



# **Southern African Power Pool**

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## **MINISTERIAL STATEMENT ON DIMINISHING GENERATION SURPLUS CAPACITY AND SAPP REFORMS**

At the SADC Energy Ministers meeting held on the 30<sup>th</sup> July 2004 in Windhoek, Namibia, the Energy Ministers discussed the diminishing generation surplus capacity and the SAPP reforms after the presentation by the SAPP Executive Committee on the status of power generation in the region, and the extent of the SAPP reforms.

It was noted that generation surplus capacity would run out in 2007 if no new investment is made in generation. To address the above concerns, the Ministers have agreed as follows:

1. Reaffirm their governments commitments to support generation and transmission projects in the region;
2. THAT the SADC Energy Ministers will support the creation of an enabling environment for investors both private and public to invest in generation and transmission infrastructure;
3. Whilst they support the principles of affordable and competitive energy prices, the Ministers commit to embrace the principle of cost reflective tariffs and to adopt regulatory principles in their respective countries that will enhance those tariffs;
4. THAT the SADC Energy Ministers reaffirm their support for SAPP's recommendations to revise the Inter-Governmental Memorandum of Understanding, to reflect the new structure of SADC, improve governance of SAPP and allow the participation of other players such as independent power producers into the pool;
5. THAT the SADC Energy Ministers resolved to meet regularly in order to discuss issues of energy concern;

6. The SADC Energy Ministers mandated the Namibian Minister of Mines and Energy to lead the delegation to the SADC Summit in Mauritius and present to the SADC Head of States the issue of diminishing generation surplus capacity in the regions;

The SADC Energy Ministers noted that the region is endowed with sufficient resources of gas, coal, hydro, renewable etc. and extended invitation to private and public sectors to invest in the region.