

FEB 2022

9

9.30 – 12.30 CET

WORKSHOP ONLINE

"Enabling electricity exchanges and trading in the Mediterranean"

Achieving a common technical & regulatory framework to increase electricity exchanges and trading between the two Mediterranean shores.

Organized by



With the support of European Union



and



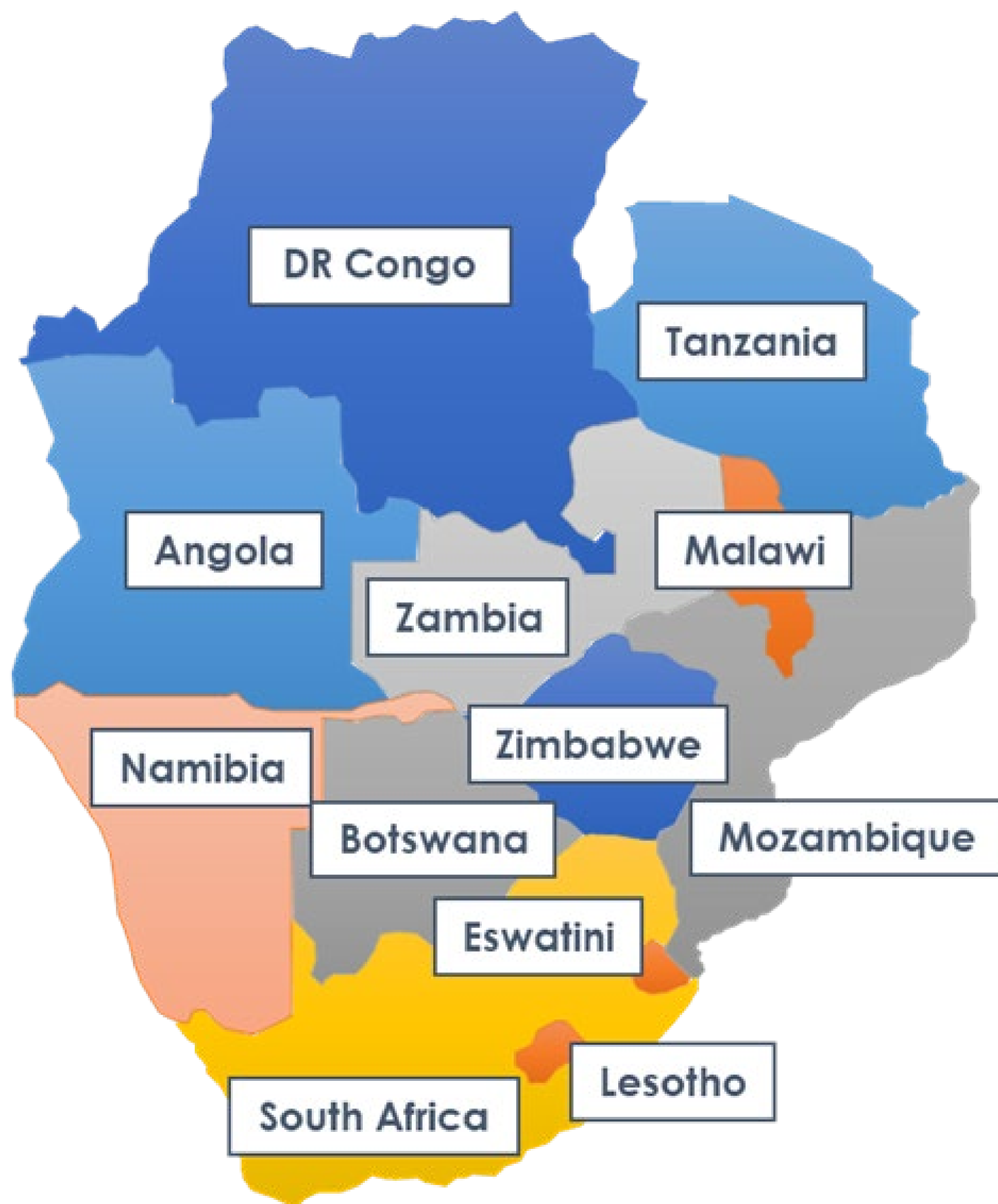
Union for the Mediterranean
Union pour la Méditerranée
الاتحاد من أجل المتوسط

BACKGROUND TO SAPP

Establishment: The Southern African Power Pool (SAPP) was established in 1995 through the signing of an Inter-Government Memorandum of Understanding (IGMOU) by the Ministers responsible for energy in the Southern African Development Community (SADC) with objectives to:

- Coordinate the planning and operation of the electricity business in SADC
- Facilitate cross border electricity trading
- Promote regional cooperation in power projects development (Generation and Transmission Infrastructure)
- Ensure that the region attracts investment for large energy intensive electricity users

SAPP covers the 12 SADC mainland member states - population of over 350 million people and installed capacity in excess of 70 GW.



SAPP GOVERNANCE DOCUMENTS

☐ Inter-Governmental Memorandum Of Understanding

- Established SAPP

☐ Inter-Utility Memorandum Of Understanding

- Established the Management of SAPP.
- Signed by the SAPP Members (Utilities)

☐ Agreement Between Operating Members

- Signed by Operating Members (Interconnected)
- Sets requirements for interconnected operations

☐ Operating Guidelines

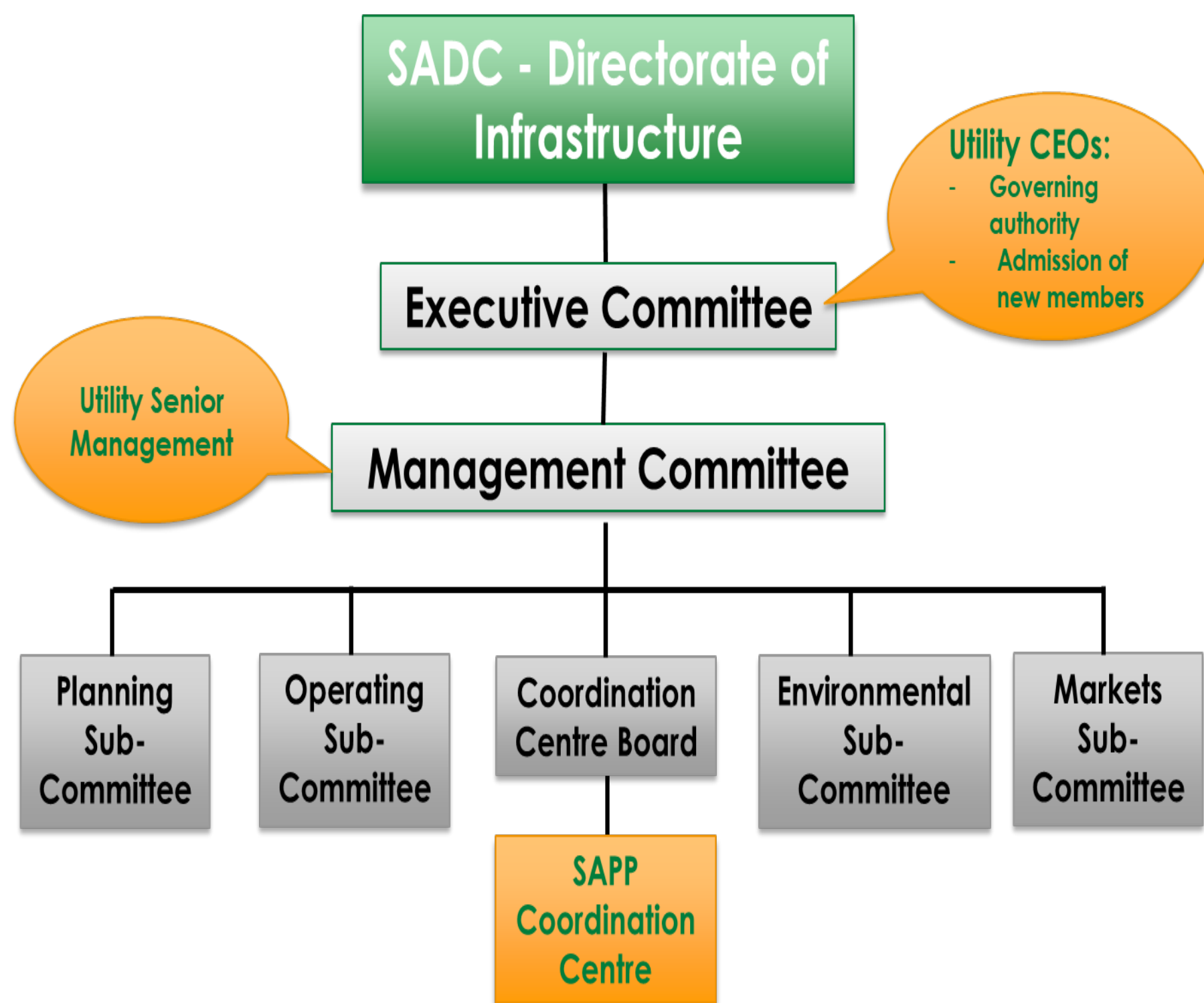
- Guidelines for system operations

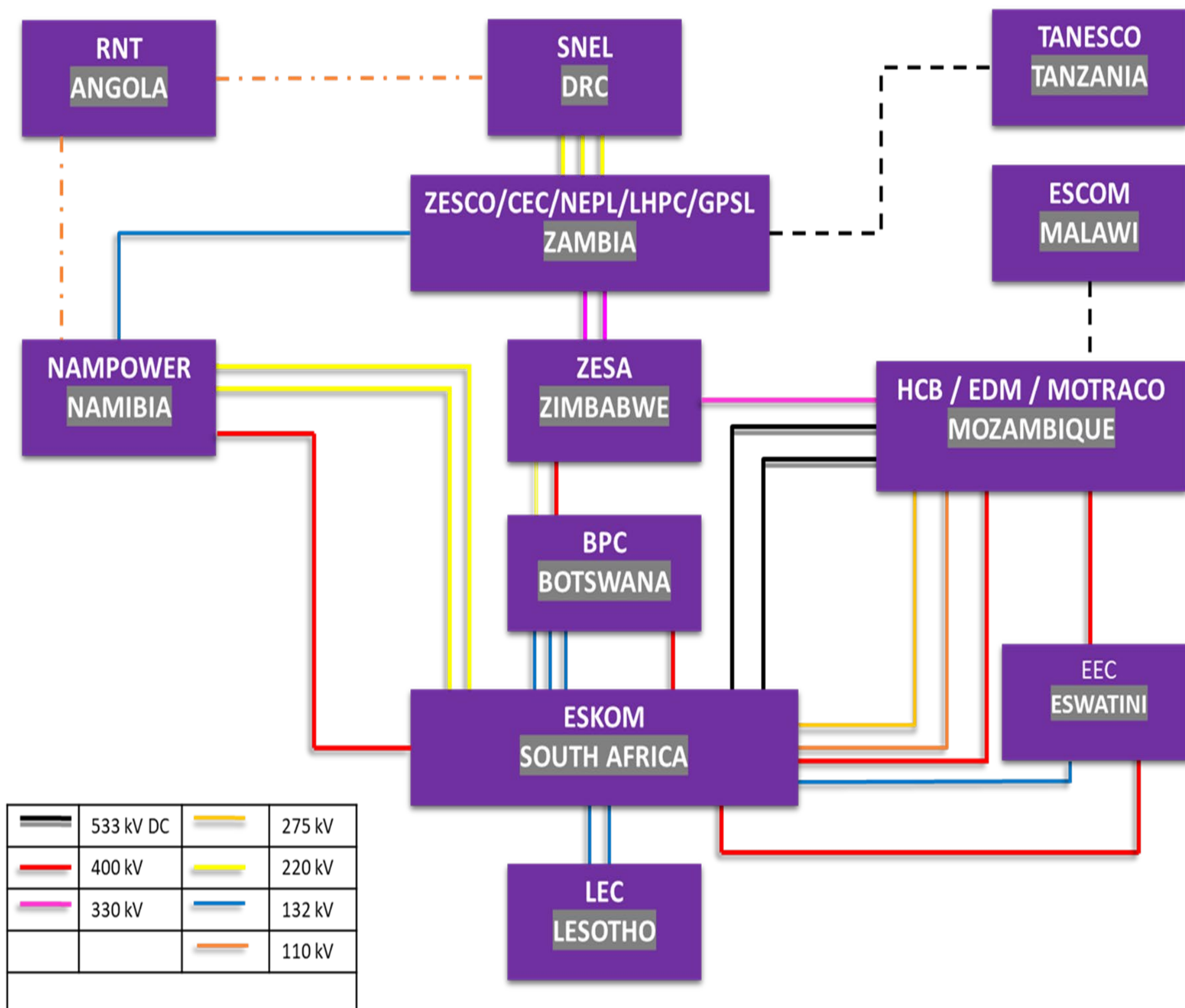
☐ Market Guidelines and Market Rules

- Govern operations of electricity trading

☐ Regional Grid Code

- Work is in progress under the Regional Energy Regulators Association of Southern Africa (RERA)





Rationale for power trading

Three technical building blocks that provide opportunities for Energy

Trading in the SAPP are:

- Diverse generation mix
- Strong Transmission Interconnection
- Some utilities have excess generation capacities, others are in deficit

In addition there is good

- ✓ Political support through SADC
- ✓ Regulatory support through RERA

Key Issues to Regional Trading

- Power Pool Governance and Operational Rules
- Transmission Capacity Allocation and Pricing
- Efficient handling of Energy Imbalances
- Handling Outages and System Emergency Situations
- Solid Market Rules

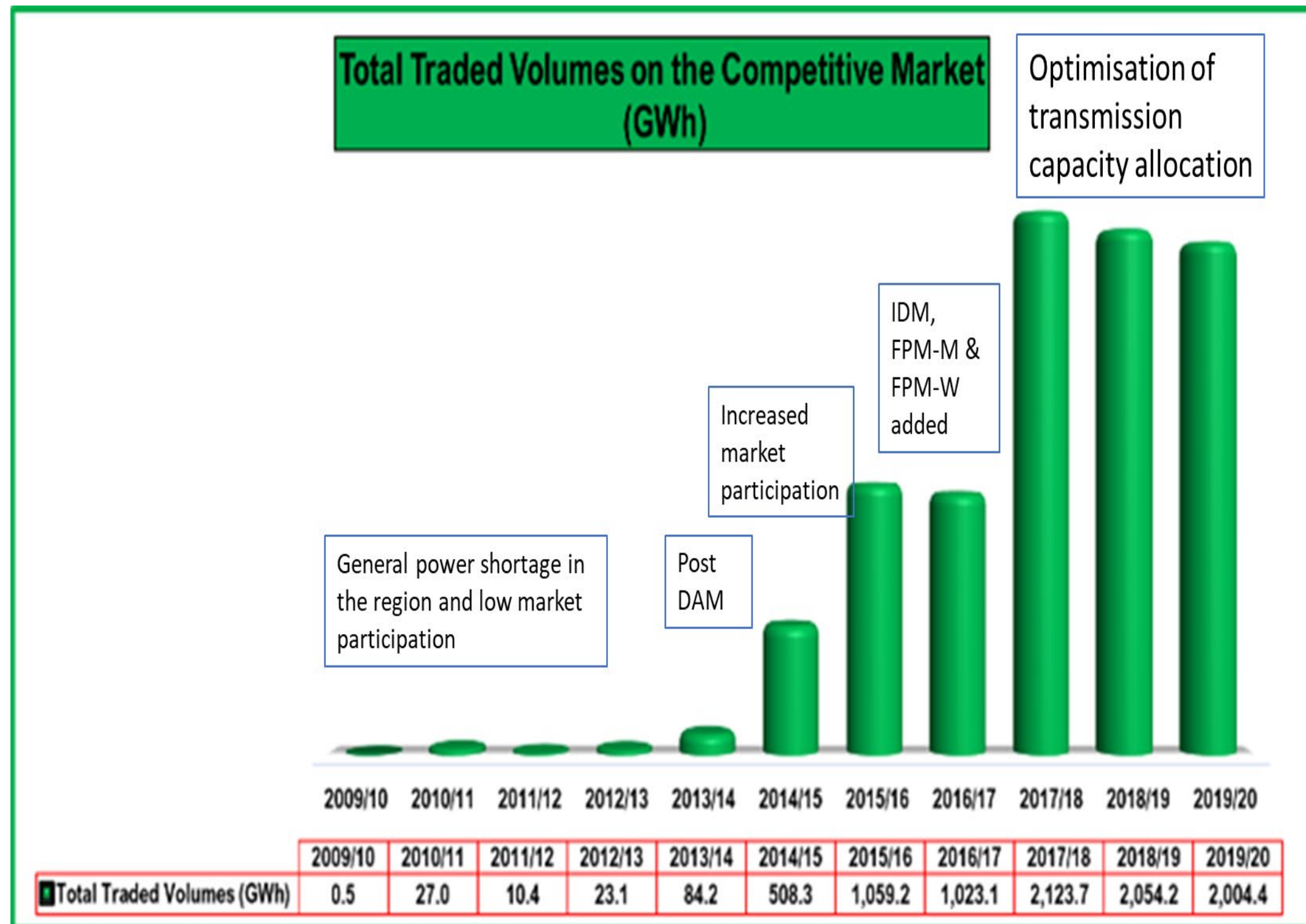
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SAPP Markets Development

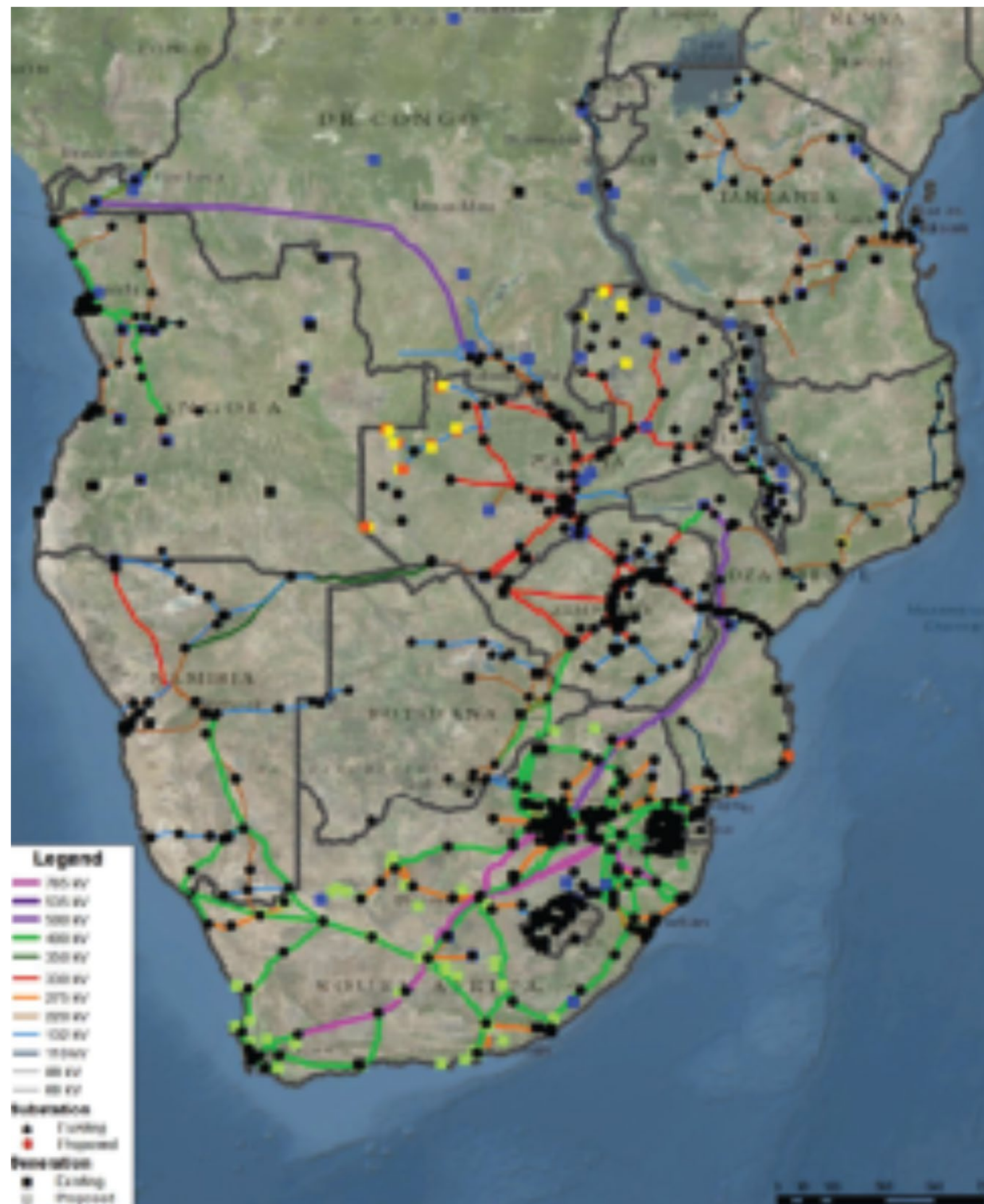
- Bilateral contracts
 - Member utilities have been trading bilaterally
- Short-Term Energy Market (STEM)
 - Members realized opportunities for shorter term trading and launched the STEM in 2001
- Post STEM (Balancing Market)
 - Utilities noticed that there were still deficits and surpluses after STEM was closed and introduced Post STEM in 2002
- Day-Ahead Market (DAM)
 - In 2009 refinement of STEM into the Day-Ahead Market (DAM)
- Post Day Ahead Market (PDAM)
 - Opportunities led to the introduction of Post DAM in 2013
- Intra Day Market (IDM)
 - In 2016 Post DAM was replaced by Intra-Day Market meant to assist participants to reduce imbalances
- Forward Physical Markets (Month Ahead & Week Ahead)
 - Also in 2016, the Forward Physical Markets Monthly and Weekly were added providing supply commitment for longer periods.



Conditions required to trade on SAPP Markets

Participants can trade on the SAPP market upon:

- ☐ Having been licensed or given permission by the host country to undertake cross border trading – Role of the national Regulator
- ☐ Having been accepted as a Market Participant by SAPP Executive Committee
- ☐ Being party to a TSO connected to a SAPP Control Area and have arrangements for Balance Responsibility
- ☐ Signing the SAPP Market governance documents
- ☐ Opening of the requisite accounts for trading purposes and providing required security for trading purposes
- ☐ Have at least two trained and certified Traders



THANK YOU!

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