

AFRICAN SCHOOL OF REGULATION
Policy dialogue on
RENEWABLE GENERATION AND REGIONAL POWER TRADE IN AFRICA
Virtual Conference

The African Forum for Utility Regulators (AFUR) took part in a Global panel discussion organised by the African School of Regulation ASR. The panel was tasked to examine the existing approaches and present challenges in regional power trade in Africa. Topics ranged from legal agreements between countries, the characteristics of the regional bodies, the distribution of roles and responsibilities – specifically including regional transmission planning –, the delegated authority to the regional regulator, and the adequacy of the present regional organisations to meet the present needs of power trade and investment in regional infrastructures in Africa.

The main objective of the session was to examine the current situation and the underlying justification of the solutions that have been adopted.

PANEL 1. 2:40 to 3:30 PM. Regional organisations and infrastructure planning. Assessment of the present situation.

Points for information and debate

AFUR was the designated moderator in this panel, which was made up of the following members as panellists:

Moderator: James Manda – Technical Manager (AFUR)

Panelists:

- Sié Kam (WAPP)
- Mohamedain Seif Elnasr (COMESA/RAERESA)
- Alison Chikova (SAPP)
- Azarak Mogro Atadet (CAPP)

As a moderator, AFUR had prepared prior questions/scenarios for the panellists to examine as presented below.

- i. What are the new/recent developments in the different power pools? Have there been any additional new members; significant governance changes; new regulations approved?

- ii. Is there an established approach to transmission expansion planning at regional level? Who is responsible for it and how is it enforced? Are there private initiatives to build transmission infrastructure and how are they integrated into the existing rules?
- iii. Is there any indicative generation expansion planning at regional level? Are regional regulators and system operators involved in energy policy decisions regarding the future generation technology mix? Are there studies to model the operation of regional power systems with large penetration of the different renewable generation technologies?
- iv. What should be the objectives in the design and implementation of African power pools and up to what level are they achieved? Least-cost dispatch of generation resources from a regional perspective? Installation of power plants of regional dimension? Attract private investors to build cross-border transmission projects?
- v. Are the political conflicts existing in certain regions impeding the signing of high-level framework agreements for regional markets? Can the creation of regional markets contribute to downscaling political frictions?

OUTCOMES

The outcome of this panel discussion was very clear. It was apparent that the potential of these power pools remains largely untapped due to technical and political barriers. On the one hand flaws in the rules for regional trading and network cost allocation, which have failed to adapt to the diverse conditions of the African regions the best international practices in the design of business models and regulation. On the other hand, the lack of political commitment and adequate institutions.

It was indicated that effective power pools require a strong alignment of interest among participating countries and external partners, including private entities and financing institutions that are willing to invest in regional infrastructures under the right conditions. Further, National-level political commitment is needed to give executive responsibilities and resources to regional institutions, identify barriers and vested interests that impede progress, and build the capacity to regulate and operate regional systems.

CONCLUSION

The Policy Dialogue on Renewable Generation and Regional Power Trade in Africa endeavoured to address the need for strong regional institutions and enabling regulations to harness the potential benefits of regional power trade to meet the continent's acute energy needs.