



**USAID**  
FROM THE AMERICAN PEOPLE



# **SOUTHERN AFRICA ELECTRICITY EXECUTIVES SHARE FRAMEWORK FOR CREATION OF A POWER POOL IN SOUTH ASIA**

**USAID's SOUTH ASIA REGIONAL INITIATIVE FOR ENERGY (SARI/ENERGY)  
COLLABORATES WITH THE SOUTHERN AFRICA POWER POOL (SAPP)**

**Under the South Asia Regional Initiative for Energy (SARI/Energy) Energy Markets Partnership funded by the U.S. Agency for International Development (USAID), 15 executives from Afghanistan, Bangladesh, India, Nepal, Pakistan & Sri Lanka met with executives from the Southern Africa Power Pool (SAPP).**



*SARI/Energy delegates join SAPP officials in sharing mutual challenges and best practices in electricity trade and the formation of electricity markets.*

The meeting hosted by the Southern Africa Power Pool (SAPP) and Eskom, South Africa's state-owned electricity supply company, was held June 26 – 30, 2006 in Johannesburg, South Africa. During the course of the five-day visit, the participants discussed approaches for attracting investment, managing energy markets in deficit power situations and analyzing power trading strategies. These discussions culminated with the basic framework documents for the development of a South Asian power pool provided by the Southern Africa Power Pool to the South Asian executives.

---

SAPP's shared experiences with the South Asians provided them with a comprehensive model for the future establishment of a power pool in South Asia. This included:

- The MOU executed by all participating governments to establish the SAPP regional power pool. The MOU sets forth the power pool's purposes and the responsibilities of the participating countries.
- The inter-utility MOU executed by all participating SAPP utilities that establishes the power pool management and operating principles, including the coordination of planning and operation to maximize reliability and the equitable sharing of costs and benefits for all members.
- The agreement between SAPP operating members that establishes the specific rules of operation and pricing.
- The specific SAPP operating guidelines, including system control, system security, emergency operations, operations planning, and telecommunications.
- An overview of their regional association of regulators that works to provide cohesiveness to the national regulators efforts affecting the power pool.
- A summary of the operations of the short-term energy market (STEM) currently being used by SAPP, and its relationship to bilateral contracts

SAPP also shared numerous approaches for attracting investments, techniques for managing energy markets, power trading strategies, and pricing mechanisms. The Southern Africa Power Pool demonstrates a unique regional and team approach to meet their energy needs – an approach that have overcome political and economic boundaries, similar to the challenges facing South Asia. The SARI/Energy executives will be able to use these examples to further energy security and give new investors confidence in developing energy markets in Asia.



*Dr. Lawrence Musaba, Co-ordination Centre Manager for the Southern Africa Power Pool, welcomes the South Asian delegates to Southern Africa. Dr. Musaba encouraged his fellow colleagues from SAPP to share their experiences with their peers in South Asia – a region that shares many of the challenges facing Southern Africa.*

Executives from the Southern Africa utilities, regulators and energy companies, including Eskom, ZESA, NamPower, ZESCO, SEB, RERA, EcoElectrica Ltd., MOTRACO, Enerweb, Arivia.Com and the SAPP Coordination Centre presented and discussed their experiences with the formation of their power pool, specifically their experiences in trading arrangements, governance, transmission constraints, market guidelines, energy market products, pricing & open access, management, regulation & monitoring, and planning & investment decision making. Mr. Jean Thomas Lokala, Chief Operating Officer of Westcor and Mr. Francis Masawi, General Manager of MOTRACO discussed the intricacies of cross-border electricity projects and the lessons they have learned through the experience.

---

*Eskom's National Control Centre hosted the delegation to review South Africa's system operation.*



*SAPP and SARI/Energy regulators shared strategies of market monitoring of a power pool.*

*SAPP and SARI/Energy delegates visit the coal-fired 3600 MW Lethabo Power Station.*



Other results:

- Lahore Electric Supply Company (LESCO) is collaborating with Eskom to assist in power generation using Pakistan's coal reserves (195 m tons).
- Afghanistan, India, Nepal, Pakistan and Sri Lanka expressed interest in using the lessons of integrated resource planning and demand-side management to assist with their generation and transmission planning.

For more information, contact Sarah Blanford at [sblanford@usea.org](mailto:sblanford@usea.org).