



INCREASING POWER TRADE IN EASTERN AFRICA

**THE HORN OF AFRICA INITIATIVE
WORKSHOP ON POWER TRADE**

April 2022

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Presented by
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SECTION 1

INSTITUTIONAL PROGRESS

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





INSTITUTIONAL PROGRESS

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

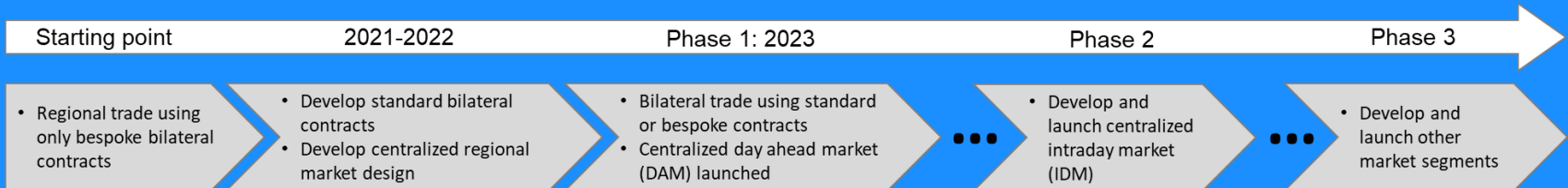
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CENTRALISED REGIONAL MARKET DEVELOPMENT

- 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.)





BILATERAL REGIONAL TRADE DEVELOPMENT

- 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!

EASTERN AFRICA POWER POOL

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