



SAPP MARKET MONTHLY PERFORMANCE REPORT

March 2015

Promoting a Regional Competitive Electricity Market

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1. Monthly Market Performance Highlights

1.1 Participation Levels

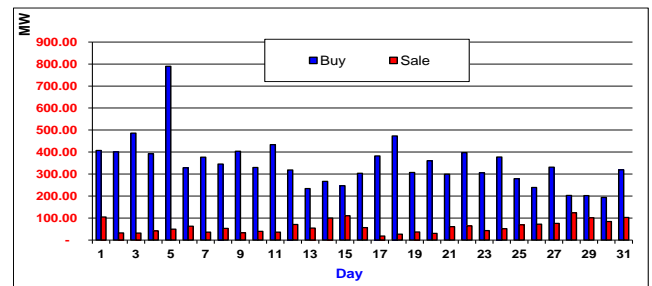
There were ten (10) active portfolios from nine (9) members during the month of March 2015, exactly the same number of portfolio and participants when compared to February 2015 records.

1.2 Market Volumes

Traded volumes on the competitive market were lower during the month of March 2015 when compared to February 2015. With regards to bids submitted, there were more buy bids than sale offers received in March 2015 in the day ahead market trading platform. A total of **45,118 MWh Sale offers** and **257,710 MWh Buy bids** were received in March 2015. There was an increase of **4,712 MWh** or **11.66%** in **Sale offers** received and another increase of **5,290 MWh** or **2.10%** in **Buy bids** received in March 2015 when compared to February 2015 figures of **40,406 MWh Sale offers** and **252,400 MWh Buy bids** received. Trade was limited mainly due to less power that was made available on the market.

Below is a summary of the daily demand and supply trend on the market during the month.

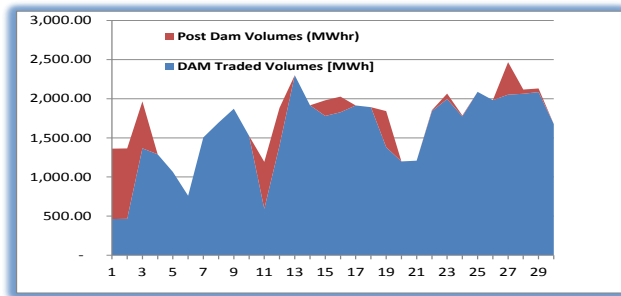
Fig 1.1 Total Buy and Sale Bids Received Daily in March 2015 (MWh).



Total traded volume on DAM and PDAM was relatively lower in March 2015 at **30,373.50 MWhr**. There was less matched volume on DAM during the month of March 2015 with **83.24%** of total traded amount or **25,283.10 MWhr** being traded on DAM while **5,090.40 MWh** or **16.76%** was traded in PDAM. PDAM trades increased three times in March 2015 when compared to February 2015 where **1,259.70 MWh** was traded in PDAM. On the other hand DAM traded volume decreased by **5,558.10 MWhr** or **18.02%** from the **30,841.20 MWhr** recorded in February 2015.

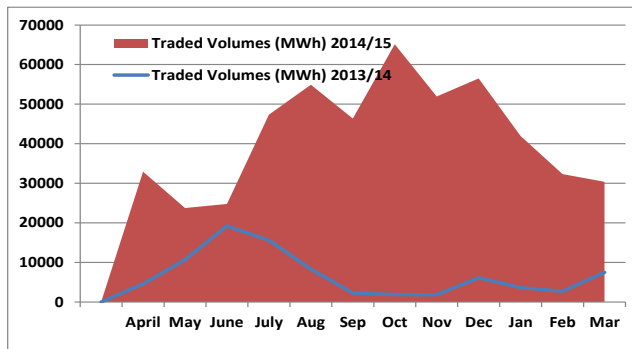
There was matching of bids in DAM for **31 days and 663 hours or 89.11%** of the time during the month of March 2015. However due to transmission constraints, trading occurred for **31 days and 720 hours (including PDAM) or 96.77%** of the time. In comparison, matching occurred for **28 days and 672 hours or 672%** with trading occurring for **28 days and 656 hours or 97.62%** of the time during the month of February 2015.

Below is the trend of daily traded volumes in DAM and PDAM in March 2015.

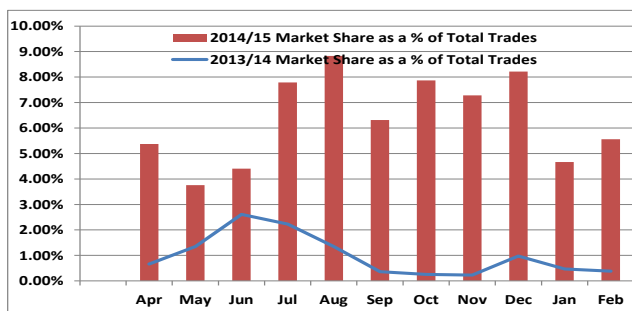


PDAM contributed around 12% of total traded volumes during the month of March 2015.

On a year on year basis there was significant trading in financial year 2014/15 when compared to 2013/14. A total of **508,364 MWh** was traded in 2014/15 compared to **84,160 MWh** that was traded in 2013/14. Below is month on month comparisons of traded volumes for the financial years 2013/14 and 2014/15.



The competitive market gained significant market share of the total cross border trades (bilateral and competitive markets trades) in 2014/15 when compared to 2013/14. Below graph shows the month on month comparisons for the years.

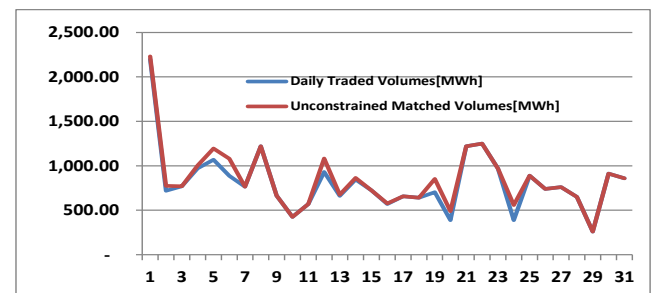


Note that competitive market share increased from an average of around **1% in 2013/14** to an average of around **6% in 2014/15**. Though this is still low, the increase signifies growth on the market.

1.3 Impact of Transmission Constraints

Out of a total of **26,335 MWhr (excluding PDAM)** that were matched on the DAM trading platform, **25,283.10 MWh or 96%** was able to be traded during the month of March 2015. In comparison, February 2015 had a total of **31,347 MWhr** that was matched on DAM resulting in **30,841.20 MWh** being traded and **505.80 MWh or 1.6%** failing to be traded in DAM due to lack of transmission mainly on the Insekamini-Phokoje corridor.

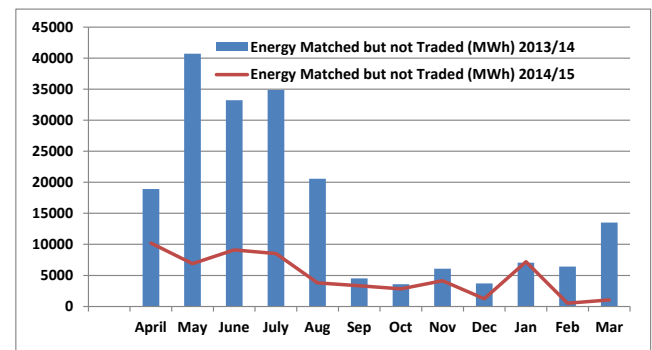
Fig 1.3 Impact of Transmission Constraints on DAM Trading for the month of March 2015.



From above graph, matched and traded volumes were close to each other in most instances, a sign that there were less transmission constraints during the month of March 2015.

No congestion income was collected in March 2015 as was the case in February 2015.

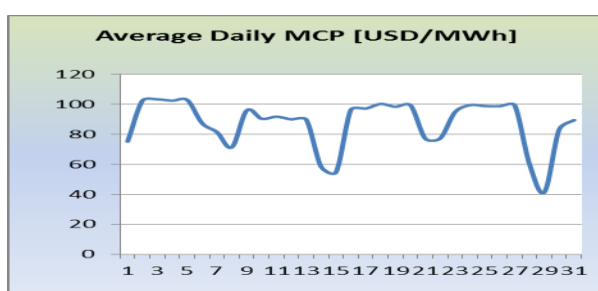
There was a significant improvement to access to transmission capacity for the competitive market in 2014/15 compared to 2013/14. Below is month on month comparison of monthly matched volumes in 2013/14 and 2014/15 that could not be traded as a result of lack of transmission access.



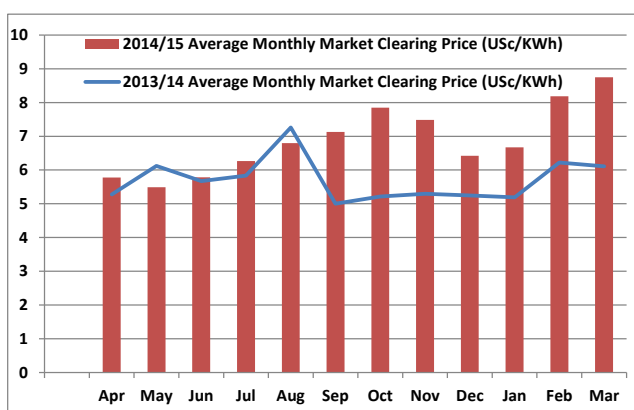
1.4 Market Clearing Prices (MCPs)

Prices were steady on the market for most of the days during the month of March 2015. The average monthly market clearing price (MCP) rose sharply during the month of March 2015 to **8.746 USc/KWhr** when compared to the **8.187 USc/KWhr** recorded in February 2015. MCP prices have been averaging around **7.000 USc/KWhr** in the previous months. Below is a summary of the daily average MCPs for the month of March 2015. The general increase in sale prices currently prevailing on the market often resulted in less matching of bids.

Fig 1.4.1 Daily Average MCP prices for the Month of March 2015.



There was a general increase in average monthly market clearing prices on the market in 2014/15 when compared to 2013/14. The graphs below give month on month average market clearing prices in USc/KWh for the two years.



1.5 Revenue Performances for Mar. 2015

A total of **USD 2,422,295.55** was exchanged on the DAM and PDAM market during the month of March 2015 when compared to a total of **USD 1,989,121.81** exchanged in February 2015. The increase is mainly attributed to the increase in market clearing prices

that was experienced on the market during the month of March 2015.

A total of **USD26,554,025** was exchanged between buyers and sellers on the market in 2014/15 when compared to **USD4,270,132** in 2013/14.