

AFUR Monthly Newsletter

August 2024 Highlights



African Forum For Utility Regulators Newsletter August 2024

Dear Members

It is a great pleasure for me to connect with you through our second newsletter, sharing the activities of the organization that took place in August.

I take this opportunity in introducing our newest member of AFUR, LERC Liberia (Liberia Electricity Regulatory Commission). Dr. Lawrence Sekajipo, the Chairman of the Board of Commissioners, said LERC as one of the nascent regulators on the African Continent will use its membership to learn and explore opportunities to enhance its electricity regulatory oversight in Liberia. We look forward to a long and fruitful relationship with them and know that they will benefit from their membership.

Please join me in congratulating Eng. Elijah Sichone on his appointment as Director General of ERB (Energy Regulation Board) Zambia. Eng. Sichone is certainly well known in the Energy field and brings a wealth of experience to ERB, and I know that AFUR will benefit from his knowledge and experience.

We also welcome back PURA (The Gambia Public Utilities Regulatory Authority) after a long absence, it is my hope that you find benefit in joining the AFUR events, meetings and working groups.

Please continue to connect with us on our Social media platforms - LinkedIn <https://www.linkedin.com/company/afur> and Facebook <https://www.facebook.com/afurnet> as well as visit our new, revamped website, www.afurnet.org

We appeal to all our members to share news, articles or events that you think would be interesting to others.

Warm regards
Debbie Roets, Executive Secretary

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AFUR WEBSITE

For this quarter's newsletter, we are excited to share several updates and insights that reflect our ongoing commitment to the mission of the African Forum for Utility Regulators (AFUR).

1. **Website Highlights:** Our official website, afurnet.org, continues to be a vital resource for stakeholders in the utility regulation sector. Key updates include the announcement of our upcoming **21st Annual Conference and Annual General Assembly (AGA)**, set to take place from **4th to 7th March 2025** in **Kribi, Cameroon, at the Autorité Portuaire Nationale (APN)**. This year's theme, "The Use of Intelligent Technologies," will foster discussions around the challenges, opportunities, and innovations in port management and utility regulation.
2. **Engaging Online Presence:** AFUR is actively engaging with its community through social media platforms. Our [Facebook page](#) currently boasts 55 likes, where we share news and updates relevant to utility regulation. Meanwhile, our [LinkedIn profile](#) highlights our expertise in various sectors, including energy, telecommunications, and water & sanitation, helping to build a professional network focused on regulatory improvements.
3. **Upcoming Webinars:** Don't miss out on the upcoming webinar co-hosted with the African Development Bank, focusing on the critical role of regulators. This is an excellent opportunity for learning and engaging with thought leaders in the utility regulation space.
4. **Member Engagement:** We encourage all AFUR members to stay informed about important dates and events in the upcoming quarter. Keep an eye out for our internal calendar featuring holidays, special occasions, and organization-wide events.

We look forward to another productive quarter and appreciate your continued engagement with AFUR as we strive to enhance utility regulation across Africa!

Sector Working Groups

The objective of the Sector Working Groups is to develop appropriate regulatory frameworks for the topics identified in the AFUR Strategic Plan. The working groups meet on a regular basis, typically once in a month, either in person or virtually, to discuss progress, share insights, and make decisions. The working group shall produce, either by itself or through identified experts from cooperating partners, a final report outlining policy recommendations or regulatory frameworks on the theme discussed during the meetings over a series of meetings.

The working groups are open to all members of AFUR, the only criteria is that the members that are interested in contributing to these working groups need to be committed.

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Energy:

The Energy Sector Working Group met on the 29th August, the theme of the working group for the next few months is “***Policies and Regulatory Frameworks that Encouraged Grid Infrastructure***” (Project 5 of AFUR Strategic Plan). There were two presentations, Egypt-ERA and ERB, Zambia. The presentations are available on the website.

Water:

The Water and Sanitation Working Group met on the 27th August, the theme of the working group is “***Regulation of small, stand-alone water and sanitation systems in outlying communities/Rural Sanitation Services***” (Project 1 of AFUR Strategic Plan - Water Sector). Again there were two presentations, ESAWAS and AFUR Technical Manager, James Manda. Both presentations are available on the website

Mini-grid CAPEX and OPEX Benchmark Study: A Regional Approach in Burkina Faso, Nigeria and Sierra Leone – written by Samuel Bunnya Sebbowa, Projects Coordinator, AFUR

Through a coordinated effort among regulatory bodies and mini-grid developers, this study developed by Sustainable Energy for All (SEforALL) as part of a technical assistance programme supporting the Sierra Leone Electricity & Water Regulatory Commission (SLEWRC) is seeking to start addressing the question of data gaps in the field of mini-grids on the continent of Africa.

Relevant CAPEX and OPEX data were collected from mini-grid developers in Burkina Faso, Nigeria and Sierra Leone, the issue of data credibility is being addressed in this initial benchmark report. Through analysis of the data, a comprehensive CAPEX and OPEX benchmark specific to the mini-grid industry in West Africa was created, enabling informed decisions and effective regulatory frameworks.

Furthermore, the compilation of key findings into a detailed report which is up on the SEforAll website forms the basis of a training session for regulators, empowering informed decision-making and facilitating strategic initiatives for sustainable mini-grid development in Sierra Leone. The methodology employed in this study involved a collaborative effort with key stakeholders, including SEforALL, Africa Minigrid Developers Association (AMDA) and AFUR, to gather comprehensive data on CAPEX and OPEX in the target countries.

This is just a starting point, with plans for a much wider Africa based study already in the offing. Follow the link below to get access to this insightful and impactful study:

<https://www.seforall.org/publications/mini-grid-capex-and-opex-benchmark-study-a-regional-approach-in-burkina-faso-nigeria>

The Role Of Regulators On Distributed Energy Resources – written by James Manda, Technical Manager, AFUR

The African Forum for Utility Regulators was invited to facilitate a presentation on the role of Regulators on Distributed Energy Resources. More specifically, AFUR was requested to deal with issues relating to the necessary regulatory frameworks that are/would be required for the adoption of Distributed Energy Resources across the continent.

In carrying out this assignment, AFUR made a PowerPoint Presentation to a group of regulators representing various countries in a “Tariff Training Workshop” organised by Get. Transform. The training workshop took place from 19th August to 23rd August 2024. The presentation dived into the world of DERs for regulators to comprehend their integral role in the future of energy and business.

By way of definition, Distributed Energy Resources (DERs) represent a paradigm shift in energy production and consumption, marking a significant move away from centralized power systems to localized, often more efficient energy solutions. There is a diverse range of DERs, such as solar panels, battery storage, electric vehicles, biomass and biogas, and smart thermostats, highlighting their role in reshaping energy dynamics. These technologies, usually dubbed “Disruptive Technological Advancements”, not only contribute to a more resilient and sustainable energy grid but also significantly impact business models, offering new opportunities for cost savings, energy independence, and sustainability.

In the presentation, AFUR highlighted the main message concerning DER’s, which is that Regulatory frameworks for Distributed Energy Resources (DERs) can vary depending on the country or region. However, AFUR presented some common regulatory aspects that include, but not limited to the following issues discussed below:

1. Interconnection Standards: Standards, by their nature, define technical, operational, and safety requirements for connecting DERs to the electricity grid. They often include guidelines on voltage and frequency control, protection mechanisms, and power quality standards. Therefore, Regulators must design appropriate technical standards that should be used during the adoption and implementation of Distributed Energy Resources.

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2. Net Metering Policies: Net Metering has been in use for a long time in regions such as Europe. However, it is a relatively new phenomenon in Africa. In essence, Net metering allows owners of DERs, such as rooftop solar panels, to receive credits for any excess electricity they generate and feed back into the grid. Regulatory frameworks usually establish the rules and compensation mechanisms for net metering, promoting the integration of DERs.

3. Grid Access and Market Participation: It goes without saying that Regulators must put in place regulations that specify the procedures, requirements, and costs associated with gaining grid access for DERs. Clear guidelines on how DERs can participate in electricity markets, including pricing mechanisms and market rules, are also important.

4. Consumer Protections: The issue of consumer protection is critical in the introduction and implementation of various categories of DER's into the energy market. In this regard, regulatory frameworks deemed necessary for consumer protection should often include measures to protect consumers who own or lease DERs. These measures may cover areas such as contract transparency, dispute resolution mechanisms, and potential impact on low-income households.

5. Standards for Energy Storage Systems: As energy storage becomes an increasingly important component of DERs, regulatory frameworks may include specific standards for storage safety, performance, and interconnection to the grid.

6. Environmental Standards: Regarding environmental standards, regulations may promote the use of DERs for environmental and renewable energy goals. This should include the safe disposal of storage batteries once they have come to the end of their life cycle, policies such as renewable portfolio standards, where utilities are required to source a certain percentage of energy from renewables, etc.

In summarising the presentation, AFUR delivered the message emphasizing that energy regulators are pivotal in shaping the landscape for Distributed Energy Resources through comprehensive policymaking, market design, consumer protection, and ongoing evaluation, thus facilitating a successful transition toward a more decentralized and sustainable energy system. The actions of regulators impact not just the development and integration of DERs but also influence the broader energy market dynamics and environmental objectives.

Know Your Net Metering - written by James Manda, Technical Manager, AFUR

This is a billing mechanism that allows electricity consumers who generate their own electricity (typically through renewable sources like solar panels) to receive credit for the excess power they contribute back to the grid. Net metering offers value for excess energy without any additional

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installation or other expensive storage systems. Second, it serves as a way for homeowners and businesses to contribute energy and remove some of the pressure from the grid, especially during peak consumption periods.

Here are the main characteristics of net metering that exporters and importers of electricity should be aware of:

1. **Credit System:** Net metering allows consumers to receive credits for the excess electricity they generate. These credits can be used to offset their electricity usage during periods when they consume more power than they generate.

2. **Grid Connectivity:** Net metering requires a connection to the grid. Consumers must have a bidirectional meter that can measure both the electricity they consume from the grid and the electricity they export to the grid.

3. **Billing Adjustments:** At the end of a billing cycle, the utility adjusts the consumer's bill based on net consumption. If a consumer has exported more energy than they consumed, they may receive a credit that may either be carried over to the next month or compensated at a predefined rate, depending on the regulations in your particular country.

4. **System Capacity Limits:** In accordance with regulations, there may be a limit on the size of the renewable energy systems eligible for net metering. This means that consumers need to be aware of local regulations regarding the maximum installation capacity.

5. **Interconnection Standards:** Net metering systems must comply with the prevailing utility interconnection standards, which may dictate how a system can be connected to the grid. Understanding these standards is essential for ensuring a smooth installation process.

6. **Incentives and Policies:** Varying incentives such as tax credits, or rebates may be offered for importing and installing renewable energy systems. Stakeholders should therefore stay informed about local laws and policies that affect net metering, and indeed any other renewable energy equipment.

7. **Accountability and Documentation:** Maintaining accurate records of energy production and usage is crucial for consumers to effectively manage their net metering arrangements and ensure proper billing and credits.

8. **Impact on Grid Stability:** High levels of distributed generation through net metering can/or may impact grid stability and reliability. Understanding how these dynamics work can help stakeholders develop better energy management plans.

9. Potential Changes to Legislation: Since net metering policies can be subject to changes in regulations or legislation, stakeholders should be proactive in monitoring any proposed changes that could impact their agreements.

By comprehending these characteristics, exporters and importers of electricity can navigate net metering policies effectively and make informed decisions regarding their energy usage and generation strategies.

New Members

We welcome LERC Liberia to the AFUR Family, we look forward to working closely with them to advance the objectives of utility regulation on the continent

MEMORANDUM OF UNDERSTANDING (MoU)

The following MoUs were signed:

1. Fijian Competition and Consumer Commission (FCCC), 12th August 2024
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UPCOMING EVENTS

The AFUR- AERF (Arab Electricity Regulators Forum) Electricity Conference

The Conference has now taken on a different form. The three-day workshop will be held Cairo, Egypt from 25th to 27th November 2024. BADEA (Arab Bank for Economic Development in Africa) has allocated USD100 000 to this workshop, the funds will be used to cover the travel costs and accommodation for one delegate from each non-Arab AFUR energy member regulator.

The following subjects will be covered during the conference – Mini Grid Regulation Tool Kit, including the tariff settlement tool; Energy efficiency; Infrastructure Asset Management; Regulatory frameworks that can enhance infrastructure development; The use of DERS on the continent and Electric Vehicles.

Correspondence will be sent to all members during the first half of September.

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AOW – Investing in African Energy

This prestigious event takes place in Cape Town, South Africa from the 7th to 10th October. We will share details of the event in the coming weeks.

AFUR 21st Annual Conference and AGA

We are pleased to announce that the 21st Annual Conference will take place in Kribi, Cameroon from the 4th to 7th March 2025 and will be hosted by the Autorité Portuaire Nationale (APN). The theme for the conference is “*The Use Of Intelligent Technologies In Utilities – How Does The Regulator Promote Innovation While Protecting Consumers?*”.

As in the recent past, it is expected that the Conference will attract participants from around the continent including utility regulators, senior government officials, and the private sector, suppliers of energy, communications, water and sanitation as well as representatives from international development and finance institutions, investors and utility service providers. The event offers a unique opportunity for regulators, investors and operators throughout Africa to engage on regulatory issues of common interest.

The program will include the following presentations:

1. **The Intelligence of Uganda’s electricity transmission grid: implications on power supply reliability - Dr. Geoffrey Okoboi, Keneth Muhumuza, Eng. Grace Kiija**
2. **Comparative Evaluation Of Surveillance Technologies In The Energy Sector: Case Study Of Kenya - Dr. Fredrick O. Otieno**
3. **The Use of Intelligent Technologies in Utilities – How Does the Regulator Promote Innovation While Protecting Consumers? African Context – Moses Kadenge**
4. **Innovations for Closing Data Gaps in WSS Regulation - Chisanga Chanda, ESAWAS**
5. **Regulatory Benchmarking through SFA and DEA Panel Data Analysis in Natural Gas and Electricity Markets for South Africa - Isaac Mutsau**

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SAVE THE DATE

“The Use Of Intelligent Technologies In Utilities
How Does The Regulator Promote Innovation
While Protecting Consumers?”

21st ANNUAL CONFERENCE
4th – 7th MARCH 2025

Kribi, Cameroon



We look forward to welcoming you in Kribi, Cameroon.

Please use the link below to register:

<https://afurnet.org/21st-conference-registration/>