



# **The Role of the Regulator in Power Pool – SAPP Response**

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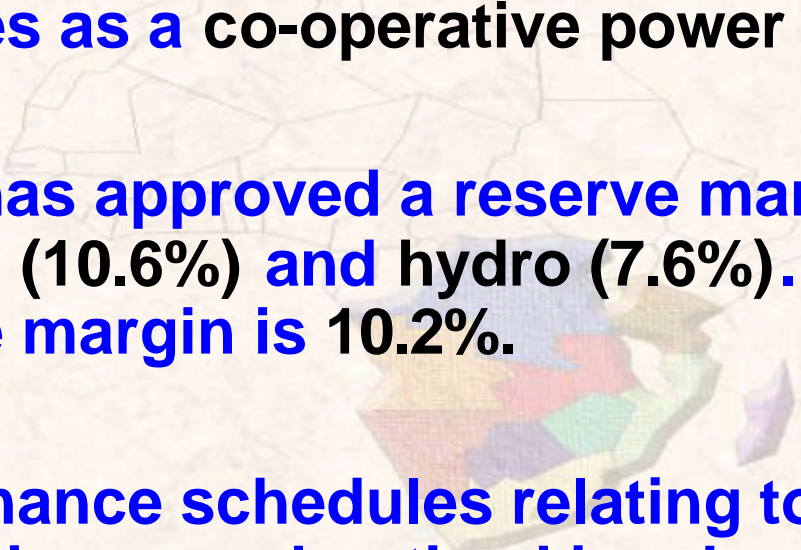
**SAPP Management Committee Chairperson**

**The Global Regulatory Network 1<sup>st</sup> Annual Meeting**

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- **SAPP is an association of 12 member countries represented by their respective national power utilities organised through SADC.**
  - **One of the reasons for the formation of SAPP was to ensure reliability of supply.**
  - **SAPP services 150 million people and has a peak demand of about 40,000MW.**
  - **SAPP currently operates two energy markets; bilateral contracts and the Short-Term Energy Market (STEM). The bilateral transactions have preference over STEM.**
  - **SAPP reports to the SADC Council of Ministers. The Council of Ministers meet once a year.**

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- **SAPP has no direct control on market power abuse. Market power abuse is not evident in SAPP since SAPP operates as a co-operative power pool.**
  - **SAPP has approved a reserve margin policy for both thermal (10.6%) and hydro (7.6%). The overall SAPP reserve margin is 10.2%.**
  - **Maintenance schedules relating to interconnectors and generation are advertised in advance on the SAPP website and by the three Control Areas.**
  - **The operation of the SAPP network is in accordance with the SAPP Operating Guidelines and the Agreement Between Operating Members.**

**END**