and national level, which would form a baseline for the review.

The ETG also noted that the Midterm Review of the Finnish supported RE Support Programme which aims to increase the up-take of renewable energy is southern Africa.

Renewable energy sources are less polluting to the environment compared to fossil fuels such as coal.

Furthermore, fossil fuels will not last forever, hence the need for southern Africa to prepare for the future by intensifying efforts to harness its huge renewable energy resources.

The ETG meeting also noted that the SADC region had as at January 2013 an installed capacity of 57,182 MW of which 51,702 MW is available.

If all planned projects are implemented according to timelines, the region will have adequate capacity by 2016.

SAPP, Norway sign agreement to support Day Ahead Market



THE REGIONAL competitive electricity market is expected to record some significant improvement following the signing of a three-year agreement between Norway and the Southern African Power Pool to support the energy trading market.

The agreement, jointly funded by Norway and Sweden, is worth NOK35.25 million (about US\$6.14 million) and covers various activities, including implementation of the regional competitive electricity market as well as capacity-building and software issues regarding energy trading.

Other activities such as the implementation of energy generation projects to boost production in the region, and building more transmission interconnections will also be covered under this agreement. The project will run from January 2013 to February 2016.

SOUTHERN AFRICA expects to commission projects that will add about 2,000 megawatts (MW) of electricity to the regional grid this year.

The Southern African Power Pool (SAPP), which coordinates the planning, generation, transmission and marketing of electricity on behalf of Member State utilities in the SADC region, said the bulk of the new electricity, will come from South Africa and Botswana.

Speaking at a SADC Energy Thematic Group meeting held in Gaborone, Botswana, in late February, SAPP Coordination Centre Manager Lawrence Musaba said South Africa's Eskom will weigh in with 923 MW, while the Botswana Power Company will add a total of 600 MW.

The power from South Africa is expected to come from Medupi thermal station, Komati thermal station and another solar energy project, which is underway in the country. (*See table below*)

Medupi will contribute 722 MW, Komati 101 MW, while the remaining 100 MW will come from the solar energy project.

The new power in Botswana is expected to come from the Morupela B thermal project that is already under construction.

The competitive electricity market, commonly known as the Day Ahead Market (DAM), allows SAPP member utilities to sell surplus electricity to others, and meet shortfalls through purchases from others. It is administered by the SAPP Coordination Centre in Harare, Zimbabwe.

SAPP is a regional body that coordinates the planning, generation, transmission and marketing of electricity on behalf of member state utilities in southern Africa.

The agreement was signed on 27 February in Gaborone, Botswana, by Lawrence Musaba, SAPP Coordination Centre Manager and Tove Bruvik Westberg, Ambassador of Norway to Mozambique.

The signing ceremony was witnessed by members of the SADC Energy Thematic Group who met earlier the same day.

Zambia's Zesco will add 180 MW from its Kariba North hydro plan, while independent power producers in Namibia and Malawi will add 60 MW and 60 MW respectively to the regional grid.

The power from Namibia will be harnessed from wind, while that from Malawi will come from hydro.

Independent power producers in the United Republic of Tanzania and Zambia will also add about 60 MW and 50 MW respectively. Tanzania's power will be from gas, and Zambia's from Ndola Energy.

The Democratic Republic of Congo's SNEL will weigh in with 55 MW from the rehabilitation of Inga Dam project.

This new power is expected to help the SADC region boost its supplies as well as partially meet its growing demand.

In the year 2012, SAPP was able to add a total of 1,031 MW. Next year, the regional power pool is expected to commission projects that will add about 4,620 MW.

RERA develops five-year strategic plan

THE REGIONAL Electricity Regulators Association of Southern Africa (RERA) is developing a five-year strategic plan that will result in the development of energy regulatory frameworks and facilitate the creation of a viable regional energy market by 2017.

The strategic plan for 2013-2017 will aim to develop energy regulatory frameworks, instruments and methods to promote regional integration and harmonisation. This is expected to facilitate the development of a viable regional energy market in SADC.

There are also plans to develop the capacity of existing energy and electricity regulators in the region.

This will include advocating for the establishment of independent (autonomous) national regulators in the region and developing a knowledge pool of information on the energy sector.

RERA is presently made up of 10 regulatory bodies from Angola, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

Botswana, the Democratic Republic of Congo, Mauritius and Seychelles do not have energy regulators and are at various stages of energy sector reforms.

The Office for Electricity Regulation (ORE) of Madagascar is not yet a member of RERA.

Four of the existing RERA members are electricity regulators, five are energy regulators and two are multi-sector (energy/water) regulators.

The plan envisages the promotion of universal access to modern energy services by facilitating the development of energy infrastructure for under-served countries and encouraging the migration towards cost-reflective charges, but also paying attention to low-income population.

In addition, there are plans to position RERA to proactively influence developments in the SADC energy sector. This will involve, among other things, transforming the organization from an electricity to an energy regulators' association as well as enhancing stakeholder communication and advocacy.

The strategic plan with details of specific initiatives under each of the strategic objectives will be distributed to cooperating partners and other stakeholders as soon as it is formally approved by the RERA Executive Committee at its first meeting later this year.



Countries adopt RERA cross-border guidelines

SEVEN SADC Member States have adopted common guidelines governing cross-border power trading.

The guidelines for national regulators were developed by the Regional Electricity Regulators Association of Southern Africa (RERA), and adopted by SADC Energy Ministers in 2010.

The RERA Guidelines on Cross Border Power Trading in Southern Africa aim to provide an enabling framework for cross-border trade and investment in infrastructure that will reduce some of the uncertainties deterring investment and undermining efforts to improve security of supply through cross-border trading.

They represent the first concrete step to harmonising national regulatory systems and encouraging large cross-border transactions by ensuring that regulatory arrangements in the region are compatible.

There are a large number of proposed cross-border generation and transmission projects in southern Africa that are not moving forward due to regulatory constraints, despite being technically and economically feasible.

In most SADC countries, authorities responsible for regulating cross-border trading are the national electricity regulators, which have powers to make decisions on tariffs, licensing and service

SADC energy ministers meet in Lesotho

SOUTHERN AFRICAN energy ministers will meet in Lesotho in May to review the power situation in the region in an effort to ensure that supply and demand are evenly matched.

The annual ministers' meeting is scheduled for 14-16 May in Maseru, Angola.

Southern African Development Community (SADC) senior energy officials meet prior to the ministers' meeting.

Discussion is expected to focus on the status of implementation of key decisions made at the last meeting in 2012.

These include the approval of the Energy Sector Plan, which forms part of the SADC Regional Infrastructure Development Master Plan that was approved by the Heads of State and Government during their annual summit in Maputo, Mozambique, in August 2012.

The Energy Sector Plan addresses four key strategic objectives, namely ensuring energy security, improving access to modern energy services, tapping the abundant energy resources, and achieving financial investment and environmental sustainability.

The plan identifies "hard" infrastructure projects that include the planned electricity generation and transmission projects; refineries, storage facilities and pipelines for the petroleum and gas; and transport facilities for coal distribution and exports.

With regards to the electricity sub-sector, the master plan identified 73 power generation projects to increase regional power generation from the current 56,000 megawatts (MW) and surpass the projected demand of 96,000 MW by 2027.

The region has lagged behind in implementing a number of its energy generation and transmission projects as investors shun some of the projects due to various reasons such as low incentives and long tender procedures.

The slow off-take of identified projects has had a negative impact on the economies of most Member States.

The Southern African Power Pool (SAPP) is expected to give an update of on-going generation and transmission projects as well as planned projects such as the Zimbabwe-Zambia-Botswana-Namibia (ZIZABONA) transmission line linking the four countries.

Other projects include the Zambia-Tanzania-Kenya transmission line and the Mozambique Backbone Project.

These projects have the capacity to aid access to more power through the regional grid, allowing the transfer of electricity between and among SADC Member States.

The power utilities in mainland SADC, with the exception of Angola, Malawi and the United Republic of Tanzania, are interconnected through SAPP, allowing them to sell electricity to one another through a competitive market. The meeting is also expected to agree on energy sector priorities for the year 2013-2014.



Events Diary

April

- 9, South Africa 16th Power & Electricity World Africa Conference and Exhibition
- 15-18, Tanzania 10th Afur Annual Conference and General Assembly
- 16-18, Ethiopia Hydro 2013
- 29 April- May 1, Kenya 2nd Power and Energy Africa

May

- 2-3, Mozambique Power Africa
- 7, South Africa Renewable Energy Forum
- 14-15, South Africa Africa Utility Week
- 14-15, Germany Energy and Materials from Waste 2013
- 14-15, South Africa Clean Power Africa
- 14-16, South Africa Energex Africa

June

- 3-7, Denmark 21st European Biomass Conference and Exhibition
- 5-6, Kenya Kenya Mining, Energy/Oil & Gas and Infrastructure Indaba 2013
- 18-19, Germany Conference of the Wind Power Engineering Community
- 18-20, Zambia 3rd Zambian International Mining & Energy Exhibition
- 18-20, Spain Africa Energy Forum 2013
- 25-26, Denmark World Bio Markets – Technology & Innovation

September

- 2-5, South Africa Solar South Africa 2013
- 4-6, Tanzania 2nd Annual East Africa Gas Forum