INCREASING POWER TRADE IN EASTERN AFRICA

THE HORN OF AFRICA INITIATIVE WORKSHOP ON POWER TRADE

April 2022
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EAPP's institutional progress in supporting regional power trade in Eastern Africa

Presented by
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Secretary General, EAPP
EAPP held its SCM and CoM in Oct. 2021; EAPP short-term action plan approved which is a roadmap to regional integration.

Establishment of Market Committee, high-level market design finalized, Traders nominated.

The market roadshow across 13 EAPP countries will kickstart on April 12, 2022.

WB approved $5M for preparatory studies for priority regional interconnectors and capacity building under HoA RISES project.

South Sudan and Somalia formally joined EAPP which now has 13 member countries.
SECTION 2

UPDATE

Ongoing and planned activities to support regional power trade

Presented by
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CENTRALISED REGIONAL MARKET DEVELOPMENT

- High level short term regional market design finalized in late 2021
  - Voluntary centralized market trading platform to allow short term regional electricity trade between approved buyers and sellers from all member countries.
  - EAPP GS / Market Committee led on market design.
- Market design road show to all member countries: April - July 2022.
- Shadow market training for nominated traders, TSOs, Market Committee: Completion mid-2023
- Training and certification of market traders: Starting Jun 2022 and then ongoing.
- Develop centralized market rules and market trading platform: Completion 2023.
- Market go live for the day ahead market: Mid to late 2023.
  - Future phases of the market planned to be developed (intra-day, forward contracts, etc.)
Existing bilateral trade agreements will continue, and bilateral trade is expected to grow in parallel with the short-term centralized market.

To facilitate new short term bilateral trade, standardized agreements (short term PPAs) are being developed: *Completion early 2023*
- Feedback received from several member countries
- Templates being finalized
- Training and outreach for utilities (commercial and legal staff) will follow
- Standardized bilateral trade agreement to be approved by the CoM and signed by utility CEOs
- For each trade, the relevant parties only need to agree on price, volume and timing of delivery
### OTHER ACTIVITIES TO SUPPORT REGIONAL TRADE

#### POWER INFRASTRUCTURE DEVELOPMENT

- **Interconnection preparatory studies:**
  - Ethiopia-Sudan: Study ongoing
  - Tanzania-Uganda: Study ongoing
  - Ethiopia-Somalia: Procurement ongoing

- **Solar resource mapping project** within 3 member countries (Kenya, Uganda, Tanzania)
  - Data collection underway

#### OPERATIONAL EXCELLENCE

- **Operational Readiness (OR) phase2**
  - Country IC compliance investment plans
  - Updated regional power system models,
  - Establish control areas
  - Establish EAPP GCU and telecom / IT systems

- **Training and certification of system operators**

- **Shango-Mbarara interconnection line commissioning and technical support**

#### LEARNING AND GROWTH

- **Hire additional experts for EAPP GS**

- **Operationalize IRB**

- **Regional market training for EAPP Technical Committees.**

- **Stakeholder outreach:**
  - Quarterly bulletin,
  - Stakeholder meetings,
  - Updated website

- **Set-up data repository for member countries**

- **Activate Social and Environmental Protection Committee**
CONCLUDING REMARKS

- EAPP has progressed significantly since our last regional integration workshop in March 2021 ...

- … much work remains and success depends on commitment by member countries to support EAPP’s technical organs (actively participate in technical committees, Steering Committee and the CoM, and share necessary data)

- Hard infrastructure continues to be developed rapidly and the focus now must be on the development of soft infrastructure (operational and commercial frameworks to enable regional trade)

- EAPP appreciates the donor support already provided and ongoing support from donor partners is essential to sustain EAPP’s progress on successful regional integration

- EAPP welcomes Somalia and South Sudan as new members of the EAPP and looks forward to working together to bring immense benefits to the region
THANKS!

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