

ANNUAL REPORT 2024

VISION, MISSION AND VALUES

VISION

To be the benchmark of excellence in energy regulation in Africa by 2026

MISSION STATEMENT

Efficiently regulate the energy sector and be responsive to stakeholder needs to achieve sustainable, reliable, and quality energy products and services

CORE VALUES

In carrying out its mandate, ERB is guided by and adheres to the following core values:

We respect and support individual strengths and skills for the collective achievement of our goals.



Predictability

Teamwork



We are proficient, professional, consistent, fair and reliable.

We continually pursue improved techniques to provide the best solutions.



Innovation

Integrity



We always do the right thing, at the right time, in the right way.

We are accountable, open and straightforward in our operations.



Transparency

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ABBREVIATIONS

AfDB	African Development Bank
ARC	Audit and Risk Committee
BPC	Botswana Power Corporation
CAC	Consumer Affairs Committee
CEC	Copperbelt Energy Corporation
CPI	Consumer Price Index
C1, C2, C3, C4	Commercial Tarriff Categories
DNSP	Distribution Network Service Provider
EAZ	Economics Association of Zambia
EIAs	Environmental Impact Assessments
EIZ	Engineering Institution of Zambia
ERB	Energy Regulation Board
ESLS	Energy Single Licensing System
EU	European Union
FHRAC	Finance, Human Resource and Administration Committee
GDP	Gross Domestic Product
GETFIT	Global Energy Transfer Feed-in Tariff
IFC	International Finance Corporation
IFVSC	Illegal Fuel Vending Sub-Committee
IPS	Interconnected Power System
IPPs	Independent Power Producers
ITPC	Itezhi-Tezhi Power Corporation
KPI	Key Performance Indicator
LAZ	Law Association of Zambia
LC	Licensing Committee
LHPC	Lunsemfwa Hydro Power Company
LPG	Liquefied Petroleum Gas
LSGO	Low Sulphur Gas Oil
MCL	Maamba Collieries Limited
MD	Maximum Demand
MoFNP	Ministry of Finance and National Planning
NARUC	National Association of Regulatory Utility Commissioners
NECL	Ndola Energy Company Limited
OMC	Oil Marketing Company
PPA	Power Purchase Agreement
PQMS	Power Quality Management System
PQR	Power Quality Recorder
PSA	Power Supply Agreement
R1, R2, R3, R4	Residential Tariff Categories
R6	New Residential Tariff Category
RESS	Rechargeable Energy Storage System
S1, S2, S3, S4	Social Tariff Categories
SBP	Strategic Business Plan

SI	Statutory Instrument
SME	Small and Medium Enterprises
SOEs	State-Owned Enterprises
TPL	TAZAMA Pipelines Limited
TC	Technical Committee
TNSP	Transmission Network Service Provider
TPPL	TAZAMA Petroleum Products Limited
UN	United Nations
UPP	Uniform Petroleum Pricing
USD	United States Dollar
W1, W2, W3	Water Pumping Tarriff Categories, 1, 2 and 3
ZABS	Zambia Bureau of Standards
ZANIS	Zambia News and Information Services
ZESCO	ZESCO Limited
ZEMA	Zambia Environmental Management Agency
ZICA	Zambia Institute of Chartered Accountants
ZMW	Zambian Kwacha

Operational Excellence



- 5 Regulations (Statutory Instruments) promulgated in 2024. (Pg. 9)
 - Electricity (Net Metering) Regulations (Statutory Instrument) S.I. No.38 of 2024
 - The Energy Regulation (General) (Amendment) Regulations, S.I. No. 52 of 2024
 - Electricity (Open Access) Regulations S.I. No. 40 of 2024
 - Energy Regulation (Energy Fund) Regulations, S.I. No. 56 of 2024
 - Energy Regulation (Petroleum Products Price Setting) Regulations, S.I. No. 77 of 2024
- 70 Power Purchase/Supply Agreements approved in 2024 compared to 48 in 2023. (Pg. 40)
- **ICT Strategy (2024 – 2028) developed to enhance digital transformation. (Pg. 40)**
- Revised TAZAMA Open Access Guidelines approved in Dec 2024, ensuring equitable LSG transport for OMCs using the TAZAMA pipeline. (Pg. 27)
- 515 Standard Licences issued in 2024 (34.82% increase from 2023). (Pg. 11)

- 59 Construction Permits issued in 2024 compared to 100 in 2023. (Pg. 11)
- Total pledged investment of ZMW 22.4 Billion (US\$ 807 Million) from licenses and permits issued in 2024. (Pg. 11)
- 9 new standards developed in 2024 compared to 6 in 2023. (Pg. 14)
- 2,293,193.66m³ total fuel marked in 2024, exceeding the 2023 total fuel marked by 34.9%. (Pg. 18)
- 92% compliance rate attained for petroleum product quality testing. (Pg. 18)
- 81.9% complaints resolution rate attained in 2024 compared to 63% in 2023. (Pg. 37)
- 42 enforcement actions taken against non-compliant licensees. (Pg. 24)
- **Rollout of online non submission demand letters which are generated from MIS. (Pg. 41)**
- 26,585 litres of illegal fuel seized, valued at ZMW 798,455. (Pg. 24)
- 50 suspects arrested for illegal fuel vending. (Pg. 24)
- **Rolled out the Energy Single Licensing System (ESLS). (Pg. 4)**

SNAPSHOT OF ERB 2024 ACHIEVEMENTS

Financial sustainability



- Total non-tax revenue of ZMW 711 million against the target of ZMW 477 million, representing 48.84% collection above the target set by MoFNP for 2024. (Pg. 20)
- Fees and funds increased from ZMW 902 million in 2023 to ZMW 1.00 billion in 2024. (Pg. 21)

Stakeholder Management



- 173 Stakeholder engagements conducted in 2024 compared to 135 in 2023. (Pg. 31)
- 2 parliamentary forums held in 2024 with Parliamentary Committee on Accounts of Parastatal Bodies and Other Statutory Institutions and the Parliamentary Committee on Energy, Water Development and Tourism. (Pg. 30)
- 98 Mobile awareness campaigns conducted. (Pg. 30)
- 3,625 Individuals sensitized through public outreach. (Pg. 30)
- 8 Schools participated in the Energy Awareness Inter-School Quiz. (Pg. 31)
- ERB hosted Energy Crisis Indaba in June 2024. (Pg. 30)

People And Culture



- Launch of first ever e-learning platform for staff in partnership with LRMG Resources. (Pg. 40)
- Introduction of Electronic Performance Management System for employee performance appraisals. (Pg. 40)
- 4 Integrity Policies developed namely: Code of Ethics and Professional Conduct, Gifts and Benefits Policy, Whistle Blower Policy and Conflict of Interest Policy, to ensure regulation with Integrity. (Pg. 42)

OUR MANDATE

OUR MANDATE

The Energy Regulation Board (ERB) was established in 1997 following the enactment of the Energy Regulation Act, Cap 436 of the Laws of Zambia. The ERB's primary mandate is to regulate the energy sector through the issuance of specialised licences in the petroleum, electricity and renewable energy sub-sectors and any other energy activity that the Minister of Energy may prescribe by statutory instrument.

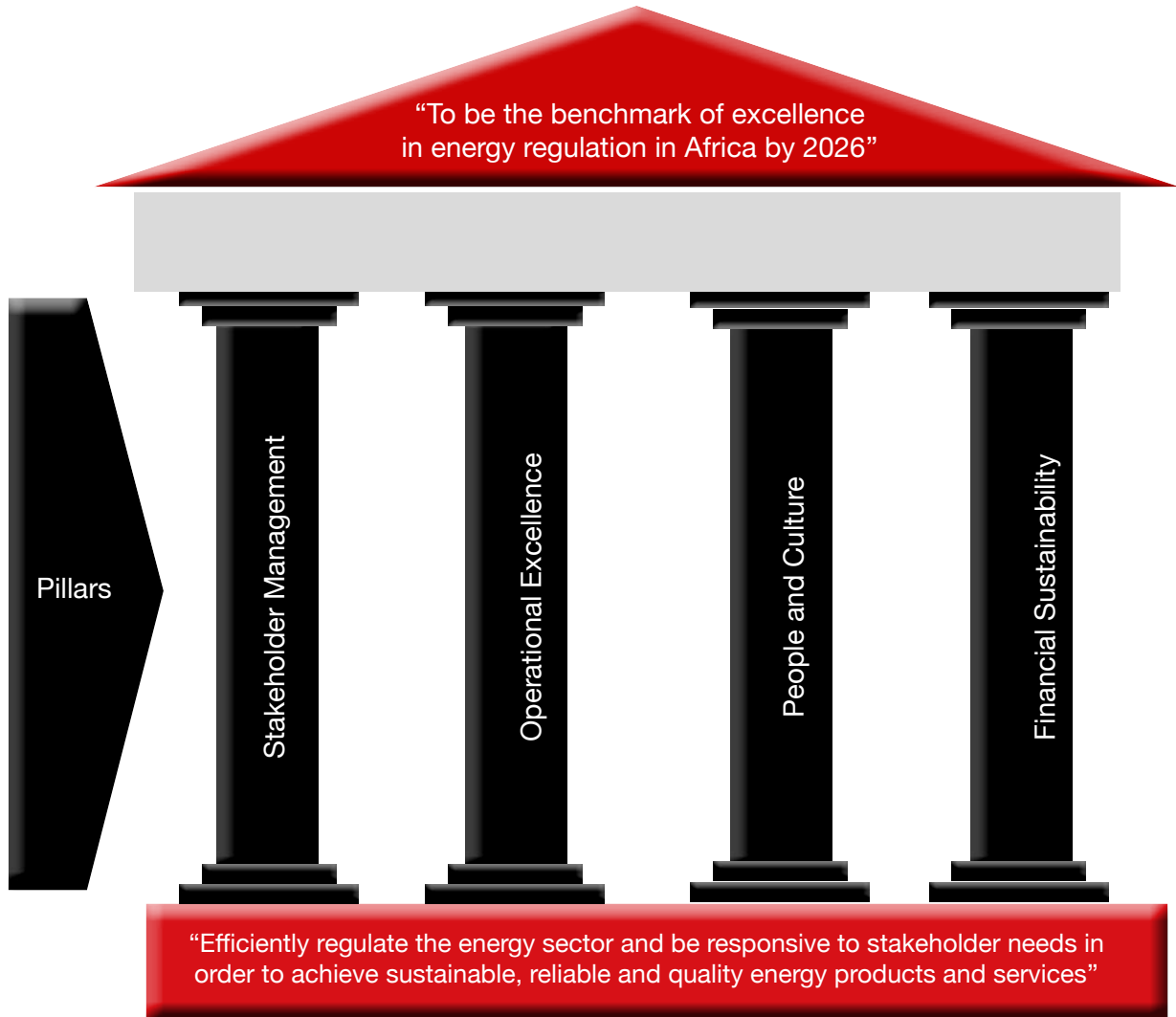
The ERB develops regulatory procedures and systems to facilitate the regulation of the energy sector in line with its mandate and mission. Aspiring to be the benchmark of excellence in

Africa by 2026, the ERB executes its mandate with due consideration to the regional and global trends in the energy sector.

Further, the ERB leverages on its vast regulatory experience to attain excellence in its operations consistent with the aspirations of the Government as enshrined in the Vision 2030, the National Energy Policy, the Eighth National Development Plan and the United Nations Sustainable Development Goals among others. Ultimately, the ERB seeks to ensure stakeholder satisfaction in the energy sector which is a key driver for spurring economic development.

OUR STRATEGIC PILLARS

The vision and the mission are underpinned by the strategic pillars depicted below.



Values: Teamwork | Integrity | Predictability | Innovation | Transparency



HIGHLIGHTS

THE BOARD CHAIRPERSON'S STATEMENT



On behalf of the Board, it is my distinct honour to present the Annual Report and Audited Financial Statements of the Energy Regulation Board (ERB) for the year ended 31st December 2024. This report provides a comprehensive account of the ERB's activities and operations undertaken in 2024, in line with its statutory mandate.

DEVELOPMENT OF REGULATIONS

In line with the Energy Regulation Act No. 12 of 2019, one (1) regulation was amended and four (4) new regulations were developed in 2024 to strengthen Zambia's energy sector. Amongst those that were developed was the Electricity (Net Metering) Regulations (Statutory Instrument (S.I.) No. 38 of 2024), which was promulgated in June 2024. This S.I. allows consumers to export excess electricity generated for own use from renewable energy sources into the national grid.

To speed track the renewable energy projects and access to alternative energy sources, the Energy Regulation (General) (Amendment) Regulations (S.I. No. 52 of 2024) were promulgated in August 2024. The amendment exempts qualifying on-grid and off-grid activities of capacity up to 5 Megawatts (MW) from licensing requirements and removes licensing obligations for the importation of solar equipment.

In July 2024, the Electricity (Open Access) Regulations (S.I. No. 40 of 2024), were introduced, enabling qualifying third parties to access existing transmission and distribution capacity on non-discriminatory terms. This measure fosters competition and efficiency within the electricity market.

The Energy Regulation (Energy Fund) Regulations (S.I. No. 56 of 2024) promulgated in September

2024, were enacted to provide guidelines for the administration and management of the Energy Fund, detailing activities eligible for financing to support sector growth. Regarding the petroleum subsector, the Energy Regulation (Petroleum Products Price Setting) Regulations (S.I. No. 56 of 2024), were promulgated in December 2024 to enhance price stability and security of supply. These regulations establish a structured framework to ensure transparency and predictability in petroleum product pricing.

Additionally, the ERB, on 9th December 2025, approved the Revised TAZAMA Open Access Guidelines for the Transportation of diesel. This framework ensures equitable access for Oil Marketing Companies (OMCs) to transport diesel through the TAZAMA pipeline from Dar es Salaam to Ndola, fostering transparency, competition, and supply consistency in the petroleum subsector.

DEVELOPMENT OF REGULATORY FRAMEWORKS

In 2024, a licensing framework for bulk retailing of petroleum products was developed by the ERB in order to regulate and streamline the distribution, storage and sale of petroleum products at bulk retail sites.

ELECTRICITY TARIFFS AND ELECTRICITY SUPPLY AGREEMENTS APPROVAL

On 10th October 2024, the ERB approved ZESCO's

emergency tariff adjustment for a period of three (3) months from 1st November 2024 to 31st January 2025. Additionally, in line with the provisions of Section 3 of the Electricity Act No. 11 of 2019, the ERB approved a total of 69 Power Purchase and Supply Agreements, marking a notable increase from the 48 agreements approved in 2023.

PRICING OF PETROLEUM PRODUCTS

In 2024, the ERB conducted monthly reviews of wholesale and pump prices for petroleum products, aligning with the Government’s policy shift towards private-sector-led procurement. As Zambia relies entirely on imports for petroleum products, fuel prices were primarily influenced by global oil market fluctuations and exchange rate movements. Other cost elements, including taxes, levies, and processing fees, also impacted pricing. To maintain market stability, the ERB applied a 2.5% threshold for price adjustments.

During the year, Petrol prices were increased four (4) times in February, May, August and December 2024, reduced three (3) times in March, July and October 2024, and remained unchanged five (5) times in January, April, June, September and November 2024. Diesel prices saw six (6) upward adjustments in February, May, June, August, November and December 2024, three (3) downward adjustments in March, July and October 2024, and were maintained three (3) times in March, July and October 2024. Jet A-1 prices were increased five (5) times in February, May, June, August and December 2024, reduced three (3) times in for March, July and October 2024, and held constant four (4) times for January, April, September and November 2024. Meanwhile, Kerosene prices remained stable from January to April 2024 due to sufficient stock levels and were adjusted upwards four (4) times in May, June, August and December 2024 and downwards two (2) times in July and October 2024.

The monthly reviews have sparked considerable debate, but they were essential to align fuel prices with the consumption period of the procured quantity, thereby ensuring security of supply.

NON-TAX REVENUE COLLECTION

In the 2024 financial year, the ERB recorded non-tax revenue collection of ZMW 711 million, representing a 43.64% increase from ZMW 495 million in 2023. This growth was driven by increased consumption of petroleum products, enhanced debt recovery measures, intensified audit verification processes, and overall expansion of the energy sector.

FUTURE OUTLOOK

In light of all these regulatory reforms and interventions, Zambia seats in pole position in Africa implementing novel policies in the electricity and petroleum sub-sectors. As a result, Zambia has positioned itself as a preferred destination for investments in Africa. This is evidenced from the increased investment pledges for energy projects.

Looking ahead, the ERB remains committed to enhancing Zambia’s energy sector through continued regulatory reforms, fostering competition, and promoting sustainable energy practices. Key priorities include expanding renewable energy access, strengthening energy security, advancing open access frameworks, and leveraging technology to improve regulatory efficiency. The ERB will also prioritize consumer protection, enhance collaboration with international partners, and ensure long-term sector growth through strategic investments and policy development. These initiatives are aimed at providing affordable, reliable, and sustainable energy for all Zambians.

On behalf of the Board, I extend my sincere appreciation to the Government of the Republic of Zambia led by President Hakainde Hichilema, the Honourable Minister of Energy, cooperating partners, licensees, consumers, academia, media and the general public for their unwavering support in strengthening the ERB’s regulatory oversight. Finally, I commend the dedication and commitment of Management and Staff, whose collective efforts have been instrumental in fostering growth and investment in Zambia’s energy sector.



Mr. James Banda
BOARD CHAIRPERSON

DIRECTOR GENERAL'S STATEMENT



The Board, Management, and Staff of the ERB have exhibited remarkable commitment, successfully accomplishing key milestones in the execution of the 8th Strategic Business Plan (SBP) (2022 – 2026) in the year ended 31st December 2024.

Notably, the development of four (4) regulatory instruments, namely the Electricity (Net Metering) Regulations 2024, Electricity (Open Access) Regulations 2024, Energy Regulation (Energy Fund) Regulations 2024, and Energy Regulation (Petroleum Products Price Setting) Regulations 2024, has been instrumental in strengthening the energy sector's regulatory framework. These efforts underscore the ERB's dedication to creating an enabling environment for sustainable energy growth in Zambia.

LICENCE ISSUANCE

A total of 515 standard licences were issued in 2024, marking an increase from the 382 issued in 2023. Of these, 251 licences were in the petroleum subsector, 253 in the renewable energy subsector, and 11 in the electricity subsector. Additionally, 59 Construction Permits were issued in 2024, compared to 100 in the previous year, with 54 permits issued in the petroleum subsector and 5 in the electricity subsector.

These licenses and construction permits issued in 2024 translated into a total pledged investment of K22.4 Billion (US\$ 807 Million).

DEVELOPMENT OF GUIDELINES AND STANDARDS

During the reporting period, the ERB partnered with the Zambia Bureau of Standards (ZABS) to develop and revise a comprehensive set of standards to ensure safety, environmental sustainability, and consumer protection across the energy sector. This collaboration resulted in the development of nine (9) new standards, the revision of four (4) existing ones and two (2) guidelines.

COMPLIANCE MONITORING

During the period under review, the ERB maintained its oversight of licensed enterprises

to ensure compliance with established standards, licence conditions, board directives, guidelines and regulatory performance targets.

In the electricity subsector, the ERB conducted a risk-based compliance audit approach for electricity infrastructure focused on distribution infrastructure supplying critical installations as well as facilities which scored below the ERB's 2023 regulatory target of 74% compliance for electricity standards. A total of 432 sites were inspected, which were predominantly ZESCO substations. The average compliance was 79%, which was slightly above the regulatory KPI target of 78% compliance for electricity distribution infrastructure.

In the petroleum subsector, the ERB conducted validation compliance inspections to verify self-audits submitted by licensees using a systematic sampling approach. As of year-end, compliance audits for retail sites were still ongoing. The validated compliance rates were 89.30% for fuel depots, 89.22% for retail sites, and 92.17% for LPG depots/refilling plants, compared to KPI targets of 95% for fuel depots and retail sites, and 90% for LPG depots/refilling plants.

In the renewable energy subsector, entities with installed capacities of up to 5MW, which were previously regulated by the ERB, were exempted from regulatory oversight following the

promulgation of S.I. No. 52 of 2024. As a result, these entities were not subject to compliance monitoring during the review period. However, utility-scale renewable energy power plants underwent a risk-based audit, with compliance results expected in the first quarter of 2025.

FUEL MARKING

During the review period, the ERB marked 2,293,201.14m³ of fuel, exceeding the institutional KPI target by 34.9%. Additionally, the ERB conducted baseline and fourth-quarter field sampling and testing exercises. The baseline survey aimed to establish marker penetration in the petroleum supply chain, with 1,718 samples collected and tested, achieving a pass rate of 92.72%. Following this, the fourth-quarter field sampling and testing exercise was conducted, where 1,558 samples were collected and tested using portable field-testing equipment, yielding a pass rate of 92.00% against the institutional KPI target of 90%.

To curb illegal fuel vending, the ERB enforced actions against one licensee and through the Illegal Fuel Vending Sub-Committee, conducted raids in Lusaka, Kafue, Chilanga, Chikankata, Ndola, Kapiri Mposhi, Kabwe, Manyinga, Solwezi, and Kabompo. These efforts led to the seizure of 26,585 litres of fuel worth K798,455 based on the ERB approved pump prices and the arrest of 50 suspects, of whom 10 were convicted and fined as at the end of December 2024.

ENFORCEMENTS

The ERB carried out enforcement action against forty-two (42) entities for contraventions of the Energy Regulation Act No. 12 of 2019, breach of various Licence Conditions and non-payment of statutory fees.

RISK MANAGEMENT

In 2024, the Risk Management Policy and Framework was revised to align it to the Government of Zambia Risk Management Guidelines to ensure integration of risk management culture in the operations of the ERB. A risk assessment of the ERB was conducted and results showed that as at December 2024, the institution's Risk Maturity stood at 2.97 compared to 2.20 in 2023.

STAKEHOLDER ENGAGEMENTS

In 2024, the ERB engaged numerous stakeholders through town hall meetings, exhibitions, and

mobile office campaigns. The ERB also engaged industry players via regional meetings, media tours and social media campaigns. Media activities included press statements, radio and TV programs, and outreach on platforms such as Facebook, LinkedIn, and TikTok covering various regulatory energy matters such as the energy crisis, fuel security of supply as well as Board directives. The ERB also produced newsletters and hosted 16 exhibitions to spread key information on energy topics such as renewable energy and consumer protection. These efforts resulted in 173 stakeholder engagements in 2024, an increase from 135 in 2023.

COMPLAINTS HANDLING

The ERB received a total of 507 complaints across the electricity, petroleum, and renewable energy sub-sectors, out of which 415 complaints were resolved, representing a resolution rate of 81.9%. This marks a notable improvement compared to the 63% resolution rate in 2023.

The increase can be attributed to increased awareness of complaint procedures and stricter enforcement measures, with the electricity sub-sector accounting for the majority of complaints, followed by the petroleum and renewable energy sectors. Notably, some unresolved cases, particularly in the petroleum sub-sector, were pending due to fuel sample testing, while the unresolved cases in the electricity sub-sector were related to non-standard service connections requiring additional mobilization of materials by the utility companies.

PEOPLE MANAGEMENT

Recognizing the vital role of our people and organizational culture in creating a productive and supportive work environment, the ERB implemented several initiatives to enhance staff well-being. This included employee engagement as well as conducting Organizational Culture Surveys to appreciate the challenges faced by staff. The surveys provided an opportunity to improve employee welfare in the institution.

Additionally, the ERB placed significant emphasis on capacity building and professional development by rolling out an e-learning platform and targeted training programs throughout the year. To further promote a culture of high performance, the ERB introduced an electronic performance management system during the year under review, reinforcing accountability and operational excellence.

In closing, I would like to express my appreciation to Honourable Minister of Energy and the Board of Directors for their continued support and valuable strategic direction. I also acknowledge the entire

ERB team for their dedication and hard work, which have played a key role in achieving our objectives and positively influencing the energy sector.



Eng. Elijah C. Sichone
DIRECTOR GENERAL

An aerial photograph of a large-scale solar farm during the golden hour of sunset. The solar panels are arranged in neat, parallel rows that stretch across a flat, open landscape. In the background, a small white control building with a blue roof is visible, along with several high-voltage power transmission towers and lines. The sky is filled with soft, orange and yellow clouds, and the overall scene conveys a sense of clean, renewable energy production.

INSTITUTIONAL OVERVIEW

1 INSTITUTIONAL OVERVIEW

1.1 Introduction

The Energy Regulation Board (ERB) is a statutory body established under the Energy Regulation Act No. 12 of 2019 with the mandate to regulate the energy sector in the country. In adherence to its mandate, and the approved budget for the fiscal year 2024, the ERB diligently carried out regulatory initiatives within the energy sector. Throughout the year under review, the ERB engaged in a range of regulatory activities including licensing, development of standards and guidelines, monitoring licensee compliance, setting of prices for energy products and services, as well as actively participating in stakeholder engagements and handling complaints.

This report provides an overview of the Institution's performance and detailed activities undertaken during the period 1st January to 31st December 2024.

1.2 Functions of the ERB

The specific functions of the ERB, as set out in Section 4 of the Energy Regulation Act No. 12 of 2019, are to:

- a) issue licences under the Act;
- b) in collaboration with the Competition and Consumer Protection Commission—
 - (i) investigate and monitor the levels and structures of competition within the energy sector with a view of promoting competition and accessibility to a licensee or enterprise complying with the basic requirement for operating as a business in the Republic;
 - (ii) develop and implement appropriate rules to promote competition in the energy sector;
- c) monitor, in collaboration with any other relevant regulatory body, the efficiency and performance of a licensee and an enterprise, having regard to the purposes for which the licensee and the enterprise were licensed or established;
- d) disseminate information and promote the participation of the public in the provision of energy services;
- e) receive, investigate, and determine complaints from consumers on—
 - (i) tariffs and charges provided by a licensee;
 - (ii) quality of energy products and services provided by a licensee; or
 - (iii) its own initiative concerning the location or construction of an energy facility or an installation or the carrying out of any works by a licensee;
- f) approve the location and construction of a common carrier or an energy facility or installation or the carrying out of any works by a licensee or enterprise and regulate that location and construction by attaching terms and conditions to the licence or a permit held by a licensee and enterprise under this Act or any other applicable written law;
- g) stipulate conditions relating to the location, installation or construction of a common carrier, or an energy facility or an installation;
- h) in collaboration with the Zambia Bureau of Standards, design standards with regard to the quality, safety, and reliability of the supply of energy;
- i) in collaboration with the Zambia Environmental Management Agency, formulate measures to minimize the environmental impact of activities carried out in the energy sector;
- j) determine, regulate, and review charges and tariffs in the energy sector;
- k) approve, review, and regulate power purchase agreements and power supply agreements;
- l) subject to the Compulsory Standards Act, 2017, and the Standards Act, 2017 establish performance standards and monitor the attainment of performance standards by licensees and enterprises in the energy sector;
- m) develop operating procedures, codes of practice, guidelines for incentive-based regulation and specifications;

- n) initiate, conduct and promote research surveys, studies, training, and investigations in the energy sector;
- o) promote development and the use of new and appropriate technologies in the energy sector;
- p) develop an enforcement manual to regulate non-compliance in the energy sector;
- q) make recommendations to the Minister on various issues in the energy sector;
- r) conduct any inquiry and investigation connected with any activities under this Act;
- s) make orders and enforce performance compliance as provided under this Act to the extent applicable;
- t) issue directives to licensees from time to time in relation to the licensed activity;
- u) impose an administrative penalty against a licensee for violation of licence conditions under a licence held by the licensee, or for failure to abide by the directives issued under this Act and other relevant written law; and
- v) order immediate closure of energy facilities that are operating in contravention with this Act with respect to the safety and health of persons or consumers.

The ERB has additional functions specific to the electricity subsector which are stipulated in Section 3 of the Electricity Act No. 11 of 2019.

1.3 Governance Structure

The governance structure of the ERB comprises the Board and Management.

1.3.1 The Board of the ERB

The Board is responsible for providing strategic direction and oversight. The Board comprises seven part-time members, who are appointed by the Minister pursuant to Section 5 of the Energy Regulation Act. The Board comprises:

- a) the Chairperson;
- b) a representative of the Engineering Institution of Zambia (EIZ);
- c) a representative of the Law Association of Zambia (LAZ);
- d) a representative of the Economics Association of Zambia (EAZ);
- e) a representative of the Zambia Environmental Management Agency (ZEMA);
- f) a representative of the Zambia Institute of Chartered Accountants (ZICA); and
- g) one person with relevant knowledge and experience with matters relating to the Energy Sector.

The composition of the Board as at 31st December 2024 is shown in Figure 1-1.

Figure 1-1: Composition of the Board of Directors



Mr. James Banda
Chairperson



Mr. Michael Kachumi
Vice Chairperson



Mrs. Karen Banda-Etondo
Member



Dr. Mususu Kaonda
Member



Mr. Banji Kalenga
Member



Mrs. Jane M. Mulenga
Member

The Board has five committees as follows:

- a) Audit and Risk Committee (ARC);
- b) Consumer Affairs Committee (CAC);
- c) Finance, Human Resource and Administration Committee (FHRAC);
- d) Licensing Committee (LC); and
- e) Technical Committee (TC).

Details regarding the composition of the committees of the Board, number of meetings held, and attendance are presented in appendices 1-1 to 1-5.

1.3.2 Notable Board Achievements

Throughout the period under review, the Board provided oversight in various key regulatory developments aimed at enhancing regulatory efficiency, improving energy access, and strengthening sectoral governance. These decisions were driven by the need to create a more competitive and transparent energy sector while addressing emerging challenges in the industry. Below are some of the notable achievements made:

1.3.2.1 Mid-Term Review of the 2022–2026 Strategic Business Plan (SBP)

In August 2024, the ERB conducted a mid-term review of its Strategic Business Plan (SBP) for the period 2022–2026. The review provided a critical assessment of progress made, enabling the identification of both achievements and areas requiring further attention. This evaluation process allowed for the realignment of goals and strategies to better address the dynamic shifts in the national and global energy sectors.

1.3.2.2 Energy Single Licensing System (ESLS)

In June 2024, the ERB rolled out the Energy Single Licensing System (ESLS), a pioneering platform designed to streamline the licensing and permitting process for energy projects. This initiative is aimed at reducing administrative inefficiencies, fostering a more transparent and competitive energy market, and accelerating investment in the sector.

1.3.2.3 Electricity Open Access Framework

The ERB, in collaboration with the Ministry of Energy (MoE) and other stakeholders, developed the Electricity Open Access Framework. The

framework aims to facilitate third-party access to electricity transmission and distribution networks, fostering competition and improving electricity service delivery. A central component of the initiative will be the separation of the System Operator function from ZESCO Limited, leading to the establishment of an Independent System and Market Operator (ISMO). The Electricity Open Access Regulations (SI No. 40 of 2024), enacted in July 2024, provides the necessary guidelines for implementation.

Key Components of the Electricity Open Access Framework:

- a) **Market Structure and Design:** Cabinet approved the proposed market structure on 10th June 2024, mandating the separation of the System Operator function from ZESCO Limited and the establishment of an Independent System and Market Operator (ISMO).
- b) **Regulations and Guidelines:** The Electricity Open Access Regulations (SI No. 40 of 2024) were enacted in July 2024, ensuring a transparent process for third-party access to the grid.
- c) **Pricing Methodology:** To support fair pricing, the ERB is developing a Transmission and Distribution Pricing Methodology, as mandated by Regulation 14 of SI No. 40 of 2024.

1.3.2.4 Electricity (Net-Metering) Regulations

In July 2024, the ERB introduced the Electricity (Net-Metering) Regulations (SI No. 38 of 2024). This regulatory framework allows electricity consumers with solar power systems of up to 5MW to inject surplus energy into the grid in exchange for compensation. The approved tariffs are as follows:

The Board approved the Net Metering Step-by-Step Consumer Guidelines and standardized connection agreements in 2024. These guidelines are essential for the smooth implementation of the net metering scheme, ensuring clear and consistent processes for consumers and operators.

Table 1-1: Net Metering Tariffs 2024

Description	Approved Net Metering Tariff US\$ Cents/kWh	Approved Net Metering Tariff ZMK/kWh
Reference Tariff	6.00	1.59

Table 1-2: Distribution Use of System Tariffs

Description	Approved Net Metering Tariff US\$ Cents/kWh	Approved Net Metering Tariff ZMK/kWh
Distribution System of Use Charge	1.50	0.39

1.3.2.5 Deregulation of Renewable Energy Generation (up to 5MW)

To stimulate investment in renewable energy, the ERB implemented the Energy Regulation (General) (Amendment) Regulations (SI No. 52 of 2024) which was introduced in September 2024. These regulations exempt renewable energy generation projects of up to 5MW from licensing requirements, thus reducing bureaucratic barriers and encouraging the expansion of Zambia’s renewable energy capacity.

1.3.2.6 Enactment of Petroleum Products Price Setting Regulations

In collaboration with the International Monetary Fund (IMF) and MoE, the ERB developed the Energy Regulation (Petroleum Products Price Setting) Regulations S.I. No. 77 of 2024. These rules aim to bring greater alignment between pricing structures and market realities, providing increased transparency and predictability in the pricing of petroleum products. The regulations aim to:

- a) Align pricing structures with market realities.
- b) Enhance transparency and predictability in petroleum pricing for improved planning.

1.3.2.7 Update of Statutory Instruments

To streamline energy regulation, the ERB revised SI No. 41 of 2023 – Energy Regulation (General) Regulations, 2023 and implemented SI No. 52 of 2024 – Energy Regulation, 2024, Key amendments include:

- a) Exemption of the importation of renewable energy from licensing.
- b) Removal of liability insurance requirements to reduce business costs.
- c) Revised definitions for qualifying off-grid and on-grid activities ($\leq 5\text{MW}$).

1.3.2.8 Development of Risk Management Policy and Framework

The ERB developed a comprehensive Risk Management Policy and Framework in 2024. This policy is designed to align with the Government of Zambia’s risk management guidelines, ensuring that potential risks are identified, managed, and mitigated effectively across the institution.

1.3.2.9 Strengthening of Integrity Policies

The ERB introduced several key Integrity Policies in 2024, aimed at fostering a culture of professionalism and ethical conduct within the organization. These policies include:

- a) Code of Ethics and Professional Conduct, which promotes acceptable standards of behaviour to build stakeholder confidence in the ERB;
- b) Gifts and Benefits Policy, which provides guidelines on the receipt or acceptance of gifts or tokens of appreciation from stakeholders;
- c) Whistle Blower Policy, offering guidelines for employees to raise concerns about illegality and malpractices; and
- d) Conflict of Interest Policy, which helps employees navigate potential conflicts of interest, providing examples of situations, meetings, committees, certifications, and assignments that may lead to such conflicts, as outlined in Section 28 of the Anti-Corruption Act No. 3 of 2012.

1.3.2.10 Establishment of Fraud Prevention and Detection Policy

As part of its commitment to uphold the highest standards of financial integrity and regulatory compliance, the ERB introduced the Fraud

Prevention and Detection Policy. This initiative aligns with the ERB's broader Risk Management framework and ensures strict adherence to the provisions of the Public Finance Management Act. The policy is designed to mitigate the risks of fraud within the energy sector, safeguarding public funds and reinforcing transparency in all financial operations. It sets clear guidelines for detecting, reporting, and addressing fraudulent activities, thereby enhancing the accountability and reliability of the regulatory processes.

1.3.2.11 Development of Revised TAZAMA Open Access Guidelines for the Transportation of Low Sulphur Gas Oil

In December 2024, the ERB approved the Revised TAZAMA Open Access Guidelines for the Transportation of Low Sulphur Gas Oil, developed by TAZAMA Pipelines Limited under the Energy Regulation (General) Regulations, Statutory Instrument No. 41 of 2023. This initiative established a competitive, transparent, and equitable framework for Oil Marketing Companies (OMCs) to access the TAZAMA petroleum products pipeline for transporting Low Sulphur Gasoil (LSG) from Dar es Salaam, Tanzania, to the Ndola Fuel Terminal in Zambia. The guidelines outline

procedures for pre-qualification, selection, and operational management, ensuring fair capacity sharing and consistent supply to the Zambian market. Key features include a structured pre-qualification process, monthly financial bidding for three equal lots based on pipeline capacity, and mechanisms for appeals and emergency tenders, all underpinned by ERB-regulated pricing and quality standards.

This development supports the Board's commitment to fostering a competitive energy market, enhancing transparency in petroleum logistics, and ensuring sustainable access to LSG, thereby addressing supply chain efficiency challenges and reinforcing sectoral governance.

1.3.3 Executive Management

The Director General is the Chief Executive Officer and is responsible for the day-to-day administration of the ERB and is assisted by six Directors. Figure 1-2 illustrates the composition of the Executive Management team as at 31st December 2024.

Figure 1-2: Composition of the Executive Management Team



Mr. Elijah C. Sichone (Eng.)
Director General



Ms. Mwenya Chama
Director - Finance



Ms. Naomi Fulaza
Director - Licensing



Mr. Mwiika Malindima
Director - Corporate & Consumer Affairs



Mrs. Kabisa Ngwira
Director - Legal & Board Secretary



Mr. Alfred Mwila
Director - Economic Regulation

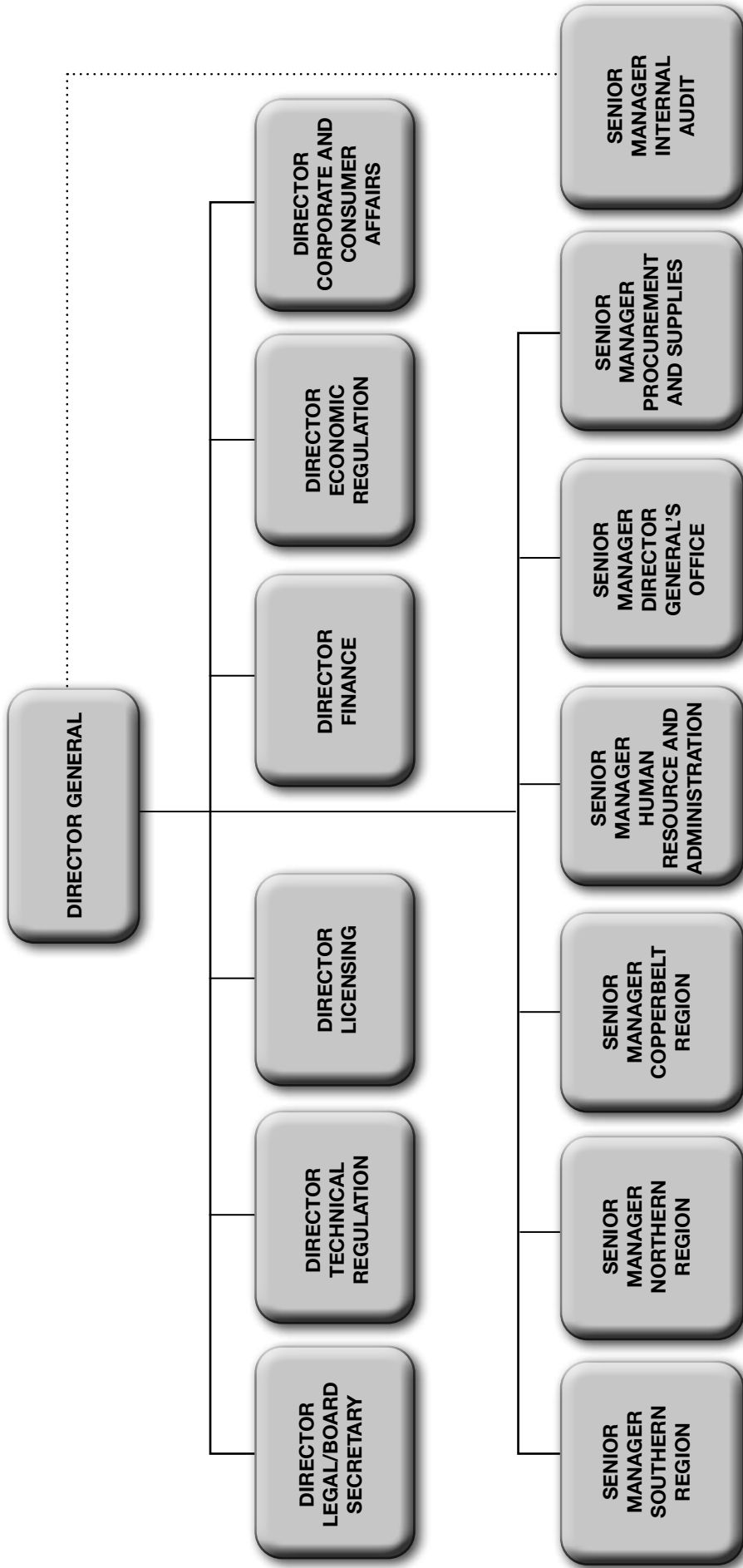


Mr. Allen Polito
Director - Technical Regulation

1.3.4 Executive Committee

The Executive Committee (ExCo) is the management decision making organ which comprises the Director General, Heads of Departments, Regions, and Units. The ExCo for the year 2024 is shown in Figure 1-3.

Figure 1-3: Executive Committee Organogram



1.4 New Legislation

The Energy Regulation Act No. 12 of 2019 and Electricity Act No. 11 of 2019, provides for the development of Regulations in order to

effectively regulate the energy sector. During the period under review, five (5) Regulations were enacted on recommendation of the ERB, as summarised in Table 1-3.

Table 1-3: Summary of Regulation/Rules developed/amended in 2024

S/N	Regulation	Detail and status
Under the Energy Regulation Act, 2019		
1.	Electricity (Net Metering) Regulations 2024 (S.I. No. 38 of 2024)	Regulations were promulgated in June 2024. The regulations allow a prosumer to export excess electricity from their renewable energy source into the main grid.
2.	The Energy Regulation (General) (Amendment) Regulations, 2024 (S.I. No. 52 of 2024)	The amendment to the regulations were promulgated in August 2024 The amendment facilitates the uptake of alternative renewable energy sources by exempting the requirement for licensing of qualifying on-grid and off-grid activities up to 5MW and excluded from licensing the importation of solar equipment.
3.	Electricity (Open Access) Regulations 2024 (S.I. No. 40 of 2024)	Regulations were promulgated in July 2024. The regulations allow a qualifying third party to access spare transmission and distribution capacity on non-discriminatory terms
4.	Energy Regulation (Energy Fund) Regulations 2024 (S.I. No. 56 of 2024)	Regulations were promulgated in September 2024 The regulation provides for the administration and management of the Energy Fund as well as the activities to be financed by the Fund.
5.	Energy Regulation (Petroleum Products Price Setting) Regulations 2024 (S.I. No. 77 of 2024)	Regulations were promulgated in December 2024. These regulations aim to foster transparency and predictability in the pricing methodology of petroleum products, facilitating better business planning. Additionally, this regulatory instrument seeks to encourage investment, address efficiency concerns, and create a competitive market that supports the growth of the petroleum sub-sector.



LICENSING AND REGULATORY APPROVALS

2 LICENSING AND REGULATORY APPROVALS

The following licences and permits were issued in the period under review:

2.1 Licences

During the period under review, a total of **515** licences which included both initial licences and

renewals were issued, against 382 issued in 2023, translating to an increase of **34.82%**. This increase in licences issued was mainly attributed to the increased number of licences issued under the renewable energy sub-sector. Table 2-1 outlines the number of licences issued per subsector in 2024 against those issued in 2023.

Table 2-1: Number of Licences issued by subsector in 2024 and 2023

Subsector	Licences issued in year	
	2024	2023
Petroleum	251	287
Renewable Energy	253	85
Electricity	11	10
Total	515	382

2.2 Construction Permits

The ERB issues construction permits pursuant to section 22 of the Energy Regulation Act of 2019. A total of **59** Construction Permits were issued as illustrated in Table 2-2.

Table 2-2: Number of Construction Permits issued by subsector in 2024 and 2023

Subsector	Number of construction permits issued	
	2024	2023
Petroleum	54	97
Electricity	5	3
Renewable Energy	-	-
Total	59	100

These licenses and construction permits issued in 2024 translated into a total pledged investment of 22.4 Billion (US\$ 807 Million).

Appendix 2-1 offers a concise summary of the types of licences and permits granted by the ERB across all three subsectors.

2.3 Electricity Supply Agreements

In line with the provisions of Section 3 of the Electricity Act No. 11 of 2019, the ERB is mandated to review, approve, and regulate Power Purchase and Power Supply Agreements (PPA &PSA).

The ERB approved a total of **70** agreements related to the purchase and supply of electricity in 2024. The approved agreements are summarised in Table 2-3 and detailed in Appendix 2-2.

Table 2-3: Summary of Approved Electricity Supply Agreements

Agreement Type	No. Approved	
	2024	2023
Power Supply Agreement	32	32
Power Purchase Agreement	23	7
Wheeling Agreement	8	2
Addendum to Power Supply Agreement	4	1
Addendum to Power Purchase Agreement	2	3
System Operation Agreement	1	1
Balancing Agreement	-	1
Addendum to Transmission Agreement	-	1
Total	70	48

The number of PPAs for the supply of energy into the Zambian market significantly increased from six (6) in 2023 to twenty-three (23) in 2024 due to the energy crisis that the country faced in 2024, which led to an influx of proposed investments into electricity generation.

In addition to the issuance of licences and construction permits in the electricity, petroleum and renewable energy sub-sectors, the ERB, in accordance with regulation 32 of S.I. No. 41 of

2023, oversees the confirmation of excluded activities such as:

- a) The importation of solar equipment for domestic or non-commercial use;
- b) Importation of lubricants for domestic or non-commercial use;
- c) Importation of solar equipment for Government projects; and
- d) Importation of lubricants for equipment intended for Government projects



**DEVELOPMENT AND REVIEW
OF TECHNICAL STANDARDS,
FRAMEWORKS AND
GUIDELINES**

3 DEVELOPMENT AND REVIEW OF TECHNICAL STANDARDS, FRAMEWORKS AND GUIDELINES

In the year 2024, the following activities were undertaken relating to the development of regulations, standards, guidelines, frameworks and codes of practice, as detailed in Table 3-1.

Table 3-1: Development and Review of Technical Standards, Frameworks and Guidelines

Sub-sector	Name of Document	Status at end of 2024
Electricity	ZS 691: Safety in AC Substation Earthing.	The standard was published by ZABS through the Zambia Gazette Notice no. 983 of 13 th September 2024.
	ZS 690 - Design, Construction and Operation of Electric Power Substations for Community Acceptance and Environmental Compatibility.	The standard was published by ZABS through the Zambia Gazette Notice no. 983 of 13 th September 2024.
	ZS 397 2023 (Revision 1): Electricity Supply – Quality of Consumer Service - Specification.	The standard was published by ZABS, through the Zambia Gazette Notice no. 983 of 13 th September 2024.
	Revision of ZS ¹ 418 (Revision)– Electrical Safety Code – Code of Practice (Parts 1 & 2) Standard <ol style="list-style-type: none"> DZS 418² – 1: 2024 Electrical Safety Code – Code of Practice Part 1: Construction, installation and commissioning rules DZS 418 - 2: 2024 Electrical Safety Code – Code of Practice Part 2: Operations and maintenance. 	The ERB submitted the standards to ZABS for publication.
	Development of the following EV Standards: <ol style="list-style-type: none"> Electrically propelled road vehicles – Safety specifications – Part 1: Rechargeable energy storage system (RESS) – ISO 6469-1 Electrically propelled road vehicles – Safety specifications – Part 2: Vehicle operational safety – ISO 6469-2 Electrically propelled road vehicles – Safety specifications – Part 3: Electrical safety- ISO 6469-3 Electrically propelled road vehicles – Safety specifications – Part 4: Post crash electrical safety – ISO 6469-4 Electrically propelled road vehicles – Conductive power transfer – Safety requirements – ISO 17409 Electrically propelled road vehicles – Vocabulary – ISO/TR 8713. 	The ERB submitted the standards to ZABS for publication.
	Guidelines on the Determination of Electric Vehicle Charging Services	The Guidelines were finalized and approved by ERB in 2024.

1 ZS: Zambian Standard

2 DZS : Draft Zambian Standard

Sub-sector	Name of Document	Status at end of 2024
Fossil Fuels	Quality Control and Monitoring Guidelines for the Zambian Petroleum Fuel Industry.	Published in the Republic of Zambia Gazette Notice
	Regulations for Liquefied Petroleum Gas (LPG).	Layman's draft developed, awaiting Regulatory Impact Assessment and onward submission to Ministry of Justice.
	Curriculum for LPG Installers.	The curriculum was launched on 28 th October 2024.
	National Petroleum Stock Management System Regulations .	Layman's draft developed, awaiting Regulatory Impact Assessment and onward submission to Ministry of Justice.
	Review of ZS 372 (Revision): operational requirements of road tank vehicles .	Draft Standard submitted to ZABS for publication.
	Development of Licensing framework for bulk retailing of petroleum products.	The framework was finalized and approved on 2 nd December 2024.
Renewable	Development of Standards for Biogas for cooking purposes as supported by USAID.	The ERB submitted the standards to ZABS for publication.



COMPLIANCE MONITORING AND ENFORCEMENT

4 COMPLIANCE MONITORING AND ENFORCEMENT

4.1 Compliance Monitoring

During the period under review, the ERB continued to monitor the performance of licensed enterprises, in order to ensure adherence to established standards, licence conditions, Board directives, guidelines and regulatory performance targets. The compliance monitoring activities conducted in 2024 are highlighted in the following subsections.

4.1.1 Service and Product Quality Monitoring

The following sub-sections detail the outcome of the service and product quality monitoring conducted by the ERB in 2024 regarding electricity power quality, petroleum product quality, and fuel marking:

4.1.1.1 Electricity Power Quality

In accordance with the Power Quality Management System (PQMS) Framework, the ERB in 2024 continued to enforce power

quality and reliability requirements to facilitate for a technically and economically efficient Zambian Interconnected Power System (IPS).

Based on the PQMS Framework, the electricity licensees are required to install power quality recorders at required number of locations on their respective networks to adequately monitor power supply quality and reliability on the IPS and to report system performance. The required number of locations for each licensee and the entire IPS are detailed in Table 4-1. The ERB in its 2024 Institutional KPI Framework set a minimum target of 78% compliance to electricity quality standards by licensed entities by 31st December 2024.

Table 4-1 reveals that as of 31st December 2024, 90% of the required locations on the IPS were installed with power quality recorders and monitored for power quality and reliability. The average compliance to power quality standards for these locations was 82% as shown in Table 4-2, which met the regulatory target of 78%.

Table 4-1: Progress on Installation of PQ Recorders as of 31st December 2024

Licensee	Number of Sites required to be monitored	Number of sites installed with PQR	Number of sites monitored with sufficient data for reporting	% of the required sites monitored
ZESCO	161	136	131	81%
CEC	172	175	175	100%
NECL	4	4	4	100%
ITPC	2	2	2	100%
LHPC	11	8	4	36%
MCL	2	2	2	100%
BPC	1	1	1	100%
Entire IPS	353	328	319	90%

Table 4-2: Summary of Power Quality Performance of the Zambia Interconnected Power System as of 31st December 2024

Power Quality/Reliability parameter on the IPS	2024-Q4 (IPS)	
	Number of Measurement Points	Average score
Harmonics	304	92%
Unbalance	319	95%
Voltage Dips	304	62%
Interruptions	319	88%
Regulation	319	68%
Frequency	15	86%
Total/Average		82%

4.1.1.2 Petroleum Product Quality

The ERB conducted random sampling and laboratory quality testing of petroleum products from Government Depots, Oil Marketing Company (OMC) depots, selected retail sites and the TAZAMA Pipeline. A total of 345 samples were collected and tested, of which 324 fully

complied with respective petroleum product quality specification standards, representing 94% which was below the regulatory KPI target of 98% for 2024. 21 samples failed to meet some of the requirements, of which 12 were Low Sulphur Gasoil samples and nine (09) were Unleaded Petrol samples. The overall results for the tests are shown in Table 4-3.

Table 4-3: Test results for petroleum product samples collected in 2024 and 2023

Product	No. of Samples Collected in 2024	No. of samples that fully complied in 2024	Compliance rate	
			2024	2023
Unleaded Petrol	124	115	93%	94%
Low Sulphur Gasoil	211	199	94%	98%
Automotive Gasoil	2	2	100%	100%
Kerosene	2	2	100%	100%
Jet A- 1	6	6	100%	100%
Total/Average	345	324	94%	97%

4.1.1.3 Fuel Marking Programme

The ERB engaged the Fuel Marking contractor Petrol (Z) Limited in consortium with TraceTag International in December 2023. The period from 1st January to 30th August 2024, was used to allow the new marker to penetrate the supply chain. During the period under review, the ERB marked 2,293,193.66m³ of fuel, exceeding the institutional KPI target by 34.9%. Between August and October 2024, the ERB undertook a baseline field sampling and testing of all depots, retail and commercial sites countrywide to confirm if the marker had penetrated the supply chain.

The tested samples confirmed that the marker penetration in the supply chain had been achieved. Sample test results are detailed in Appendix 4-2.

Following results from the baseline sampling exercise, nationwide field sampling and testing for compliance monitoring was subsequently conducted in November and December 2024. Findings of the sampling exercise revealed an overall compliance rate of 92%, as detailed in Appendix 4-3.

In the absence of field sampling and testing for fuel marker concentration compliance monitoring during the period January to

October 2024, the ERB continued to monitor adulteration, smuggling and dumping of petroleum products in the supply chain through stop gap measures such as monitoring uplifts of kerosene (the common adulterant) from TAZAMA depots and validating the deliveries to the declared destinations. In the process, the ERB discovered one (01) licensee selling kerosene from unlicensed premises contrary to the Energy Regulation Act, 2019.

4.1.2 Energy Infrastructure Compliance Monitoring

As part of its mandate, the ERB monitors the compliance of licensees to infrastructure standards by undertaking physical inspections of energy infrastructure. During the period under review, the ERB implemented risk-based audits where licensees conducted self-inspections of their energy infrastructure. The performance for electricity and petroleum infrastructure against standards, licence conditions and guidelines are detailed in the following subsections.

4.1.2.1 Electricity Infrastructure

In 2024, the risk-based compliance audit approach for electricity infrastructure focused on distribution infrastructure supplying critical installations as well as facilities which scored below the ERB’s 2023 regulatory target of 74% compliance for electricity standards.

A total of 432 sites were inspected, which were predominantly ZESCO substations. The average compliance was 79%, which slightly exceeded the regulatory KPI target of 78% compliance for electricity distribution infrastructure.

4.1.2.2 Petroleum Infrastructure

For petroleum infrastructure, the ERB validated the self-audits conducted by the licensees by sampling a total of 449 retail sites, 30 bulk fuel depots and 12 Liquefied Petroleum Gas (LPG) depots and filling sites.

Table 4-4 details the 2024 performance against the set regulatory targets for the year in comparison with the 2023 performance.

Table 4-4: Results of petroleum infrastructure compliance monitoring

Facility	Regulatory target	Average compliance	
	2024	2024	2023
Retail Service Stations	95%	89.0%	89.0%
Fuel Depots	95%	89.0%	94%
LPG Depot/ Filling Plant	90%	92.0%	94%
Refinery ³	N/A	N/A	N/A
Pipeline	95%	94%	96%

4.1.2.3 Renewable Energy Infrastructure

Following the promulgation of S1 No. 52 of 2024, renewable energy entities with systems of installed capacity up to 5MW that were previously regulated by the ERB were exempted from regulatory oversight. As a result, these entities were not subject to compliance monitoring during the review period. However, the utility scale renewable energy power plants implemented risk-based audit, and the compliance results are due in the first quarter of 2025.

4.1.3 Environmental Impact Assessments

As a sector regulator, the ERB provides comments to Zambia Environmental Management Agency (ZEMA) on environmental impact assessments (EIAs) and project briefs for energy projects in the country. In 2024, the EIAs reviewed and commented by the ERB are shown in Table 4-5.

³ The refinery has been under care and maintenance since 2022; therefore, no regulatory inspection was undertaken.

Table 4-5: EIAs reviewed and commented by the ERB for proposed Energy Projects in 2024

Subsector	No. of EIAs received from ZEMA and reviewed/commented by ERB	
	2024	2023
Electricity	06	12
Petroleum	97	159
Renewable Energy	11	1
Total	114	172

4.1.4 Financial Monitoring

4.1.4.1 Non-Tax Revenue

The ERB is mandated by the Energy Regulation Act No. 12 of 2019 to collect non-tax revenue (Licence fees) on behalf of the Government of the Republic of Zambia. The Ministry of Finance and National Planning (MoFNP) sets annual targets for non-tax revenue collections. Licensed entities submit self-assessment Returns which are subjected to risk-based revenue audits to ascertain accuracy and completeness of the filed Returns and payments. In 2024, the ERB undertook risk-based audits on 21 licensees,

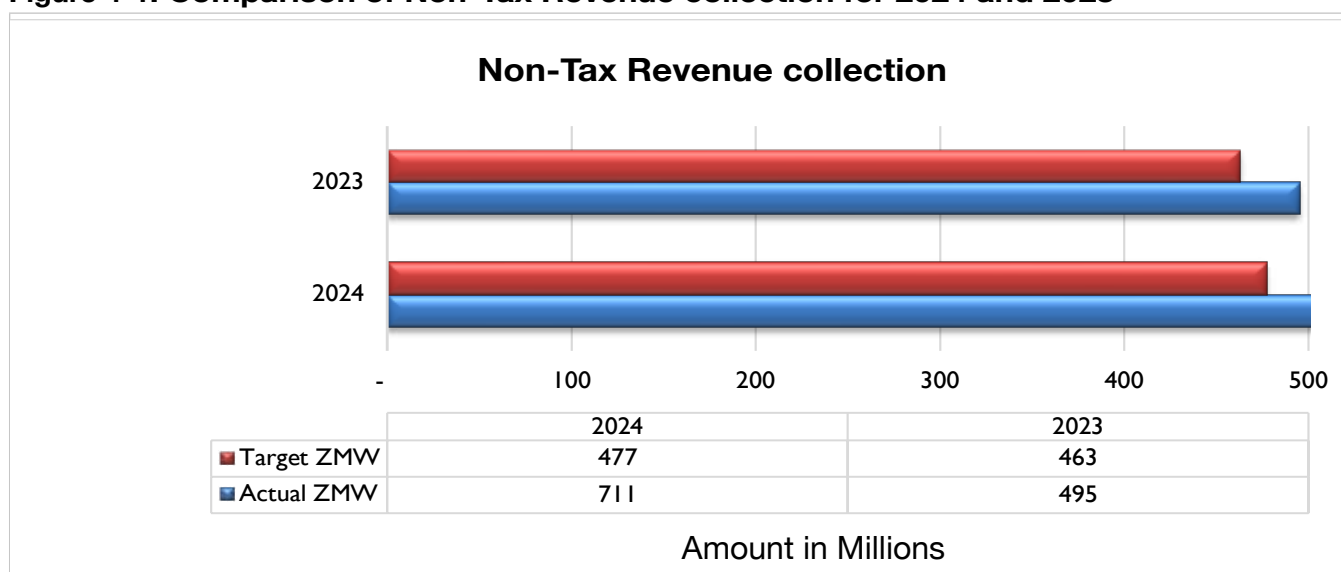
as compared to 36 licensees audited in 2023 to enhance financial compliance and safeguard Government revenue.

The non-tax revenue collections for the period under review, amounted to ZMW 711 million against the target of ZMW 477 million. This represents 48.84% collection above the target set by MoFNP for 2024, and compared to 6.86% surplus collection in 2023. The target was exceeded largely on account of prioritising the collection of outstanding debt from licensees and intensifying revenue collection efforts for the 2024 Returns. Table 4.6 and figure 4.1 show the Non-Tax Revenue collection comparison for 2023 and 2024.

Table 4-6: Non-Tax Revenue (Licence Fees) collected by the ERB in 2024 and 2023

Year	Actual (ZMW)	Target (ZMW)	Variance (ZMW)
2024	710,632,225	477,451,038	233,181,187
2023	494,584,689	462,822,809	31,761,812

Figure 4-1: Comparison of Non-Tax Revenue collection for 2024 and 2023



4.1.4.2 Other Fees and Funds

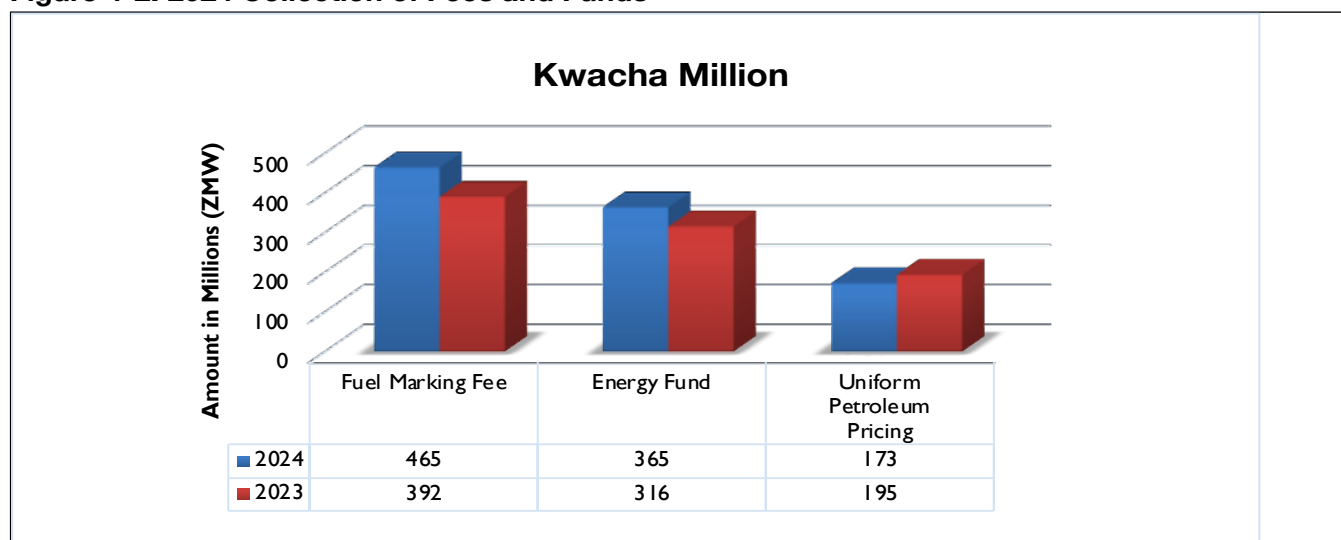
In addition to the Non-Tax Revenue (licence fees), the ERB collects other fees and funds (Fuel Marking Fee, Energy Fund, Uniform Petroleum Pricing) pursuant to its regulatory mandate. The collections for other fees and funds increased from ZMW 902 million in

2023 to ZMW 1.00 billion in 2024 due to a general increase in consumption of petroleum products. The breakdown of contributions from other fees and funds collection is illustrated in Figure 4-2 and further detailed in Table 4-7.

Table 4-7: Other Fees and Funds collected by the ERB in 2024 and 2023

Description	2024 (ZMW)	2023 (ZMW)	Variance (ZMW)
Fuel Marking Fee	464,981,978	391,587,116	73,394,862
Energy Fund	364,634,849	316,150,409	48,484,440
Uniform Petroleum Pricing	173,133,897	194,540,734	-21,406,837
Total Collections	1,002,750,724	902,278,259	100,472,465

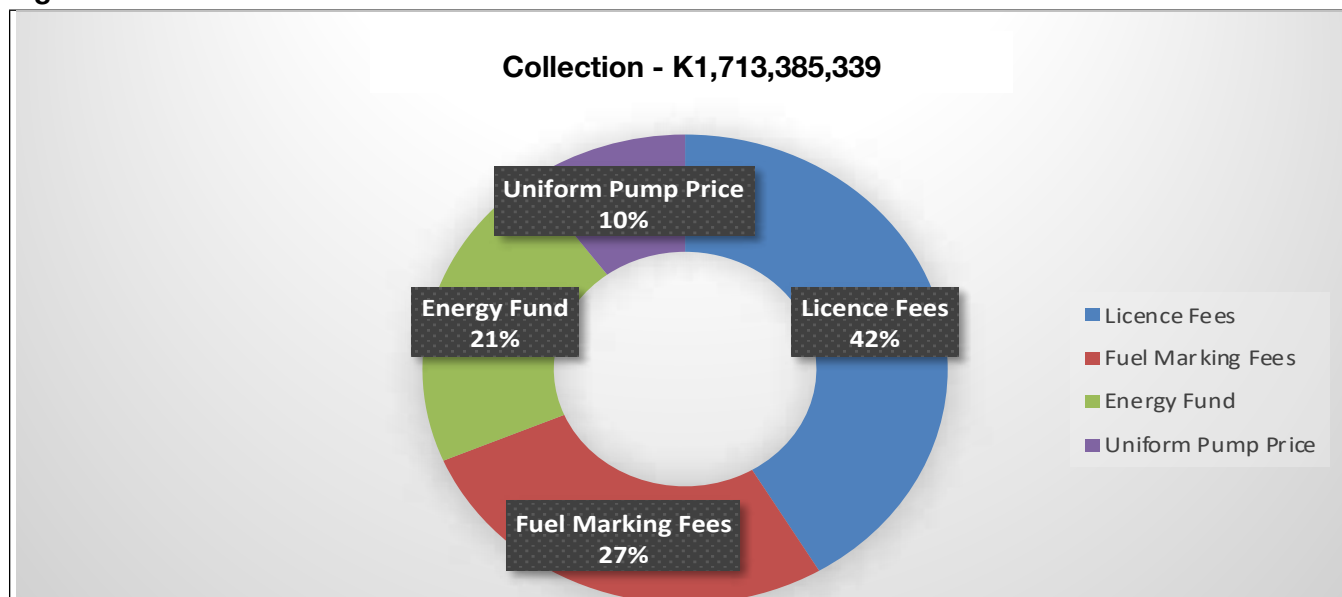
Figure 4-2: 2024 Collection of Fees and Funds



The gross revenue collections for the non-tax revenue and other fees and funds for the year ended 31st December 2024, amounted to ZMW 1.71 billion. This represents a growth of 22.14% from the ZMW 1.40 billion collected

in 2023. The percentage contribution of each revenue source to total funds collected during the period under review is depicted in Figure 4-3.

Figure 4-3: 2024 Total Funds Collected



4.2 Performance Monitoring

The ERB oversees the efficiency and performance of licensed enterprises in the energy sector by conducting regular financial, technical, and commercial evaluations. To fulfil this mandate, the ERB employs Key Performance Indicator (KPI) Frameworks to establish performance targets that serve as benchmarks for a competitive market. This section highlights the performance of State-owned enterprises in 2024.

4.2.1 Key Performance Indicators for the Electricity Sub-sector - ZESCO Limited

ZESCO’s performance is assessed through a KPI Framework, structured in a three-year cycle to adapt to emerging sector developments. This Framework is designed with a particular emphasis on service quality, customer experience, financial management, as well as commercial and technical operations.

The review of ZESCO’s performance in 2024 was based on the agreed KPI framework for the period January 2023 to December 2025. The Framework’s thematic areas and assigned weighted scores are in the Table 4-8.

Table 4-8: ZESCO’s KPIs for the period January 2023 – December 2025

No.	Key Performance Indicator (KPI)	Assigned score (%)	Attained Score	
			2024	2023
1.	New customer connections	10.00%	5.75%	2.83%
2.	Post paid billing	Monitoring only		
3.	Financial performance	10.00%	7.58%	6.25%
4.	Efficiency	15.00%	11.04%	10.16%
5.	System losses	5.00%	2.81%	3.24%
6.	Safety	10.00%	3.33%	3.75%
7.	Customer service	10.00%	8.42%	8.75%
8.	Staff productivity	8.00%	7.46%	7.46%
9.	Quality of service	20.00%	12.40%	12.29%
10.	Power Generation	5.00%	3.15%	5.00%
	Power Quality	8.00%	6.74%	6.68%
	Total	100.00%	68.68%	62.44%
	Minimum required score	75.00%		

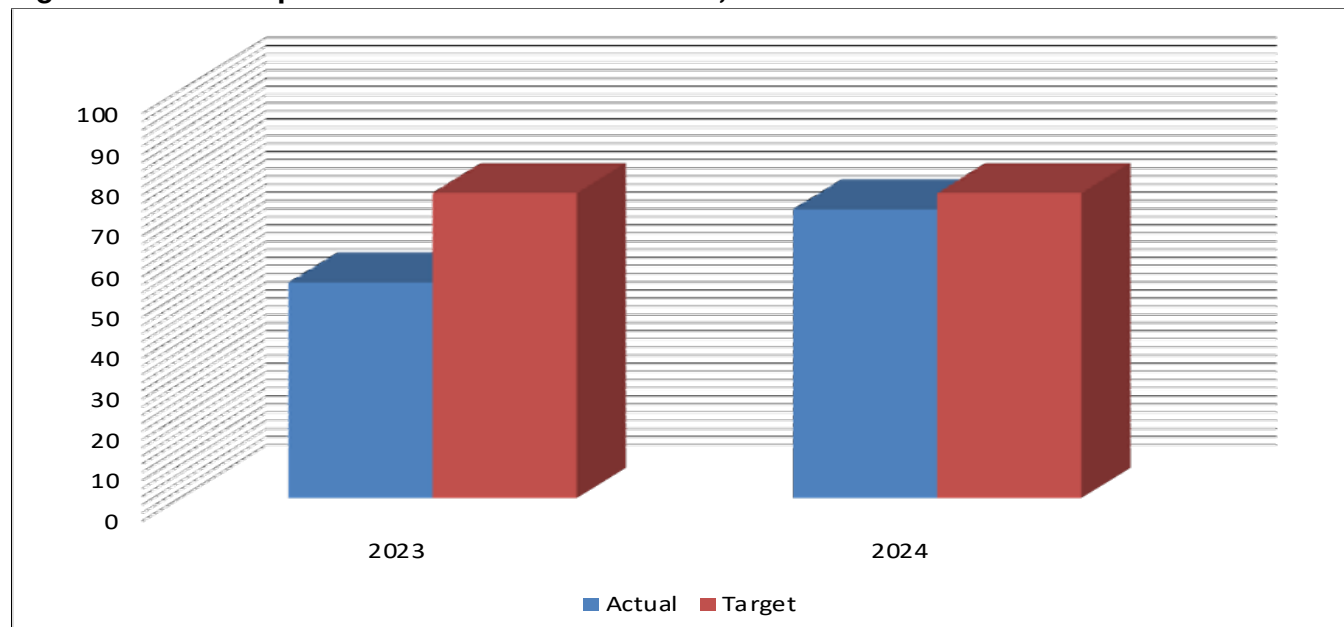
In 2024, the Utility achieved an average score of 68.7%, an improvement from the 65.5% recorded in 2023, but still below the required KPI minimum target of 75 percent.

Under the KPI Framework, outages resulting from load shedding are excluded from the assessment of Quality-of-Service indices as

load shedding is driven by factors beyond ZESCO's control.

Notwithstanding the aforementioned, the average score for 2024 dropped to 60.9% when factoring in the impact of load shedding. Figure 4-4 illustrates the performance of ZESCO for 2023 and 2024.

Figure 4-4: ZESCO performance on KPI framework, 2023 and 2024



4.2.2 Key Performance Indicators for Petroleum Subsector

4.2.2.1 State Owned Enterprises

In 2024, the ERB continued to review the financial performance of TAZAMA Petroleum Products Limited (TPPL), TAZAMA Pipelines Limited (TAZAMA), and INDENI Energy Company Limited (INDENI), against the set and agreed Key Performance Indicator (KPI) targets.

In addition, the ERB also took a proactive role

in reviewing the technical and financial KPI frameworks of TPPL, TAZAMA and INDENI in line with the changes in the business models, as a result of Government's pronounced reforms for the petroleum sub-sector. The ERB began revising the technical and financial KPI frameworks for these SOEs, with the goal of completing this process in 2025.

The technical performance of TPPL and the financial performance of all three entities for the year under review are detailed in Table 4-9.

Table 4-9: Petroleum State Owned Enterprise Performance against set KPIs

Indicator	Product	Target	Actual Performance		Comment on 2024 performance
			2024	2023	
TAZAMA Petroleum Products Limited					
Throughput (m ³)	All	-	1,293,656.39	634,441.39	Not assessed
Unaccountable Losses (%)	Diesel	0.30 %	0.17	-0.28	Achieved
	Petrol	0.50 %	1.75	-1.77	Not Achieved
	Kerosene	0.30 %	0.34	- 0.13	Achieved
No. of Petroleum Product Quality Incidents	-	0.00	2	0.00	Achieved
No. of Safety Health and Environmental incidents	-	0.00	0	0.00	Achieved
Asset Turnover	-	2.00	0.32	0.85	Not Achieved
Current Ratio	-	1.20	17.92	7.94	Achieved
Trade Debtor days	-	30 days	12.38	2.71	Achieved
Trade Creditor days	-	90 days	45.68	45.24	Achieved
TAZAMA Pipelines Limited					
Current ratio	-	1.20	2.93	3.14	Achieved
Debtor days	-	15 days	46.97	60.38	Not Achieved
INDENI Petroleum Refinery Company Limited					
Current ratio	-	1.00	0.34	0.49	Not Achieved
Debtor days	-	15 days	139.89	84.89	Not Achieved

4.3 Enforcements

The ERB carried out enforcement hearings against erring licensees and other entities aimed at fostering compliance to the law governing the energy sector.

4.3.1 Enforcement Hearings

The ERB carried out 42 successful enforcement actions against various entities and licensees for contraventions of the Energy Regulation Act No. 12 of 2019, breach of licence conditions and non-payment of statutory fees. For the summary of the enforcement hearings, refer to appendix 4.2.

4.3.2 Fuel Marking Enforcement Hearings

During the period under review, there were no enforcement hearings conducted against any licensees under fuel marking.

4.3.3 Enforcement against Illegal Fuel Vending

The ERB conducted enforcements against **one** licensee for illegal vending and unauthorised parking of petroleum road tank vehicles. Further, the Illegal Fuel Vending Sub-Committee (IFVSC) comprising law enforcement agencies and facilitated by the ERB, conducted raids on illegal fuel vending locations in Lusaka, Kafue, Chilanga, Chikankata, Ndola, Kapiri Mposhi, Kabwe, Manyinga, Solwezi and Kabompo, from which a total of 26,585 litres of fuel with an estimated value of K798,455 based on retail pump prices was seized. Further, 50 suspects were arrested, as detailed in Appendix 4-4.



PRICE REGULATION

5 PRICE REGULATION

The ERB reviews and determines the wholesale and pump prices of petroleum products as well as retail electricity tariffs in line with section 4(j) of the Energy Regulation Act, 2019.

In regulating the prices and tariffs, the ERB seeks to balance the interests of the key stakeholders in the sector. Therefore, the ERB ensures that consumers are protected from exploitation and that investors in the energy sector earn a reasonable return on their investments.

5.1 Pump Prices for Petroleum Products

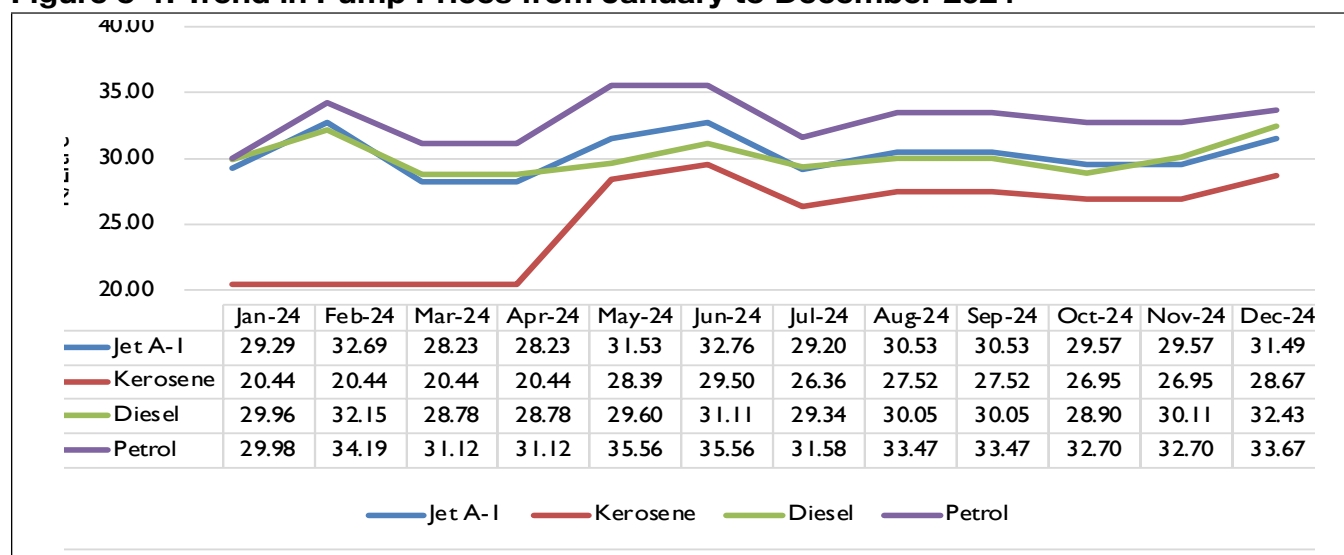
The ERB conducts reviews of the wholesale and pump prices for petroleum products every month. The monthly price reviews are aligned with Government policy, where in October 2022, Government disengaged from procuring and financing of petroleum products to pave way for private sector led petroleum procurement and financing to ensure efficiency in the value chain. Imports

of petroleum products in Zambia are now being undertaken by the private Oil Marketing Companies (OMCs).

Zambia relies entirely on imports for its petroleum products. Therefore, the primary factors that influenced the fuel prices in 2024 were the oil prices on the global market and the exchange rate between the Zambian Kwacha and the United States Dollar. In addition to these factors, variations in other related costs, including taxes, levies, charges, as well as fees for pumping and processing, also played a role in determining domestic fuel prices.

For all price reviews, the ERB applies a threshold of 2.5% for fuel price adjustments to maintain price stability. This means that during each review, prices will remain unchanged if they fluctuate by less than 2.5% on average. Figure 5-1 shows the trend in the pump prices from January to December 2024 while Appendix 5-1 provides the December 2024 Wholesale Price Buildup.

Figure 5-1: Trend in Pump Prices from January to December 2024



In the year 2024, the ERB continued to revise prices of petroleum products every thirty (30) days, as depicted in Figure 5-1. In the period under review, the ERB adjusted the price of Petrol upwards four (4) times for February, May, August and December 2024. The price of Petrol was adjusted downwards three (3) times for March, July and October 2024 and maintained five (5) times for January, April,

June, September and November 2024.

The ERB adjusted the price of Diesel upwards six (6) times for February, May, June, August, November and December 2024. The price of Diesel was revised downwards three (3) times for March, July and October 2024 and maintained constant three (3) times for January, April and September 2024, respectively.

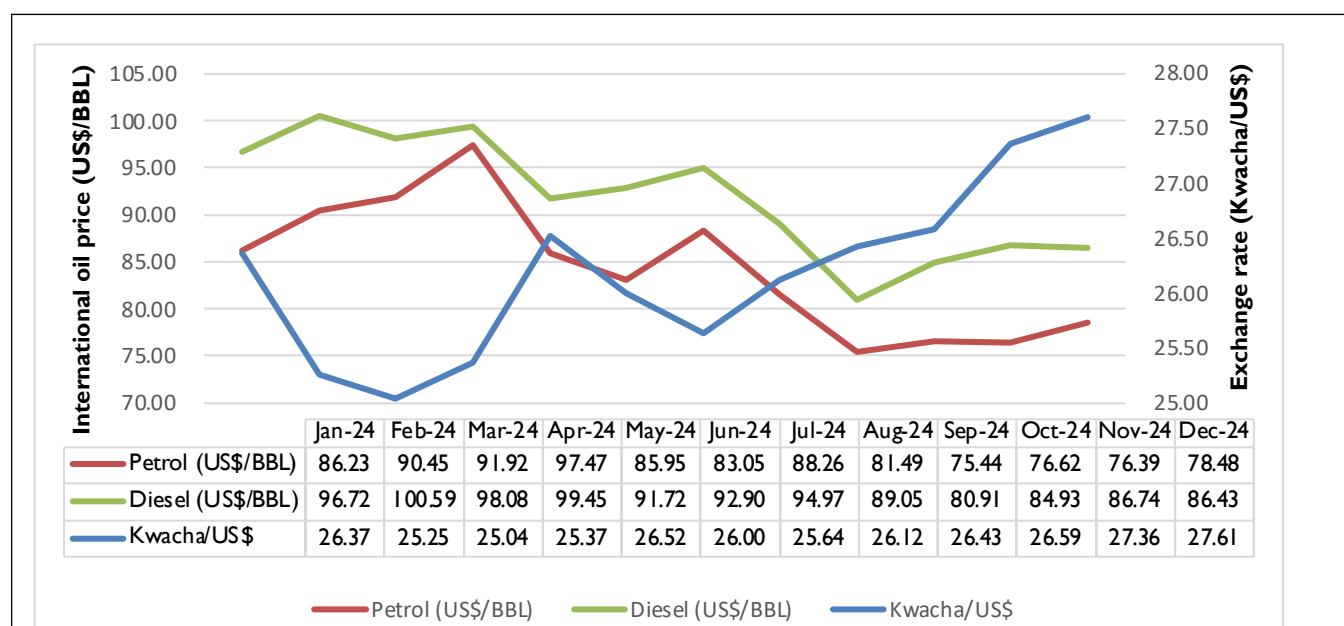
In terms of the price of Jet A-1, there were five (5) upward price adjustments for February, May, June, August and December 2024 and three (3) downward adjustments for March, July and October 2024. The price of Jet A-1 was maintained four (4) times for January, April, September and November 2024 during the period under review.

Meanwhile, the price of Kerosene was maintained from January to April 2024 on account of the country having sufficient

stocks to meet market demand. The price of Kerosene was adjusted upwards for May, June, August and December 2024 and downwards for July and October 2024. The price of Kerosene was also maintained in September and November 2024.

Figure 5-2 shows the trend in the exchange rate and international oil prices from January to December 2024 that had an impact on the price adjustments.

Figure 5-2: Trend in Exchange Rate and International Oil Prices from January to December 2024



As depicted in Figure 5-2, during January to December 2024, the prices of Petrol and Diesel on the international market generally declined as the Kwacha depreciated against the United States Dollar. The notable movements in the price of Petrol and Diesel on the international market were influenced by various global factors such as production adjustments, geopolitical tensions and evolving demand patterns. Meanwhile, the depreciation of the Kwacha against the United States dollar was mainly caused by sustained low supply of foreign exchange amid elevated demand⁴.

5.1.1 Operationalisation of Open Access on the TAZAMA Pipeline

In the fourth quarter of 2024, the ERB

approved the Revised TAZAMA Open Access Guidelines for the utilization of TAZAMA pipeline. These Guidelines are designed to promote equitable access, ensuring that all eligible stakeholders can fairly benefit from the available infrastructure. Additionally, in December 2024, TAZAMA successfully concluded the pre-qualification evaluation process for the supply and delivery of Low Sulphur Gas Oil (LSG) via the TAZAMA pipeline for the 2025 fiscal year commencing in April 2025. This process is vital for implementing the open access policy by identifying qualified participants.

5.1.2 Petroleum Products Price Setting Rules

To enhance the petroleum pricing framework, the ERB developed petroleum products pricing rules which the Government promulgated as

⁴ Bank of Zambia Monetary Policy Committee Statement - 15th May 2024

the Energy Regulation (Petroleum Products Price Setting) Regulations 2024 in December 2024 to foster transparency and predictability for business planning.

This instrument also aims to encourage investment while addressing efficiency concerns, ultimately creating a competitive market that attracts investment and supports the growth of the petroleum sub-sector.

5.1.3 Review of Petroleum Downstream Margins

As part of its responsibility to determine tariffs and charges within the energy sector, the ERB

annually oversees the margins of petroleum downstream enterprises, which include OMCs, dealers, and transporters. Following extensive stakeholder consultations on 30th September 2024, the ERB adjusted the margins of petroleum downstream players in order to cater for increased operational costs. The adjustment was undertaken to reflect variations in inflation and exchange rates as these are the major factors that influence them.

The margins of OMCs, Dealers and Transporters were revised as shown in Table 5-1.

Table 5-1: 2024 Margins

No.	Downstream Players	Unit Measure	Current Margin	New Margin	Absolute Variance
1	Oil Marketing Companies	K/Litre	1.58	1.82	0.24
2	Dealers	K/Litre	1.07	1.24	0.17
3	Transporter (above 50km)	K/m ³ /Km	1.62	1.87	0.25
4	Transporter (below 50km)	K/litre	0.24	0.28	0.04

5.2 Electricity Tariff Reviews

5.2.1 Retail Tariffs

In line with the approved multi-year tariffs presented in Appendix 5-2 and the annual true-up exercise to review ZESCO's performance for the 2023/24 regulatory period, the ERB directed ZESCO to implement the 2024 pre-approved tariffs effective 1st May 2024.

Pursuant to section 18 of the Electricity Act, 2019, on 12th April 2024, the ERB approved ZESCO's application for declaration of an emergency based on its inability to meet national electricity demand due to reduced water levels in major water reservoirs arising from the prolonged drought situation over Southern Africa.

Subsequent to the declaration of an emergency, in October 2024, the ERB received and approved ZESCO's application for an emergency tariff on its residential, commercial and maximum demand customer categories for a period of three (3) months from November 2024 to January 2025. The approved tariffs were meant to support importation of emergency power to contribute towards reducing the projected 1,300MW power deficit in 2024.

The ERB's review of the application for tariffs considered among other things the impact on tariff affordability, load shedding hours and ZESCO's financial viability, as well as stakeholder feedback from the various consultative meetings that were held.

5.2.2 Net-Metering Tariffs

The Electricity (Net-Metering) Regulations 2024, which enable distribution enterprises to offer a net metering programme to its customers, mandates the ERB to determine and publish the reference tariffs, regulate and approve distribution use-of-system charges levied by a distribution enterprise on a wheeling prosumer.

On 29th August 2024, the ERB determined the Net-Metering Reference Tariff at K1.67/kWh and the Distribution Use-of-System Charge at K0.83/kWh for the year 2024. Further, on 31st December 2024 the ERB maintained the 2024 Net-metering Reference Tariff as well as the Distribution Use-of-System Charge for the year 2025.



STAKEHOLDER ENGAGEMENT

6 STAKEHOLDER ENGAGEMENT

In line with the Stakeholder Management Plan, Government Communications Strategy and the Communication and Visibility Strategy, the ERB undertook stakeholder engagements that responded to the unique information needs of the public pertaining to the energy sector.

In 2024, the ERB employed diverse communication channels, such as traditional media outlets, exhibitions, awareness campaigns, workshops, and social media platforms, to meet stakeholder expectations in the communication network and continue providing, accurate and useful information in the energy sector.

6.1 Government

As a key stakeholder, the Government was engaged through the following activities:

6.1.1 Submission of Quarterly Reports

Performance reports, highlighting all key activities undertaken by the ERB, were submitted to MoE on a quarterly basis.

6.1.2 Liaison with the Ministry of Energy

In addition to the quarterly institutional performance reports detailed in section 6.1.1, the ERB also prepared and submitted the following reports to MoE:

- a) Revised National Fuel Demand Projections for the period July 2024 to December 2028; and
- b) The Daily National Fuel Status Reports.

6.1.3 Parliamentary Discussion Forum

The Parliamentary Discussion Forum accords the ERB an opportunity to interact with the legislative on energy matters. On 2nd March 2024, the ERB facilitated an orientation workshop for the Parliamentary Committee on Accounts of Parastatal Bodies and Other Statutory Institutions. In addition, on 3rd June, 2024, the ERB held a meeting with the Parliamentary Committee on Energy, Water Development and Tourism. These engagements discussed matters surrounding pricing of energy products and the electricity deficit facing the nation among other matters.

6.2. Energy Indaba

The Energy Indaba held on 21st June 2024 brought together stakeholders across the energy sector. This important forum provided a platform to explore innovative interventions to help mitigate the power deficit crisis and explore strategic partnerships for facilitating sustainable developments for the energy sector.

6.3 Co-operating Partners

The ERB maintained its strategic partnerships in line with those established in 2023. Notably, it continued its collaboration with USAID on the Alternatives to Charcoal (A2C) project, aimed at expanding access to alternative energy sources for household cooking in Zambia. As part of this initiative, the ERB, with support from USAID A2C, convened the second Technical Committee meeting in the second quarter of 2024 to advance the development of Biogas Quality Standards.

6.4 Consumers

Consumer protection remains the cornerstone of the ERB's regulatory mandate as it responds directly to a licensed activity. In order to have an informed consumer, the ERB undertook a wide array of awareness programmes that speak to the rights and responsibilities of consumers as key participants in the value chain.

6.4.1 Consumer Awareness Programmes

In a bid to raise awareness levels among consumers, the ERB undertook exhibitions such as the Zambia International Trade Fair and the Agricultural and Commercial Show. At various fora, the ERB also undertook industry meetings and workshops; town hall meetings; and public hearings.

6.4.1.1 Mobile Office Awareness Programmes

Further, the ERB deployed its Mobile Office to selected locations and conducted 98 awareness campaigns in high-traffic areas such as markets, schools, shopping malls, bus stops, and taxi ranks. The Mobile Office was also utilised at traditional ceremonies, shows, fairs, and expositions to enhance

public awareness. For the school visits, the facility was deployed to St. Monica, Njase Girls, Mansa and Mazabuka Secondary Schools. In addition, it was deployed to the N’cwala, Lwiindi, Gonde and Ukwanga traditional ceremonies.

Through these outreach efforts, a total of **3,625** individuals were sensitized through the provision of ERB publications, including reports, newsletters, and brochures.

6.4.1.2 School Sensitisation

As part of the school visits, energy quizzes were conducted where learners competed and won various school materials as prizes, including textbooks, exercise books, dictionaries, and school bags, among others.

Additionally, during the review period, the ERB conducted the Energy Awareness Inter-School Quiz, which featured participation from eight (08) secondary schools in Lusaka. Learners who participated in the competition

were awarded various educational prizes, including textbooks, exercise books, dictionaries, and school bags, as part of the initiative to promote energy awareness among students.

6.4.1.3 Town Hall Meetings

The ERB conducted five (05) Town Hall Meetings in Chipata, Kabwe, Mongu, Mansa and Mwinilunga districts. These interactive sessions were designed to engage local communities and stakeholders, focusing on consumer protection and raising awareness around renewable energy sources, net metering, and the adoption of LPG. These stakeholder engagements serve to bridge the information gap between the regulator and energy consumers, fostering informed decision-making and stronger collaboration. This resulted in a notable increase in stakeholder engagements in 2024 totalling 173 compared to 135 in 2023, as indicated in Table 6-1.

Table 6-1: Summary statistics of Stakeholder Engagements

Stakeholder engagement type	No. of engagements held in the year	
	2024	2023
Awareness Meetings	75	38
Mobile Office	98	97
Total stakeholder engagements	173	135

6.4.2 Other Stakeholder Engagements

These engagements included:

- a) Safety Awareness meeting with service station operators, Taxis Owners Association of Zambia and Commuters Rights Association of Zambia at Energy House on 17th May, 2024.
- b) “Save a Life Campaign” with civic leaders in Kitwe held on 18th January 2024. This consumer awareness program aimed at raising awareness on adherence to good electrical wiring practices as required by the Wiring of Premises Code of Practice, ZS 791.
- c) Stakeholder meeting with the Ministry of Energy and Zambia Metrology Agency on 23rd May 2024 to discuss measures in the petroleum sub-sector.

6.5 Licensees

The ERB engaged licensees to build capacity and ensure adherence to regulatory requirements in the energy sector.

6.5.1 Industry Meetings

In 2024, the ERB hosted meetings mainly targeted at licensed entities where regulatory information specific to the licensed activity was shared. In total, 12 industry meetings targeting players in the petroleum, electricity and renewable subsectors were held.

Table 6-2 shows the number of industry meetings held in 2024.

Table 6-2: Summary statistics of industry meetings held in 2024 and 2023

Licensee category	2024 Meetings	2023 Meetings
Electricity	1	1
Petroleum	9	11
Renewable Energy	2	2
Total	12	14

Further, in order to address the challenges that OMCs were facing in the supply of petroleum products, the ERB and the Ministry of Energy held a consultative meeting with OMCs on and another in the last quarter of 2024

6.5.1.1 Regional Regulatory Engagements

- a) The ERB hosted the Energy and Water Utility Regulatory Authority (EWURA), Tanzania and the Electricity Regulatory Authority (ERA) of Uganda for a study tour facilitated by USAID from 12th to 14th March 2024.
- b) The ERB hosted the Malawi Energy Regulatory Authority (MERA) on a benchmarking visit on Institutional Structure and Functions on 2nd September, 2024 and 11th September 2024.
- c) The ERB undertook a study tour at the National Petroleum Authority of Ghana from 18th to 21st September, 2024 to gain insights into the operations of the Unified Price Petroleum Fund (UPPF).

6.5.2 Board Visits to Energy Infrastructure

Board visits to energy infrastructure are crucial as they offer the Board of Directors direct insights into the operations of entities licensed by the ERB. In 2024, the Board conducted tours of various energy facilities and engaged in management meetings to assess potential strategic regulatory interventions. The facilities visited included:

- a) Board Technical Committee tour of Bangweulu Solar Plant on 28th March 2024 in Lusaka;

- b) Board media tour of Kasanjiku Mini Hydro Power Station in Mwinilunga on 26th June 2024; and
- c) Ministerial and ERB Board of Directors commissioning and tour of Chunga Solar Mini grid on 6th September 2024.

6.6 Media

The media plays a fundamental role in the communication of regulatory activities of the ERB in the energy sector. In the era of digitisation, traditional media offers unique advantages that cannot be replicated and remains a key communication platform for stakeholder management. Media engagements such as press statements, responses to press queries, newspaper articles, radio programmes, adverts and television remain the most impactful communication platforms for ERB to maintain transparency and engage stakeholders in the regulatory process.

In 2024, a total of 588 media engagements were undertaken against the institutional KPI target of 348 on account of the following:

- a) strategic engagement of media partners using measurement and optimisation analytics;
- a) targeted advertisement campaigns on television and local radio stations; and
- b) enhanced information dissemination programmes.

Table 6-3 highlights the media interactions undertaken during the year 2024.

Table 6-3: Media activities undertaken in 2024.

ACTIVITIES	ACHIEVED	ANNUAL KPI
Television and Radio programmes	134	72
Radio Adverts	394	240
Press Statements and Briefings	44	24
Newspaper Articles	16	12
Total	588	348

6.6.1 Media Tours

The ERB conducted three (03) Media Tours as follows:

- visit to Copperbelt Energy Corporation (CEC) 60 MW Itimpi Solar PV plant on 22nd May 2024 with the objective of creating awareness on the adoption of renewable and alternative energy in view of the energy crisis;
- visit to Afrox Liquefied Petroleum Gas (LPG) Site on 22nd May 2024 to showcase the safe use of LPG for cooking;
- visit to Kasanjiku Mini Hydro Power Station on 26th June 2024 to highlight ERBs role in facilitating investment in off-grid systems to improve access to electricity in rural areas.

6.7 Social Media

Social media is a useful vehicle for disseminating important regulatory decisions, notices and key updates in the energy sector.

In this regard, the ERB maintains a robust social media presence, leveraging platforms like Facebook, LinkedIn, X (Twitter) and TikTok to engage stakeholders in real-time. This interactive approach enables the ERB to:

- share informative posts and updates;
- respond promptly to queries and concerns;
- encourage feedback and suggestions; and
- foster constructive dialogue with targeted audiences.

6.7.1 Facebook

Facebook continues to be an important platform to share relevant regulatory updates and information. The page continued to grow in popularity with a total number of **58,000** page followers in 2024 compared to **47,000** in 2023, as shown in table 6-4.

Table 6-4: ERB Facebook – Statistics analysis for 2024 and 2023

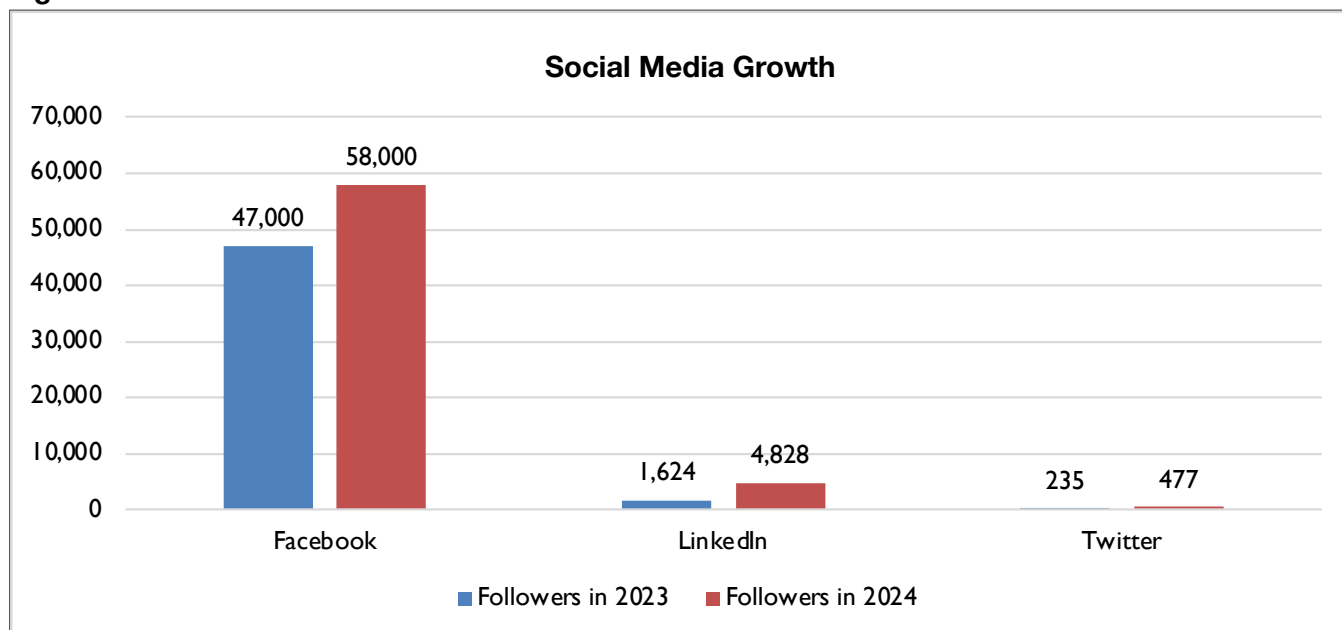
Period	Total No. of posts	Total No. of comments	Total No. of reactions	Total No. of people reached
2024	358	5,221	17,477	2,242,512
2023	316	3,964	17,915	1,948,600

6.7.2 LinkedIn/X (formerly Twitter)

The ERB’s LinkedIn and X (Twitter) platforms have continued to demonstrate significant growth with the number of followers at the end of 2024 standing at **4,828** for LinkedIn compared to **1,624** in 2023 and **477** for X (Twitter) versus **235** in 2023.

In the period under review, **120** and **106** posts were made on LinkedIn and X (Twitter) respectively, to update stakeholders on various regulatory matters and encourage dialogue. Figure 6-1 shows the social media growth statistics for 2024.

Figure 6-1: Social Media Growth



6.7.3 TikTok

The ERB in 2024 expanded its social media presence by joining TikTok, a platform to share innovative short-form videos that will enhance stakeholder engagement and communication on regulatory activities.

In 2024, the ERB shared **21 videos** that garnered **16,824 plays**, enhancing stakeholder engagement and regulatory communication through innovative short-form content.

6.7.4 Website

In the period under review, 65 updates were made to the website which included —

- ERB approved of ZESCO’s Emergency Tariff for the period November 2024 to January 2025
- ERB approved of the Net Metering Reference Tariff and Distribution Use-of-System Charge for the period 1st January to 31st December, 2025,
- Uploading the monthly press statements on the revised petroleum pump price and price build ups.

6.7.5 Online Energy Quiz

The ERB conducted an online quiz to educate stakeholders on its mandate, benefits of renewable energy sources, net metering, and adoption of LPG. The Quiz drew **97** new followers to the ERB Facebook page, with **115** entries. The activity provided valuable

feedback to help identify the awareness gaps for enhanced targeted communication.

6.8 Publicity Activities

Publicity offers significant advantages for the ERB in increasing its visibility, credibility, reputation, engagement and overall influence. Therefore, to enhance visibility and awareness, in 2024 the ERB organized and participated in selected awareness activities. These outreach initiatives serve as platforms to engage with stakeholders in person, and provide comprehensive understanding of the ERB’s mandate and regulatory operations.

6.8.1 Staff bulletin/Newsletter

The ERB produced 12 Staff Bulletins and published two (2) newsletters to keep members of staff and external stakeholders up to date with developments taking place in the institution and the energy sector.

6.8.2 Exhibition

In the period under review, the ERB participated in **16** exhibitions at the events highlighted below:

- World Consumer Rights Day Exhibition – 11th to 15th March 2024;
- Zambia Institute of Public Relations and Communication (ZIPRC) Annual General Meeting and Conference – 19th to 22nd March 2024;
- Commemoration of Earth Hour – 22nd

March 2024;

- d. Commemoration of Labour Day – 1st May 2024 under the theme “Building Resilience: workers at the heart of Zambia’s economic recovery”;
- e. Africa Public Service Day Exhibition in June 2024 under the theme “Empowering a Citizen Centric Public Service for an Inclusive and Thriving 21st Century Africa. A Journey of Lifelong Learning and Technology Transformation”;
- f. Zambia International Trade Fair – 25th June to 2nd July 2024 under the theme “Unlocking Economic Potential Through Collaboration and Partnerships”;
- g. Northern Province Agriculture and Investment Show – 26th June to 28th June under the theme “Creating a Competitive Future” ;
- h. Southern Tourism, Agricultural and Commercial Cooperative Show – 27th June under the theme “Creating a Competitive Future”;
- i. North-Western Provincial Agricultural, Industrial, Mining and Commercial Show – 12th and 14th July 2024, under the theme “Creating a Competitive Future”;
- j. Agricultural and Commercial Show – 31st July to 5th August 2024 under the theme “Creating a competitive Future”;
- k. Commemoration of Energy Week in Ndola – 25th to 27th September, 2024 under the theme “Securing Zambia’s Energy Future”;
- l. ERB Mini-Exhibition in Chingola – 17th September 2024;
- m. ERB Mini-Exhibition in Mufulira held – 22nd and 24th August 2024;
- n. 30th Intergovernmental Committee of Senior Officials and Experts (ICSOE) meeting and exhibition in Livingstone – 18th November to 21st November, 2024 under the theme, “Addressing the energy deficit in Southern Africa through investments in new and renewable energy technologies (and clean sources) to

address energy poverty and accelerate sustainable industrialization and structural transformation”;

- o. Presidential Delivery Forum – 9th October, 2024 under the theme, “Delivering For the People”;
- and
- p. Solar and Alternative Energy Expo organised by Power Zambia – 3rd October 2024.

6.8.3 Bulk SMS Messaging

In 2024, the ERB sent three (3) bulk SMS text messages to a total of 300,000 recipients across Airtel, MTN and Zamtel networks with the following sensitization messages:

- a) The availability of the Toll-Free Line 8484 on the Zamtel network;
- b) Safe use of LPG; and
- c) “Do you have any unresolved energy related complaint? Report the matter to ERB on toll free line 8484 or Chatbot 097-7791087.”

6.8.4 Publications

Throughout the year, the ERB continued its efforts to disseminate information on significant developments in the energy sector to stakeholders through various publications. These included:

- a) Annual Report 2023;
- b) Energy Sector Report 2023;
- c) Bi-Annual Corporate Newsletters;
- d) Bi-Annual Statistical Bulletins;
- e) Monthly Staff Bulletins; and
- f) Brochures.

These publications were disseminated across various platforms, including:

- a) Online channels;
- b) Mobile Office awareness programs;
- c) Energy-related commemoration days;
- d) Business expositions; and
- e) Trade fairs, and commercial shows.



COMPLAINTS HANDLING

7 COMPLAINTS HANDLING

The ERB receives, investigates and determines complaints which arise from licensed activities and emanate from the electricity, petroleum, and renewable energy sub-sectors.

7.1 Consumer Complaints

In 2024, the ERB received a total of **507** complaints across the electricity, petroleum, and renewable energy sub-sectors, achieving an overall resolution rate of **81.9 percent** by resolving **415** cases. The electricity sub-sector accounted for **433** complaints, with **356** resolved, primarily related to delayed service connections and power outages. The petroleum sub-sector recorded **67** complaints, resolving **53**, while the renewable

energy sub-sector received **seven (07)** complaints and resolved **six (06)**. Notably, the 14 unresolved complaints in the petroleum sub-sector were pending due to fuel sample results which were still being processed by independent laboratories by the close of the reporting period.

The **92** unresolved complaints were attributable to the fact that most of them related to non-standard service connections (in non-serviced areas) which ordinarily take about 90 days to be resolved as they require mobilization of materials by the service provider.

Table 7-1 below gives a summary of the complaints handled in 2024.

Table 7-1: Statistics of complaints received and resolved by the ERB in 2024

	Subsector	Received	Resolved	Pending	Resolution Rate (%)
2024	Electricity	433	356	77	82.21%
	Petroleum	67	53	14	79.10%
	Renewable Energy	7	6	1	85.71%
	TOTAL	507	415	92	81.85%
2023	Electricity	489	296	193	60.53%
	Petroleum	51	45	6	88.24%
	Renewable Energy	6	3	3	50.00%
	TOTAL	546	344	202	63.00%

7.2 Complaint Meetings Held

To expedite the resolution of unresolved complaints, the ERB conducted Complaints Meetings. During these meetings, both licensees and complainants were invited to appear before the ERB Complaints Committee to present their submissions

and facilitate closure. In 2024, a total of **44** complaints meetings were held, during which **352** complaints from the electricity, petroleum and renewable energy sub-sectors were discussed. For all the 352 complaints, the ERB made its determination and communicated to both the concerned licensees and the complainants.

Table 7-2: Total complaints heard during complaint meetings

Sub-Sector	Number Of Meetings	Number Of Complaints	Number Of Complaints Determined
Electricity	34	323	323
Petroleum	8	26	26
Renewable Energy	2	3	3
TOTALS	44	352	352



SUPPORT SERVICES

8 SUPPORT SERVICES

The ERB recognises that the provision of financial, procurement, human resource and information management systems is necessary for effective and efficient performance of the institution.

8.1 Procurement of Goods and Services

In accordance with the Public Procurement Act No. 8 of 2020, the ERB procured goods and services amounting to ZMW38,095,531.27 to support operations of the institution.

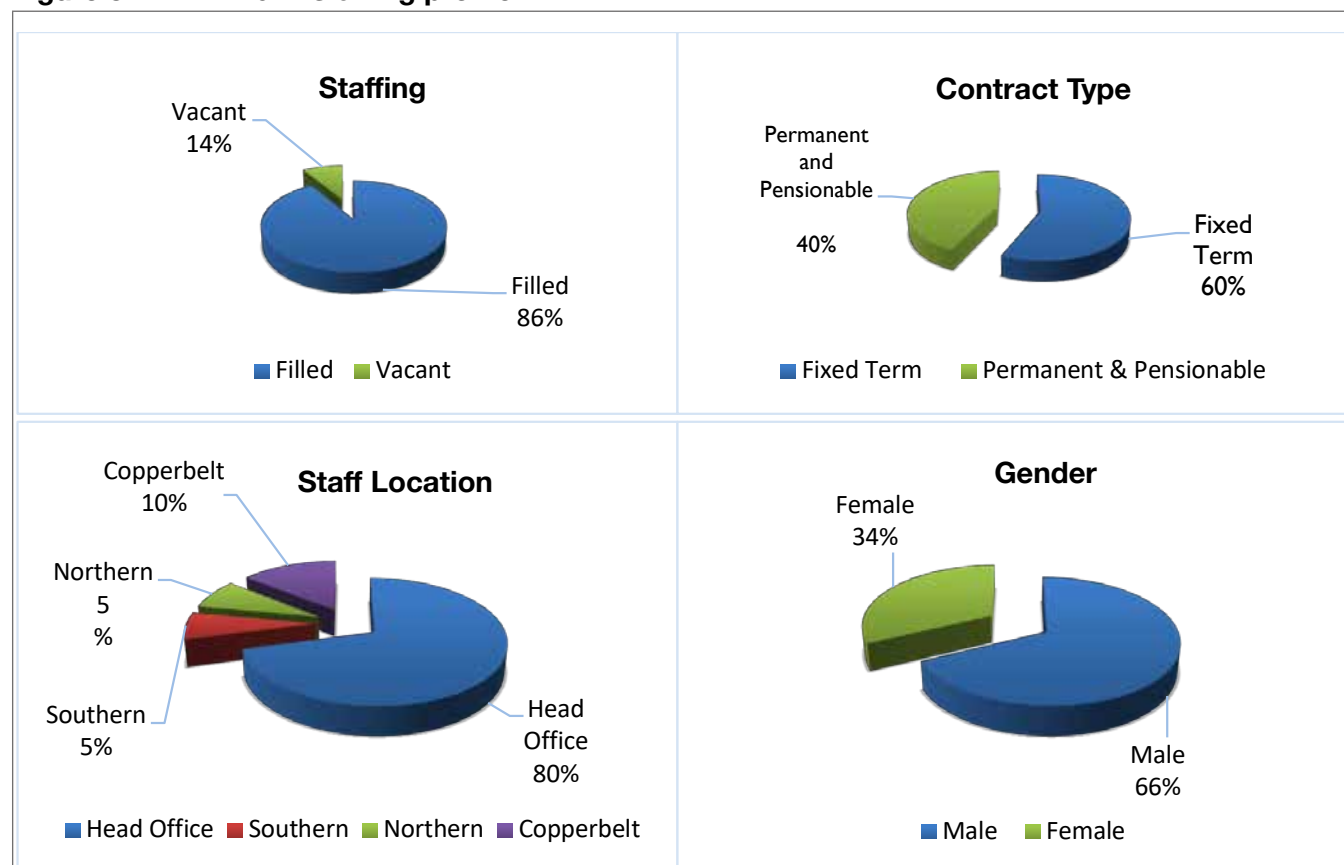
8.2 Human Resource and Administration

8.2.1 Establishment Profile

At the end of the year, the ERB maintained the institutional establishment at one hundred and fifty-six (156). Comprising fifty-one (51) permanent and pensionable and one hundred and five (105) fixed-term contract positions.

As at 31st December 2024 the total headcount at ERB was one hundred and thirty-four (134) active staff representing 86% staffing against existing establishment. The staffing profile is highlighted in Figure 8-1.

Figure 8-1: ERB 2024 staffing profile



8.2.2 Staff Movements

In the period under review a total of eight (8) staff were recruited, including two (2) key senior members namely Eng. Elijah Sichone as Director General and Mrs. Kabisa Handia Ngwira as Director Legal and Board Secretary,

replacing Eng. Yohane Mukabe and Ms. Edna Mutalama respectively, who separated with the ERB earlier in the same year.

The overall staff movements recorded in the year are depicted in Table 8-1.

Table 8-1: Staff movements for the period 2023 to 2024

Description	Number of staff in the year	
	2024	2023
Recruitments	8	13
Promotions	3	4
Lateral Transfers	2	10
Staff Attrition	8	5
Secondments	1	1

8.2.3 Staff Training and Development

The ERB recorded a total number of 17 trainings with participation of 87 staff members.

8.2.4 Administration Matters

The ERB embarked on the knock-down and rebuild project for the Southern Regional Office. This was as a result of the office building being assessed to be unfit for occupancy. During the period under review, a contractor was engaged to redesign the office building. To this end, the contractor has since submitted initial designs which are under consideration.

Further, during the period under review the ERB purchased two (2), pool vehicles for administrative purposes.

8.2.4.1 Review of Conditions of Service

Management and the National Energy Sector and Allied Workers Union (NESAWU) commenced negotiations for the 2025-2026 Collective Agreement. The negotiations were adjourned to 1st Quarter of 2025 pending issuance of parameters by the Emoluments Commission and realignment of institutional budgets.

However, the parties reached an agreement to extend the 2023-2024 Collective Agreement which was due to expire on 31st December 2024 to 31st March 2025.

8.2.4.2 E-Learning Platform

During the year, the ERB rolled out its first ever employee e-learning platform in partnership with LRMG Resource Learning for staff as part of enhancing their learning experience and skills development. This new system is designed to supplement Managements' efforts on staff development by providing a blended approach to learning.

8.2.4.3 Roll-Out of the Electronic Performance Management System

The ERB rolled out the Electronic Performance Management system using the Sage 300 Application for employee performance appraisals. 2024 marked the end of paper-based performance assessments in order to enhance and streamline the process. The new system also provides for transparency and the management of the employee performance.

8.2.4.4 Organisation Cultural Transformation

Management in partnership with SHEP Consulting firm conducted an Organizational Culture Survey to assess the existing culture in the institution as part of the SBP requirement and provided a road map for a cultural transformation program for the period 2024 -2026. The outcomes and suggested initiatives including the roadmap and action plans are envisioned to be implemented in 2025.

8.3 Information and Communications Technology activities

The ERB ICT Strategy for the period 2024 to 2028 was developed. This strategy reflects the ERB's commitment to leveraging technology to accomplish organizational objectives. It delineates the ERB's vision, goals, and the strategic initiatives to be pursued to ensure that the ICT infrastructure, systems, and processes align with the institution's long-term aspirations as contained in the SBP.

The strategy centres on promoting digital transformation, improving operational efficiency, and maintaining agility and adaptability in the face of evolving technology. The aim is to establish a secure, scalable, and sustainable ICT ecosystem that not

only supports the ERB's mission but also empowers its personnel.

8.3.1 Cyber Security Awareness

During the period under review, cybersecurity awareness among staff members was actively reinforced through the consistent dissemination of ICT security awareness bulletins and the administration of an ICT Security Quiz. The bulletins served as essential resources, educating employees on preventive measures against cyber threats, potential risks, and best practices for securely handling sensitive data. These efforts were aimed at safeguarding the information and systems of both the ERB and its licensees.

To further evaluate cybersecurity awareness, the ICT Security Quiz was conducted to assess employees' knowledge, measure the effectiveness of the periodic awareness bulletins, and enhance understanding of key cybersecurity principles. The quiz provided valuable insights into areas requiring improvement, helping to identify knowledge gaps and tailor future training initiatives to strengthen the ERB's overall cybersecurity posture.

8.3.2 Disaster Recovery Verification Test

The ICT Unit conducted Disaster Recovery Verification Tests (DRVTs) as a crucial element of the ERB's disaster recovery plan. These tests were systematically designed to evaluate the effectiveness and readiness of the organisation's disaster recovery and backup protocols. By simulating potential disruptions, the exercise ensured that critical systems could be swiftly restored, reinforcing the organisation's resilience and operational continuity. The DRVTs were conducted quarterly in 2024, resulting in a total of four (4) tests during the year under review. Notably, all four (4) DRVTs were executed successfully, meeting their primary objective of restoring backups for the targeted systems.

On average, four critical systems namely: Accounting, HR and Payroll; Management Information System (MIS); Domain Controller/ Active Directory; and Email were evaluated each quarter. In every instance, all systems were successfully restored from backups

and verified to be fully functional. The consistent success of these tests highlights the robustness and dependability of the ERB's disaster recovery strategy. Moving forward, these exercises will continue to play a vital role in strengthening the organisation's cybersecurity posture and ensuring business continuity in the face of unforeseen events.

8.3.3 Communications and Infrastructure

To enhance productivity, improve user experience, and ensure seamless access to ERB e-services and resources, the connectivity links supporting both external and internal interconnectivity were upgraded. A key improvement was the Direct Internet Access (DIA) upgrade, which involved increasing the core internet bandwidth for the institution. This enhancement has significantly improved internet speed and reliability for the head office and regional offices, leading to greater efficiency and better access to ERB e-services, including licence applications, return submissions, and complaint submissions. Additionally, the Zamtel network was integrated into the existing mobile networks available on the ERB Toll-Free Line service, allowing the public to contact the ERB at no cost via the Zamtel network.

Further strengthening inter-office connectivity, the bandwidth for the ERB's MPLS (Multiprotocol Label Switching) links also increased. MPLS plays a crucial role in ensuring secure and efficient communication between the ERB head office and regional offices, facilitating seamless data transfer and operational coordination. With this upgrade, the ERB has reinforced its digital infrastructure, ensuring that all offices benefit from improved network performance, reduced latency, and enhanced service delivery capabilities. These improvements contribute to a more connected and responsive institution, ultimately benefiting both internal operations and stakeholder engagement.

8.4 Internal Audit and Assurance

During the period under review, the Internal Audit function continued to implement risk-based audit and assurance services aimed at

assessing the adequacy and effectiveness of governance, risk management, and internal control processes across operational and regulatory functions of the ERB. These activities provided independent assurance to the Board and Management regarding compliance with applicable laws, regulations, standards, institutional policies, and procedures as well as safeguarding assets.

In 2024, eight (8) of the nine (9) approved audit conducted, 2023-2024

Year	2024	2023
Number of planned audits	9	9
Number of audits executed	8	8
Number of audits executed brought forward from prior year	1	1
Percentage of audits executed against planned	89%	89%

8.5 Risk Management

During the review period, the ERB engaged the Ministry of Finance and National Planning Department of Risk Management who facilitated a three (3) day risk awareness and brainstorming session from 17th – 19th September 2024 involving risk champions (ExCo) and Risk Focal point persons.

The objective of the workshop was to sensitise staff on risk management and the requirements of the Treasury in line with the Government Risk Management Guidelines. The workshop also provided an opportunity for capacity building of designated risk management officers in the development and management of risk registers.

Additionally, a Fraud Prevention and Detection Policy was developed to establish measures to prevent and detect fraudulent practices. This policy aims to safeguard the ERB’s capacity to effectively execute its mandate while protecting the integrity of the institution. It also strengthens the institution’s risk management mechanisms and enhances compliance with the Public Finance Management Act.

A risk assessment of the ERB was conducted and results showed that as of December 2024, the institution’s Risk Maturity stood at 2.97 in 2024, compared to 2.2 in 2023.

assignments were completed, achieving an execution rate of 89%, consistent with the execution rate recorded in 2023. All completed audits were undertaken in accordance with the Annual Internal Audit Plan approved by the Board. Table 8-2 outlines the implementation status of the 2024 internal audit assignments against the planned

Table 8-2: Summary of-internal audit audits

Risk Maturity reveals how well an organization identifies, assesses, manages and monitors risk. It measures the level of quality and integration of an organisation’s risk management practices.

8.6 Integrity Committee

The ERB developed Integrity Policies to guide the work of the Integrity Committee and ensure the regulation of the sector with integrity. These policies include:

- a) Code of Ethics and Professional Conduct, which promotes acceptable standards of behaviour to build stakeholder confidence in the ERB;
- b) Gifts and Benefits Policy, which provides guidelines on the receipt or acceptance of gifts or tokens of appreciation from stakeholders;
- c) Whistle Blower Policy, which provides guidelines for employees to and third parties raise concerns about illegality and malpractices; and
- d) Conflict of Interest Policy, which helps employees navigate potential conflicts of interest, providing examples of situations, meetings, committees, certifications, and assignments that may lead to such conflicts, as outlined in Section 28 of the Anti-Corruption Act No. 3 of 2012.

A hand holding a crystal ball against a sunset background. The crystal ball shows a reflection of the sunset and the hand holding it. The background is a blurred sunset over water.

FUTURE OUTLOOK

9 FUTURE OUTLOOK

The ERB is focused on ensuring that Zambia's energy sector continues to evolve in a sustainable, competitive, and transparent manner. In the coming years, the Board will prioritize the development of new strategies to enhance energy access, foster innovation, and address the challenges of climate change. The future outlook is centred around several key areas, as outlined below:

9.1 Expansion of Renewable Energy Projects

A key component of the ERB's future strategy will be the expansion of renewable energy sources within Zambia's energy mix. The Board will continue to facilitate the development of wind, solar, and hydro power projects through streamlined regulatory processes and incentives for private sector investment. Efforts will focus on addressing the challenges associated with renewable energy integration, including grid capacity, financing mechanisms, and technological innovation.

9.2 Strengthening of the Energy Market Framework

The ERB will work toward enhancing Zambia's energy market by implementing a more robust and transparent market structure. This includes implementing the Electricity Open Access Framework to ensure non-discriminatory access to electricity transmission and distribution networks, as well as advancing the development of market-based pricing mechanisms for electricity and petroleum products. The separation of the system operator function from ZESCO and the establishment of an Independent System and Market Operator (ISMO) will continue to be a central objective.

9.3 Promotion of Energy Efficiency and Demand-Side Management

In light of growing energy demand, the ERB will place a greater emphasis on promoting energy efficiency and demand-side management initiatives. These measures will

include incentivizing the adoption of energy-efficient technologies, encouraging the implementation of energy-saving practices, and fostering public-private partnerships to improve energy use in industry, residential, and commercial sectors.

9.4 Development of Smart Grid Technologies

Looking towards the future, the ERB plans to promote the adoption of smart grid technologies. By integrating advanced data management and automation, these technologies will enhance the reliability and efficiency of Zambia's power grid. The ERB will support the development of infrastructure that enables real-time monitoring, better management of energy consumption, and improved response to system demands.

9.5 Enhancement of Risk Management and Regulatory Capacity

The ERB recognizes the importance of robust risk management practices in a rapidly changing energy sector. The Board will focus on enhancing its regulatory capacity by developing a comprehensive risk management framework, continuing to improve institutional policies, and strengthening the monitoring and enforcement mechanisms for all energy sector participants. This approach will safeguard the long-term stability of the sector and minimize exposure to systemic risks.

9.6 Strengthening Public-Private Sector Collaboration

To promote further investment in the energy sector, the ERB will continue to strengthen its collaboration with private sector stakeholders, international organizations, and development partners. By creating a conducive environment for private sector involvement, the ERB aims to attract the investment necessary to drive energy sector transformation, particularly in the renewable energy space. Joint initiatives with key international players will be crucial to addressing both the financial and technological challenges of energy development.

9.7 Capacity Building and Human Resource Development

The ERB will invest in building internal capacity and developing the human resources necessary to meet the demands of an evolving energy sector. This will include expanding training programs for staff, enhancing expertise in energy regulation, and fostering a culture of continuous learning. The Board will also focus on improving stakeholder engagement through education and outreach programs to raise awareness about energy regulations, renewable energy options, and energy efficiency practices.

9.8 Policy Advocacy for Sustainable Energy Transition

In alignment with Zambia's climate commitments and global energy goals, the ERB will continue advocating for policies that support a sustainable energy transition. This includes promoting the use of cleaner, low-carbon technologies, incentivizing the reduction of carbon emissions, and aligning national energy policies with international climate frameworks. The Board will focus on ensuring that the country's energy policies are both environmentally responsible and economically viable.

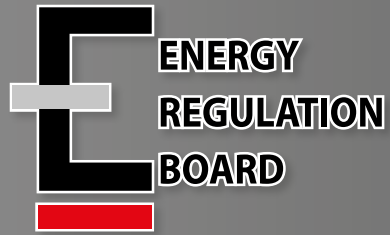


**INSTITUTIONAL
PERFORMANCE**

10 INSTITUTIONAL PERFORMANCE

The end of year institutional performance of the ERB was assessed relative to the approved 2024 Institutional KPIs. The ERB scored **93%** which was above the 2024

KPI institutional performance target of 87%. Appendix 9-1 provides a detailed breakdown of the performance ratings against each KPI.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



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Financial Statements

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ENERGY REGULATION BOARD

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors of the Energy Regulation Board ("ERB") present their report and audited financial statements for the year ended 31st December 2024.

PRINCIPAL ACTIVITY

The principal activity of the Energy Regulation Board ("ERB") is regulating undertakings in the energy sector under the Energy Regulation Act 12 of 2019, of the Laws of Zambia. As part of its mandate, the ERB issues Licences and collects Licence Fees on behalf of the Government of the Republic of Zambia. In the year under review, the Licence Fees collection target was K477,451,038 (2023: K462,822,809). A total of K710,632,192 was collected (2023: K494,584,621) representing 49% above target. The Licence Fees collections were remitted to the Government Consolidated Fund.

Of the significant amounts outstanding in collection of Licence fees, an amount of K726,562,661 (2023; K595,203,639) was due from ZESCO, a related party.

PRINCIPAL PLACE OF BUSINESS

The address of ERB's principal place of business is:

Plot 9330
Danny Pule Road,
Mass Media Area Lusaka

FINANCIAL RESULTS

The deficit of total comprehensive income over expenditure for the year amounted to **K18,447,628** (2023: Surplus K6,334,951).

SIGNIFICANT EVENTS IN THE YEAR

During the review period, the country faced significant power deficits due to drought. This led to an energy crisis because hydro-power generation was adversely affected and resulted in countrywide loadshedding. Consequently, the Energy Regulation Board pursuant to its regulatory mandate of promoting sustainable energy solutions and providing energy security for all Zambians, created a more efficient and adaptive regulatory environment to mitigate the effects of the crisis in the electricity sub-sector through structural and regulatory changes to address the crisis. Through government policy initiatives, the Energy Regulation Board proactively developed several regulations within the electricity and renewable energy subsectors to address the crisis. To name but one, Statutory Instrument number 56 of 2024, the Energy Fund Regulations, was signed into law in October 2024. This regulation introduces a collection fee of five percent (5%) of all monies collected and paid into the Fund in any financial year, to be paid to the Energy Regulation Board, for purposes of managing and administering the Fund. Thus, effective 2025, income is expected to be derived from this additional source.

ENERGY REGULATION BOARD

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

MEMBERS OF THE BOARD

The members who held office during the year up to the date of this report are:

Name	Position	Changes
Mr. James Banda	Chairperson	Appointed on 5 th May 2024
Mr. Michael M Kachumi	Vice chairperson	
Ms. Karen Banda	Board Member	
Dr. Mususu Kaonda	Board Member	
Mr. Banji Kalenga	Board Member	
Ms. Jane Musonda Mulenga	Board Member	
Mr. Reynolds C Bowa	Chairperson	Resigned on 3 rd May 2024

SENIOR MANAGEMENT

The senior management of the ERB during the year and up to the date of this report were as follows:

Name	Position	Changes
Mr. Elijah Sichone	Director General	Appointed 16 th August 2024
Mrs. Mwenya Kababa Chama	Director Finance	
Mr. Mwika Malindima	Director Consumer and Corporate Affairs	
Mr. Alfred Mwila	Director Economic Regulation	
Mr. Allen Polito	Director Technical Regulation	
Mrs. Naomi Fulaza	Director Licencing	
Mrs. Kabisa Handia Ngwira	Director Legal and Secretarial Services/Board Secretary	
Mr. Yohane Mukabe	Director General	Resigned on 24 th May 2024
Ms. Edina M. Mwansa	Director Legal and Secretarial Services/Board Secretary	Resigned on 25 th March 2024

ENERGY REGULATION BOARD

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

PROPERTY, PLANT AND EQUIPMENT

The following property, plant and equipment were acquired during the year:

	2024	2023
	K	K
Motor vehicles	7,368,064	13,042,071
Office equipment	1,767,113	3,378,008
Fixtures and fittings	462,579	1,057,743
Furniture	337,680	-
Tablets and devices	22,458	-
Low value assets	2,550	-
Capital work in Progress	1,609,601	-
	11,570,045	17,477,822

EMPLOYEES

The average number of employees during each month of the year was as follows:

	2024	2023
January	134	126
February	133	128
March	134	126
April	133	125
May	134	124
June	133	124
July	132	124
August	133	126
September	134	127
October	133	132
November	134	134
December	134	134

The total remuneration accrued to the employees during the year was **K134,951,791** (2023: K109,455,047).

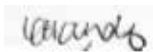
HEALTH AND SAFETY OF EMPLOYEES

The Directors are aware of their responsibilities towards the health and safety of employees and have accordingly put in place appropriate measures to safeguard the health and safety of employees.

AUDITORS

Messrs. BDO Zambia Audit Services were appointed auditors in 2025 for the audit of the financial statements for the years ended 31 December 2024, 31 December 2025 and 31 December 2026.

By order of the Board.



KABISA HANDIA NGWIRA
BOARD SECRETARY/DIRECTOR LEGAL & SECRETARIAL SERVICES

Lusaka, Zambia

Date: 31st March 2025

ENERGY REGULATION BOARD

STATEMENT OF RESPONSIBILITY OF THE BOARD FOR ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

The Energy Regulation Act Number 12 of 2019 and the Public Finance Management Act of 2018 require the directors to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Organisation as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards and the requirements of the Energy Regulation Act and the Public Finance Management Act of the laws of Zambia.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Organisation and all employees are required to maintain the highest ethical standards in ensuring the Organisation's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Organisation is on identifying, assessing, managing and monitoring all known forms of risk across the Organisation. While operating risk cannot be fully eliminated, the Organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the Organisation has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Organisation's financial statements. The financial statements have been examined by the Organisation's external auditors and their report is presented on pages 55 to 60.

The directors' report and the financial statements set out on pages 61 to 98, which have been prepared on a going concern basis, were approved by the board of directors on 31st March 2025 and were signed on its behalf by:



Director



Director



Tel: +260 211 250222/250631
 Fax: +260 211 254623
 contact@bdo.co.zm
 www.bdo.co.zm

Gallery Office Park
 Lagos Road
 Rhodes Park
 Lusaka, Zambia

INDEPENDENT AUDITOR’S REPORT The Energy Regulation Board

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Energy Regulation Board (the Board), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and
- notes to the financial statements, including material accounting policy information set out on pages 16 to 50.

In our opinion the accompanying financial statements of the Board present fairly, in all material respects, the financial position of the Board as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Energy Regulations Act 12 of 2019 and the Public Finance Management Act of 2018 of the laws of Zambia.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Zambia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Audit Response

Valuations of defined benefit obligations as at 31 December 2024

The Energy Regulation Board operates a defined benefit scheme which in total is significant in the context of both the overall balance sheet and results of the Board.

The valuations of the pension obligations are calculated with reference to critical assumptions made by the actuary in determining the present value of retirement benefit obligation including the discount rate of 16.50% and the future salary incremental rate of 10%.

The present value of the obligations recognised in the statement of financial position as at 31 December 2024 amounted to ZMW 28,758,006 (2023: ZMW 28,402,379). The Board set aside a fund for the obligation amounting to ZMW 3,557,161 resulting in unfunded balance of ZMW 25,200,845.

The treatment of curtailments, settlements, past service costs and measurements and other amendments can significantly impact the balance sheet and results of the Board. Small changes in assumptions can result in material impacts to the net pension liability or asset.

- In our audit we have involved our technical defined benefit specialist to assess the appropriateness of the actuarial assumptions and calculations performed by the Board's actuary.
- We obtained the actuarial valuation report from the Board that was prepared by a professional actuarial consultant (Quantum Consultants and Actuaries) and performed the following procedures:
 - a) Performed a re-computation of the defined benefits obligation.
 - b) We considered the completeness and accuracy of the disclosures relating to pension plans to assess compliance with disclosure requirements included in the financial statements.
 - c) We critically assessed the discount rate applied.
 - d) We also established that other assumptions were consistently applied compared to market developments.

Restatement of the financial statement for the year 2023 to accurately account for the remeasurement loss on defined benefit obligation that was not recognized in the prior periods, in accordance with the requirements set forth by IAS 19. In accordance with IAS 19 Employee Benefits, the Energy regulation Board has retrospectively applied the remeasurement loss of ZMW 1,347,276 on its defined benefit obligation, which was not recognized in prior periods.

Details of the defined benefit obligation is disclosed in Note 12 of the financial statements.

KEY AUDIT MATTER

AUDIT RESPONSE

Treatment of staff loans below market rate of 30%

IFRS 9 requires that staff loans at below market rates are discounted using the effective interest rate (EIR). This process is complex and significant judgement is involved.

Specific factors the directors consider include the discount rate or the market rate, and the time to maturity of the staff loan. As at year end the Board had staff loans amounting to ZMW 6,741,318 (2023: ZMW 5,069,088).

The Mark to Market staff loans have been assessed as a key audit matter due to the significant judgement and the complexity involved in establishing the fair value of these loans.

Our audit procedures included:

- a) We reviewed the computations provided to us by the directors.
- b) We further re-computed the marked to market loans as at 31 December 2024.
- c) Restatement of the financial statement for the years 2022 and 2023 to accurately account for the employee benefit costs that were not recognized in the prior periods, in accordance with the requirements set forth by IAS 19.

Details of the restatement have been included in Note 9.2 of the financial statements.

Other Information

Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

Other Matters

The financial statements of the Energy Regulation Board for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 March 2024.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, directors are responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Government of the Republic of Zambia either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have a professional obligation to respond non-compliance with laws and regulations in terms of the International Ethics Standard Board for accountants (IESBA code) by acting in the public interest through:

- i. Enabling the Board to rectify, remediate or mitigate the consequences of any identified or suspected non-compliance with laws and regulations as described in the IESBA code; or
- ii. Detering the commission of non-compliance or suspected non-compliance with laws or obligations where it has not yet occurred.

The Energy Regulation Act No. 12 of 2019 and Corporate Governance requires that in carrying out our audit of the Energy Regulation Board, we report on whether:

1. The Board provides strategic policy direction to the Energy Regulation Board as required in section 6(1) of the Energy Regulation Act.
2. The Board complies with the requirements set forth in section 6(2) by fulfilling the following responsibilities.
 - a) Approve the annual budget estimates and financial statements of the Energy Regulation Board
 - b) Approve the annual work plan and activity reports of the Energy Regulation Board
 - c) Promote effective corporate governance of the Energy Regulation Board; and
 - d) Formulate the policies, programmes and strategies of the Energy Regulation Board

3. The Board is compliant with section 11 paragraph 1 of the Energy Regulation Act No. 12 of 2019 which states that the Energy Regulation Board shall cause to be kept proper books of accounts and other records relating to the Energy Regulation Board's accounts.

Nothing has come to our attention that would suggest that the Energy Regulation Board is not in compliance with the Energy Regulation Act No. 12 of 2019 and corporate governance standards.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Njovu.



BDO Zambia Audit Services



Andrew Njovu

Partner

AUD/F000802

Date: 4 APRIL 2025

ENERGY REGULATION BOARD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

In Zambian Kwacha (K)

	NOTES	2024 K	RESTATED 2023 K
INCOME			
Grant income	4	90,647,013	90,647,013
Fuel Marking Agency fee	5	89,712,485	89,712,486
Other income	6	3,394,459	1,147,841
Finance Income		489,409	735,719
		184,243,366	182,243,059
EXPENDITURE			
Employee expenses	7	134,951,791	109,455,047
Depreciation expense	8	7,219,831	6,110,306
Other operating and administration costs	7	60,519,372	60,277,167
Foreign exchange loss		-	65,588
TOTAL EXPENDITURE		202,690,994	175,908,108
(DEFICIT/SURPLUS) OF INCOME OVER EXPENDITURE			
FOR THE YEAR		(18,447,628)	6,334,951
Other comprehensive income /(loss) that might not be reclassified to surplus and deficit			
Amortisation of capital grants	11	325,145	445,624
Remeasurement gain/(loss)	12(d)	459,893	(1,347,984)
Total Comprehensive income		785,038	(902,360)
NET (DEFICIT/SURPLUS) OF INCOME OVER EXPENDITURE		(17,662,590)	5,432,681

Notes to the annual financial statements from page 61 to 98 form an integral part of these financial statements

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF FINANCIAL POSITION

In Zambian Kwacha (K)

	NOTES	2024 K	RESTATED 2023 K	RESTATED 2022 K
ASSETS				
<i>Non current assets</i>				
Leasehold land	8	70,719	70,719	70,719
Property and equipment	8	67,606,015	63,049,943	51,426,810
Intangible Assets	8	418,092	695,371	972,650
		<u>68,094,826</u>	<u>63,816,033</u>	<u>52,470,179</u>
<i>Current assets</i>				
Loans receivables	9	6,846,159	5,149,142	8,331,086
Staff advances and other receivables	9	5,248,282	4,665,165	81,411,335
		<u>12,094,441</u>	<u>9,814,307</u>	<u>89,742,421</u>
Cash and cash equivalents	10	28,209,678	109,512,720	2,505,081
		<u>40,304,119</u>	<u>119,327,027</u>	<u>92,247,502</u>
TOTAL ASSETS		<u>108,398,945</u>	<u>183,143,060</u>	<u>144,717,681</u>
FUNDS AND LIABILITIES				
<i>Capital grants and funds</i>				
Capital grants	11	935,210	1,260,355	1,705,979
Fair Value reserve	9.1	2,794,337	1,764,364	2,201,766
Accumulated funds		67,549,124	85,211,714	79,779,033
		<u>71,278,671</u>	<u>88,236,433</u>	<u>83,686,778</u>
<i>Noncurrent liabilities</i>				
Deferred employee benefits	12	20,368,180	17,670,651	26,046,912
<i>Current liabilities</i>				
Employee benefits	13	8,389,826	10,731,728	18,958,739
Payables	13	8,362,268	66,504,248	16,025,252
		<u>16,752,094</u>	<u>77,235,976</u>	<u>34,983,991</u>
TOTAL LIABILITIES		<u>37,120,274</u>	<u>94,906,627</u>	<u>61,030,903</u>
TOTAL FUNDS AND LIABILITIES		<u>108,398,945</u>	<u>183,143,060</u>	<u>144,717,681</u>

Notes to the annual financial statements on pages 61 to 98 form an integral part of these annual financial statements.

The responsibilities of the Board's Members with regard to the preparation of the annual financial statements are set out on page 5. The financial statements on pages 61 to 98 were approved and authorised for issue by the Board Members on.....31st March 2025.....and were signed on their behalf by:


BOARD CHAIRPERSON


AUDIT & RISK COMMITTEE CHAIRPERSON

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

In Zambian Kwacha (K)

	Cost of service study grant	Capital Grants	Fair value reserve	Accumulated Funds	Total
	K	K	K	K	K
Year ended 31 December 2021:	-	567,192	1,803,029	35,667,860	36,235,052
Balance at 1 January 2022	-	567,192	-	35,667,860	36,235,052
Addition in the year	1,463,987	-	-	-	1,463,987
Comprehensive income:					
Surplus of income over expenditure	-	-	-	43,706,411	43,706,411
Interest on amortisation	-	-	-	79,562	79,562
Amortisation of capital grants (Note 11)	(305,812)	(19,388)	-	325,200	-
Mark to Market Fair value reserve	-	-	398,737	-	398,737
Year ended 31st December 2022-Restated	1,158,175	547,804	2,201,766	79,779,033	83,686,778
Year ended 31 December 2023:					
Balance at 1 January 2023-Restated	1,158,175	547,804	2,201,766	79,779,033	83,686,778
Comprehensive income:					
Surplus of income over expenditure-Restated	-	-	-	6,334,951	6,334,951
Other comprehensive income-Remeasurement loss	-	-	-	(1,347,894)	(1,347,894)
Other comprehensive income:					
Amortisation of capital grants (Note 11)	(426,236)	(19,388)	-	445,624	-
Total comprehensive income for the year- RESTATE	-	-	-	5,432,681	4,987,057
Mark to Market Fair value reserve	-	-	(437,402)	-	(437,402)
Balance as at 31 December 2023-Restated	731,939	528,416	1,764,364	85,211,714	88,236,433
Year ended 31 December 2024:					
Balance at 1 January 2024	731,939	528,416	1,764,364	85,211,714	88,236,433
Comprehensive income:					
Deficit of income over expenditure	-	-	-	(18,447,628)	(18,447,628)
Other comprehensive income – Remeasurement gain	-	-	-	459,893	459,893
Amortisation of capital grants (Note 11)	(305,757)	(19,388)	-	325,145	-
Mark to Market Fair value reserve	-	-	1,029,973	-	1,029,973
Total comprehensive income for the year	-	-	-	(17,662,590)	(17,662,590)
Balance as at 31 December 2024	426,182	509,028	2,794,337	67,549,124	71,278,671

Notes to the annual financial statements from page 61 to 98 form an integral part of these annual financial statements.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF CASH FLOWS

In Zambian Kwacha (K)

	NOTES	YEAR ENDED 31 DECEMBER	
		2024 K	Restated 2023 K
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) /Surplus of income over expenditure for the year		(18,447,628)	6,334,951
Adjusted for:			
Interest income	6	(296,190)	(114,007)
Gratuity fund interest		(489,408)	(735,719)
Depreciation expense	8	7,219,831	6,110,306
Actuarial remeasurement gain/(loss)	7.1	459,893	(1,347,894)
Effects of exchange rate movement on balance		(47,876)	(47,956)
Gain on disposal of property and equipment	8(ii)	(1,567,679)	(231,266)
Operating cash flows before movement in working capital		(13,169,058)	9,968,415
(Increase)/Decrease in receivables		(1,250,161)	80,113,541
Decrease in payables		(60,483,882)	41,629,156
Decrease/(Increase) in employee liabilities		2,697,529	(8,376,261)
Net cash generated from operating activities		(72,205,571)	123,334,956
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase on property and equipment	8	(11,570,045)	(17,477,822)
Proceeds from disposal of property and equipment	8(ii)	1,639,100	252,928
Gratuity fund interest received		489,408	735,719
Interest received	6	296,190	114,007
Net cash utilised in investing activities		(9,145,347)	(16,375,168)
Net Increase in cash and cash equivalents		(81,350,918)	109,959,788
Cash and cash equivalents at beginning of year		109,512,720	2,505,081
Cash and cash equivalents at end of year	10	28,161,782	109,464,764
Effect of exchange rate movements on balances		47,896	47,956
Cash and cash equivalents at end of year		28,209,678	109,512,720

Notes on the annual financial statements from page 61 to 98 form an integral part of these annual financial statements.

The bank balances included United States dollars One Thousand Seven Hundred and Thirty One, USD1,731 (2023: USD1,866) translated at the exchange rate of K27.67/USD to K47,896(2023: K47,956).

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Energy Regulation Board (the "ERB") is a statutory body established by the Energy Regulation Act No.12 of 2019 of the Laws of Zambia. The address of its principal place of business is:

Plot 9330
Danny Pule Road,
Mass Media Area Lusaka

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the ERB in the preparation of these annual financial statements are set out below. These policies have been applied consistently for the years presented, unless otherwise stated.

2.1 Statement of compliance

The annual financial statements have been prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Energy Regulation Act 12 of 2019 and in compliance with the Public Finance Management Act of 2018, of the Laws of Zambia.

2.2 Basis of preparation

The annual financial statements have been prepared on the historical cost basis and in Zambian Kwacha (K). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the ERB takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2.1 New and amended standards adopted.

The ERB has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

(i) Amendment to IFRS 16 – Lease liability in sale and leaseback

Amendments to IFRS 16. The change did not have any material impact on the amounts recognised in the annual financial statements for prior periods and are not expected to significantly affect the current or future periods. Effective date: 1 January 2024

The ERB has not yet adopted the following new and revised standards that have been issued but are not yet effective:

(ii) IFRS S1, General requirements for disclosure of sustainability-related financial information

The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flow, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities.
- the entity's strategy for managing sustainability-related risks and opportunities.
- the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term.

The Zambia Institute of Chartered Accountants (ZiCA) has since issued a circular making the standards IFRS S1 (applicable to Public Accountability Entities (PAE's) and the Integrated Reporting Framework effective annual reporting periods beginning on or after 01 January 2025. The ERB is currently assessing the impact of these standards on its financial statements and expects to adopt them in the annual period beginning 01 January 2025.

(iii) IFRS S2, 'Climate- related disclosures'

IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. IFRS S2 touches on key disclosures relating to:

Board Oversight and Accountability

- Climate-related risk management processes
- Integration into overall risk management

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Climate-related expertise on the board and management team
- Role of the audit committee

Climate - Related Opportunities and Risks

- Physical risks (e.g., extreme weather events)
- Transition risks (e.g., changes in regulation or technology)
- Liability risks (e.g., climate-related litigation)
- Opportunity risks (e.g., revenue from low-carbon products)
- Resilience and adaptability planning

Climate-Related Risk Metrics and Targets

- Carbon footprint and greenhouse gas emissions
- Climate-related risk metrics (e.g., carbon price)
- Scenario analysis and stress testing
- Climate-related key performance indicators (KPIs)

Climate-Related Targets and Progress

- Greenhouse gas reduction targets
- Progress towards targets (metrics and milestones)
- Transition plans and timelines
- Climate-related performance metrics

Enhancing Transparency and Accountability

- Improved decision-making
- Enhanced reputation and trust
- Better risk management
- Increased competitiveness
- Regulatory compliance

IFRS S2 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied. IFRS S2, the International Financial Reporting Standard for Sustainability-related Disclosures, is applicable to the following entities within the scope of application:

- Publicly traded companies: Listed companies on stock exchanges.
- Financial institutions: Banks, insurance companies, and other financial institutions.
- Large private companies: Companies with significant economic or environmental impact.
- Multinational corporations: Companies operating globally.
- Industry-specific applicability:
 - Energy and extractives

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Financial services

The drought led to an increase in cost of doing business and disruptions in operations due to power outages. Power supply was supported by utilization of diesel power generators. Thus, the ERB was able to execute its mandate effectively. Expenditure on fuel was more than the budgeted expenditure but expenditure on utility cost for ZESCO power was reduced. Thus, the increased fuel costs were largely compensated by the reduction in power costs from ZESCO with the overall cost being over the budgeted amount by K47,820.

The amendments above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

The Zambia Institute of Chartered Accountants (ZICA) has since issued a circular making the standards IFRS S2 (applicable to Public Accountability Entities (PAE's) and the Integrated Reporting Framework effective annual reporting periods beginning on or after 01 January 2025.

The ERB is currently assessing the impact of these standards on its financial statements and expects to adopt them in the annual period beginning 01 January 2025.

2.2.2 New standards and interpretations not yet adopted.

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by ERB. The ERB's assessment of the impact of these new standards and amendments is set out below.

(i) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The new standard introduces the following key requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-Defined Performance Measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- Entities are required to use the operating profit subtotal as the starting point for the statement of cashflows when presenting the operating cash flows under the indirect method

Even though IFRS 18 will not impact on the recognition or measurement of items in the financial statements, its impact on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Effective date 1 January 2027.

(ii) Lack of Exchangeability - Amendments to IAS 21

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The ERB does not expect these amendments to have a material impact on its operations or financial statements. Effective for annual periods beginning on or after 1 January 2025.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments require entities to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The potential impact of these amendments may include, but not limited to, a change in the timing of recognition and derecognition of financial instruments in certain situations in which settlement of a financial instrument with another takes more than a day. However, the ERB does not expect these amendments to have a material impact on its operations or financial statements. Effective for annual periods beginning on or after 1 January 2026.

2.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the annual financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency'). The results and financial position of the ERB are expressed in Zambian Kwacha ('K'), which is the functional currency of the ERB and the presentation currency for the annual financial statements.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of income and expenditure under finance cost or finance income.

2.4 Revenue

The ERB recognizes revenue from the following sources:

- Government grants
- Fuel Marking Agency Fees
- Other income

2.4.1 Government Grants

Grants represent funds received from the Government during the year. Income from the Government is recognized in the statement of income and expenditure in the year in which it is receivable, which is the point in time recognition basis.

Grant income is recognized in accordance with IAS 20. Grant income is recognized when there is reasonable assurance that:

- (a) ERB will comply with the conditions attaching to them; and
- (b) the grant will be received.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant income is accounted for using the Income approach, due to the following:

- (a) Since grant income are receipts from a source other than shareholders, they should not be recognized directly in equity but should be recognized in the statement of income and expenditure in appropriate periods,
- (b) The ERB earns them through compliance with their conditions and meeting the envisaged obligations. Therefore, they are recognized in the statement of income and expenditure over the periods in which the ERB recognizes as expenses, the related costs for which the grant is intended to compensate.

Grant income is recognized in the statement of income and expenditure on a systematic basis over the periods in which the ERB recognizes expenses the related costs for which the grants are intended to compensate.

Grant income relating to depreciable assets are recognized as deferred income (Capital grants) in the statement of financial position and are recognized as income in the statement of income and expenditure and other comprehensive income over the periods and in the proportions in which depreciation expense on those assets is charged.

2.4.2 Fuel Marking Agency Fee

This is a fee that is charged for the services rendered to the Fuel Marking Project and as appropriated by the Board. Revenue is measured at the fair value of the consideration received or receivables for the provision of services in the ordinary course of the organisation's activities. Revenue is shown as net of Value Added Tax, discounts and rebates.

Revenue arises mainly from the provision of fuel marking services rendered to the Fuel Marking Project. Revenue is recognised on the basis of the services rendered to the fuel marking program at an amount that reflects the consideration to which ERB expects to be entitled in exchange of the services provided. The revenue recognition follows the five (5) steps model as prescribed by IFRS 15.

1. Identifying the contract with a customer
2. Identifying the performance obligation
3. Determining the transaction price
4. Allocating the transaction price to the performance obligation
5. Recognising revenue when/ as the performance obligation(s) are satisfied

The Energy Regulation Board recognises revenue once the performance obligation has been satisfied. This involves the provision of services to the fuel marking project. Revenue is recognised at a point in time basis.

2.4.3 Other Income

Other income represents non-core income such as gain on disposal, sale of application forms and other sundry income. The income is recognized at a point in time when it is probable that the economic benefits will flow to the ERB, and the amount of income can be measured reliably.

Up to 31st December 2022, other income included assessments fees. Assessment fees are paid by applicants who apply to undertake investments in the energy sector and satisfy ERB's internal financial assessments criteria. Assessment fees collected in the year 2023 were recognized as amounts payable to the Government in the statement of financial position, pending guidance from the Secretary to the Treasury on retention for application to ERB operations. The funds were remitted to the Government in January 2024 following the guidance from the Ministry of Finance to remit the funds to the government consolidated Fund going forward.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4.4 Finance Income

Interest income is recognised in the statement of income and expenditure and is included in the Finance income. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the ERB and the amount of income can be measured reliably.

2.5 Leases

The ERB assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the ERB has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

ERB as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the organisation is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the ERB recognises the lease payments as an operating expense (note 14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the ERB has elected not to separate the non-lease components for leases of land and buildings.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the ERB uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the ERB under residual value guarantees;

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Leases (Continued)

- the exercise price of purchase options, if the ERB is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the ERB is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred.

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs .

The ERB remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the ERB will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the statement of financial position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the organisation incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the ERB

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Leases (Continued)

expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

2.6 Retirement benefits

The ERB has two types of employment contracts. The gratuity employment contract and the permanent and pensionable employment contract.

(i) Contract employees

Employees on fixed term contracts are entitled to end of contract gratuity. Provision is made for past service on the basis of present conditions and earnings. The portion of the provision which is estimated to become payable after more than one year is shown as a non-current liability.

(ii) National Pension Scheme

The ERB also contributes to the National Pension Scheme (NAPSA). NAPSA is a defined contribution scheme and membership is compulsory. Monthly contributions by both employer and employees are made. The employer's contribution is accounted for in statement of income and expenditure as it arises.

(iii) ZSIC Pension Scheme

The ERB makes monthly contributions to the ZSIC Pension Scheme; a defined contribution scheme with respect to 'permanent and pensionable' employees. The ERB's contributions to this pension scheme are accounted for in the statement of income and expenditure as they arise.

2.7 Deferred Employee Benefits

The ERB operates a defined benefit plan in the form of gratuity for contracted members of staff. The plan provides benefits to members in the form of a guaranteed level of benefits which depends on members' length of service and their salary in the final year leading up to the end of contract. Contract gratuity is calculated at the end of a fixed term contract at rates prescribed in the conditions of service on the last drawn basic salary. Gratuity benefit is equal to 50% of the basic salary in the final year leading up to end of contract for employees in salary grades ERB1 and at 45% for employees in salary grades ERB2 to ERB5.

Under IAS 19, the cost of providing the defined benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Deferred Employee Benefits (Continued)

Past service costs are recognised immediately to the extent that the benefits are already vested and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets participating employees. Actuarial gains or losses within the corridor are not recognized.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the ERB is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for reimbursement.

The amount recognised in the financial statements represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Contract gratuity benefits due to employees are recognized, on a systematic basis, in the statement of income and expenditure (expense) and statement of financial position (liability) based on the recognition criteria explained above and actuarial valuations. The liability is then split between 'due within 12 months' and 'due after more than 12 months', with the latter being referred to as Deferred Employee Benefits. Refer to note 12.

2.8 Property, plant and equipment

2.8.1 Tangible assets

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses. All categories of property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ERB and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation is charged to write off the cost of property, plant and equipment over their estimated useful lives on a straight-line basis, annual rates indicated on page 26:

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment

2.8.1 Tangible assets (Continued)

	Annual Depreciation rate
Land	-
Buildings	2%
Furniture	25%
Fixtures and fittings	15%
Office equipment	25%
Motor vehicles	25%
Information systems and databases	25%
Tablets and devices	33.3%
Low value assets	50%

Capital work in progress is not depreciated.

The estimated useful life and residue values are reviewed at the end of each reporting period, with the effect of any changes in estimation accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income and expenditure.

Repair and maintenance expenses are charged to the statement of income and expenditure during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the ERB.

2.8.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. For the ERB, the acquired intangible assets include Information Systems and Databases. Amortisation is recognised on a straight-line basis over their estimated useful life of 4 years. The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Recoverable amount is the higher of fair value less costs to sell and value in use.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets

At the end of each reporting period, the ERB reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the ERB estimates the recoverable amount of the asset. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated accordingly for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of income and expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the statement of income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Provisions

Provisions are recognized when the ERB has a present obligation (legal or constructive) as a result of a past event, it is probable that the ERB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.11 Financial assets

ERB classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through the Income statement); and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less any impairment.

(ii) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(iii) Derecognition of financial assets

The ERB derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the ERB neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the ERB recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the ERB retains substantially all the risks and rewards of ownership of a transferred financial asset, the ERB continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognized in statement of income and expenditure.

(iv) Recognition of Expected Credit Losses

IFRS 9 requires that an entity assesses the expected credit loss that may result from failure to meet contractual obligations by the counterparty. This standard focuses on the risk that a loan or a debtor will default rather than whether a loss has been incurred. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of income and expenditure when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of income and expenditure.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through statement of income and expenditure to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(v) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period are shown in the statement of cash flows and can be reconciled to the related items in the statement of financial position.

2.12 Financial liabilities

All financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.0 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial liabilities(Continued)

(i) Derecognition of financial liabilities

The ERB derecognizes financial liabilities when, and only when, the ERB's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of income and expenditure.

(ii) Fair value

Fair value is the amount at which assets and liabilities can be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, where one exists. The estimated fair values of assets and liabilities have been determined by the ERB using available market information and appropriate valuation methodologies. However, judgment is required to interpret market data to estimate fair values. Accordingly, the estimates are not necessarily indicative of the amounts the ERB could realise in the current market exchange. The carrying amounts of the assets and liabilities approximate their fair values.

2.13 Comparatives

Under IAS 1, comparative information must be provided for all amounts reported in the annual financial statements, except when a standard provides otherwise. IAS 1 further states that comparative information should also be provided for narrative and descriptive information when it is relevant to an understanding of the current period's annual financial statements. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

2.14 Taxation

ERB is exempt from income tax under Section 15 of the Income Tax Act, CAP 325 of the Laws of Zambia in accordance with Paragraph 5 Part III of the Second Schedule of the Act.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATING UNCERTAINTY

3.1 Critical judgments in applying accounting policies.

In the application of ERB's accounting policies, the Board Members are required to make judgments, estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.2 Key sources of estimating uncertainty

The following are the key assumptions concerning the future, and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2.1 Estimates of asset lives, residual values and depreciation methods.

Property, plant and equipment is depreciated over its useful life taking into account residual values. Useful lives and residual values are assessed annually. Useful lives are affected by technological innovations, maintenance programmes and future productivity. Future market conditions determine the residual values. Depreciation is calculated on a straight-line basis which may not represent the actual usage of the asset.

If the assumptions stated above were to change by up to 10%, depreciation on property, plant and equipment will change by K721,983 (2023: K611,031).

3.2.2 Estimates on Defined Benefit Obligation

In determining the defined benefit obligation, critical assumptions are made by the actuary in determining the present value of gratuity benefit obligation including the discount rate, inflation rate and salary increments which has an impact on the carrying amount of the provision.

If the actuarial assumptions were to change for the financial year ended 31st December 2024 and the comparative 2023 period, the following would be the impact

	2024 Present value of obligation	2023 Present value of obligation
1% increase in discount rate	(141,998)	431,248
1% decrease in discount rate	144,377	(445,195)
1% increase in salary rate	151,594	(371,919)
1% decrease in salary rate	(151,683)	367,552

3.2.3 Property, plant and equipment impairment review

Impairment tests on property and equipment are only done if there is an impairment indicator. Future cash flows are based on management's estimate of future market conditions. These cash flows are then discounted and compared to the current carrying value, and, if lower, the assets are impaired to the present value of the cash flows. Impairment tests are based on information available at the time of testing. These conditions may change after year-end.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. GRANT INCOME

Grant income represents funds receivable from Government of the Republic of Zambia during the year as the ERB is a grant aided institution as set out in Energy Regulation Act No.12 of 2019 of the Laws of Zambia. Total grant income of K90,647,013(2023: K90,647,013) was received in the financial year ended 31st December 2024. This is recognized at a point in time.

	2024	Restated	2023
	K		K
Grant income	<u>90,647,013</u>		90,647,013
	<u>90,647,013</u>		<u>90,647,013</u>

5. FUEL MARKING AGENCY FEE

The ERB Board approved K89,712,485 (2023: K89,712,486) as agency fees for the professional services the ERB renders to the Fuel Marking project. This is recognized at a point in time.

6. OTHER INCOME

	K	Restated	K
Gain on disposal of assets	1,567,679		231,267
Interest income	296,190		114,007
Gain on foreign exchange	706		-
Sale of application forms	925,463		649,384
Interest on amortisation of loans (Note 9.1)	104,841		80,054
Other Sundry income	499,580		64,129
Bad debt impairment release (Note 9.2)	-		9,000
	<u>3,394,459</u>		<u>1,147,841</u>

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. NATURE OF EXPENDITURE

	2024	Restated 2023
Employee costs (Note 7.1)	134,951,791	109,455,047
Depreciation (Note 8)	7,219,831	6,110,306
Other operating and administration costs		
Other expenses (Note 7.2)	27,850,686	25,781,135
Office expenses	8,703,380	7,952,838
Board expenses	6,068,495	5,480,245
Regulatory advocacy costs	5,426,535	7,072,113
Standard enforcement	3,266,698	3,404,771
Subscriptions	4,564,990	3,490,722
Training and capacity building	2,925,172	1,878,064
Board training expenses	320,512	2,764,882
Tariff review & pricing	824,698	1,957,216
External audit fees	288,788	288,788
Foreign exchange loss	-	65,588
Integrity committee cost	279,418	206,393
Total Operating and administration costs	60,519,372	60,342,755
TOTAL EXPENDITURE	202,690,994	175,908,108

7.1 EMPLOYEE COSTS

Salaries and wages	105,154,390	79,175,603
Retirement benefits		
Gratuity and Service Benefits (Note 12e)	25,605,108	27,997,867
NAPSA - Employer contribution	2,243,049	1,927,805
Gratuity over provision release	-	(1,347,894)
Mark to Market adjustment (Note 9.1)	1,029,973	357,348
ZSIC Pension	1,489,351	1,344,408
TOTAL	134,951,791	109,455,047

7.1(a) EMPLOYEE COSTS (OTHER COMPREHENSIVE INCOME)

Remeasurement gain/(loss)	459,893	(1,347,984)
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ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7.1(b) RESTATEMENT OF GRATUITY PROVISION

Included in other payables is an error related to the overprovision of the gratuity. In the year ended 31 December 2023, a variance was noted between the actuary's computation and the Board's computation, amounting to ZMW 1,347,984. To align the defined benefit balance with the actuary's computation, the Board incorrectly accounted for this difference by crediting other payables and debiting the defined benefit obligation, resulting in an overstatement of the payables.

The errors have been corrected by restating the following financial statement areas

Restatement of the remeasurement gain on the defined employee obligation

As at 31 December 2023	As previously stated	Adjustment	Restated position
Statement of financial position - Other payables	(81,888,684)	1,347,984	(80,540,700)
Income statement- Gratuity overprovision release	-	(1,347,984)	(1,347,984)

Other Expenses	2024	Restated 2023
Publicity and consumer outreach	5,613,185	5,768,847
Postage, telephone and fax	3,882,118	4,634,458
Staff welfare	2,964,775	3,261,212
Medical expenses	3,402,899	2,519,024
Insurance expenses	2,019,319	5,966
Workshops	1,703,014	1,244,049
Other Audits and Consultancy	925,668	814,533
Motor vehicle expenses	1,240,677	1,255,883
Standards development costs	1,064,727	739,306
Printing and stationery	1,004,983	1,072,223
Licence development and review	640,289	855,142
Energy market reform costs	802,545	300,410
Legal framework	841,100	1,672,758
Office rent	390,207	381,610
Legal fees	602,031	78,636
Regulatory research & dev costs	446,334	764,951
Bank charges and interest	145,154	218,112
Workers compensation	92,401	84,235
Staff recruitment	61,260	109,780
Bad debt provision	8,000	-
Total expenditure	27,850,686	25,781,135

**ENERGY REGULATION BOARD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
8. PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS**

	Buildings		Leasehold land		Motor vehicles		Office equipment		Fixture and fittings		Furniture, Devices		Tablets & Assets		Low value		Capital Work in Progress		Property and Equipment		Information Systems & Databases		PPE and Intangible		
	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K
Cost																									
At 1 January 2023	56,183,137	70,719	10,809,891	11,769,911	1,583,180	3,873,825	253,494	-	-	-	-	-	-	-	-	-	-	-	84,544,157	1,109,115	1,109,115	-	-	85,653,272	
Additions from COSS grant	-	-	13,042,071	3,131,211	337,912	809,128	157,500	-	-	-	-	-	-	-	-	-	-	-	17,477,822	-	-	-	-	17,477,822	
Disposal	-	-	(1,054,612)	(5,757,127)	-	(1,147,575)	-	-	-	-	-	-	-	-	-	-	-	-	(7,959,314)	-	-	-	-	(7,959,314)	
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
At 1 January 2024	56,183,137	70,719	22,797,350	9,143,995	1,921,092	3,535,378	410,994	-	-	-	-	-	-	-	-	-	-	-	94,062,665	1,109,115	1,109,115	-	-	95,171,780	
Additions	-	-	7,368,064	1,767,113	462,579	337,680	22,458	2,550	1,609,601	11,570,045	-	-	-	-	-	-	-	-	11,570,045	-	-	-	-	11,570,045	
Disposal	-	-	(2,133,983)	(152,468)	-	-	(16,500)	-	-	-	-	-	-	-	-	-	-	-	(2,302,951)	-	-	-	-	(2,302,951)	
Transfers	-	-	-	(525,948)	644,869	(118,921)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
At 31 December 2023	56,183,137	70,719	28,031,431	10,232,692	3,028,540	3,754,137	416,952	2,550	1,609,601	103,329,759	1,109,115	104,438,874	-	-	-	-	-	-	103,329,759	1,109,115	1,109,115	-	-	104,438,874	
Depreciation																									
At 1 January 2023	11,349,180	-	8,048,686	9,286,743	1,281,024	2,970,500	110,495	-	-	-	-	-	-	-	-	-	-	-	33,046,628	136,465	136,465	-	-	33,183,093	
Charge for the year	1,124,404	-	2,685,553	1,528,555	138,751	284,139	71,625	-	-	-	-	-	-	-	-	-	-	-	5,833,027	277,279	277,279	-	-	6,110,306	
Disposals	-	-	(1,054,612)	(5,740,393)	-	(1,142,647)	-	-	-	-	-	-	-	-	-	-	-	-	(7,937,652)	-	-	-	-	(7,937,652)	
At 1 January 2024	12,473,584	-	9,679,627	5,074,905	1,419,775	2,111,992	182,120	-	-	-	-	-	-	-	-	-	-	-	30,942,003	413,744	413,744	-	-	31,355,747	

**ENERGY REGULATION BOARD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
8. PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS (Continued)**

Cost	Buildings	Motor vehicles	Office equipment	Fixture and fittings	Furniture,	Tablets & Devices	Low value Assets	Capital Work in Progress	Property and Equipment Total	Information Systems & Databases	PPE and Intangible Total
	K	K	K	K	K	K	K	K	K	K	K
At 1 January 2024	12,473,584	9,679,627	5,074,905	1,419,775	2,111,992	182,120	-	-	30,942,003	413,744	31,355,747
Charge for the year	1,123,663	3,833,061	1,281,699	187,016	420,970	96,083	60	-	6,942,552	277,279	7,219,831
Disposals	-	(2,133,984)	(87,898)	-	(9,648)	(9,648)	-	-	(2,231,530)	-	(2,231,530)
Transfer	-	-	(153,089)	265,821	(112,732)	-	-	-	-	-	-
At 31 December 2024	13,597,247	11,378,704	6,115,617	1,872,612	2,420,230	268,555	60	-	35,653,025	691,023	36,344,048
Carrying amount At 31 December 2024	42,585,890	16,652,727	4,117,075	1,155,928	1,333,907	148,397	2,490	1,609,601	67,606,015	418,092	68,024,107
At 31 December 2023	43,709,553	13,117,723	4,069,090	501,317	1,423,386	228,874	-	-	63,049,943	695,371	63,745,314

The Directors consider that the carrying value of leasehold land and buildings and equipment is not more than its recoverable amount as reflected in the statement of financial position.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

LEASEHOLD LAND

	2024	Restated 2023
Cost brought forward	70,719	70,719
Additions	-	-
Disposal	-	-
Cost at year end	70,719	70,719

Leasehold land is carried at cost. There were no additions and disposal in the year under review.

The Fixed Assets policy was revised in 2023, and the changes were implemented in 2024. The changes included reclassification and introduction of some asset categories, introduction of residual values and revisions of depreciation rates for some asset categories. These changes, with regard to the carrying amount of assets, were accounted for prospectively in the financial statements as they were Changes in Accounting Estimates in line with IAS 8. However, to ensure comparability in the presentation of the financial statements, the assets were regrouped in line with the revised fixed assets policy for the 2023 comparative period at their 2023 carrying amounts.

Whereas there were five (5) main categories of fixed assets with varying depreciation rates, and without residual values, the assets are now categorized under eight (8) categories as reflected below.

PREVIOUS PPE POLICY

Asset Category	Expected Life Years	Annual Rate of Depreciation	Residual Value
Land		-	-
Buildings	50	2%	0%
Furniture and Fittings	6 ^{2/3}	15%	0%
Office Equipment	4	25%	0%
Motor Vehicles	4	25%	0%

CURRENT PPE POLICY

Asset Category	Expected Life Years	Annual Rate of Depreciation	Residual Value
Land	-	-	-
Building	50	2%	0%
Office Equipment	4	25%	15%
Tablets & Mobile Devices	3	33.3%	15%
Motor Vehicle	4	25%	20%
Furniture	4	25%	15%
Fixtures and Fittings	6 ^{2/3}	15%	15%
Software	4	25%	0%
Low Value Assets (LVA)	2	50%	0%

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) Right of use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets relating to the Lusaka Land. In Zambia, land is held on lease from the Government of the Republic of Zambia for a period of 99 years. IFRS 16 requires that for any lease, a right of use asset and lease liability be recognized unless the ERB deems the lease as short-term lease or of low value.

Advance payments made in acquiring the land are added to right of use assets and amortized over the period of the lease on a straight-line basis and therefore there is no corresponding lease liability. The effect of discounting the ground rates is immaterial and these have been expensed in the statement of income and expenditure as incurred. As at the end of the reporting period, and unchanged from the prior year, the ERB had insignificant leasing arrangements. Therefore, ERB has taken the exemption under the standard, and these have been expensed in the statement of income and expenditure as incurred. Lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leasehold land is not depreciated and has been recognized at cost.

	2024	Restated 2023
	K	
ii) <i>Gain on disposal</i>		
Cost of disposal	2,302,951	7,959,314
Accumulated depreciation	(2,231,529)	(7,937,652)
Proceeds from disposal	(1,639,100)	(252,928)
Gain on disposal	<u>(1,567,678)</u>	<u>(231,266)</u>
9. RECEIVABLES	2024	Restated 2023
Staff loans (Note 9.1)	6,846,159	5,149,142
Advances	766,597	3,456,572
Prepayments	2,232,627	1,192,674
Other receivables	<u>2,345,858</u>	<u>104,719</u>
	12,191,241	9,903,107
Impairment allowance (9.2)	<u>(96,800)</u>	<u>(88,800)</u>
	<u>12,094,441</u>	<u>9,814,307</u>

The carrying amount of the other receivables approximate its fair value due to their short-term nature.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. RECEIVABLES (CONTINUED)

9.1 Staff loans mark-to-market

As required by IFRS 9, the ERB recomputed the interest received on staff loans to the market rate of 30.0% (2023: 26.5%) from the 2%, 7.5% and 10% interest charge per annum on loans disbursed to loans. The loans are given to employees as part of the ERB's retention policy.

		Restated
Carrying values of loans at beginning of the year	6,846,159	5,149,142
Fair value reserves	<u>(2,794,337)</u>	<u>(1,764,364)</u>
	<u>4,051,822</u>	<u>3,384,778</u>

9.2 Impairment provision

Impairment allowance of K96,800 relates to unpaid assessment fees for license application in note 16.

Movement in the impairment Provision	2024	2023
		K
Balance at the beginning of the year	88,800	97,800
Impairment reversal on Agency /Assessment fees recovered	<u>8,000</u>	<u>(9,000)</u>
	<u>96,800</u>	<u>88,800</u>

9.3 Restatement-Staff benefits (Mark to Market)

During the period under review, the financial statements for the years ended 31st December 2023 and 31st December 2022 were restated. The restatement was done to account for the employee benefit cost for the staff loans at below-market interest rate as required by IFRS 9, IAS 19 and IAS 8.

The remeasurement loss amounting to K1,347,984 was not recognized through Other Comprehensive Income for the year ended 31 December 2023. In accordance with IAS 19, remeasurement gains or losses on the defined benefit obligations should be recognized in Other Comprehensive Income and not through profit or loss. The financial statements have been restated to recognize remeasurement loss through Other Comprehensive Income.

The errors have been corrected by restating the following financial statement areas

As at 31 December 2023	As previously stated	Adjustment	Restated position
Statement of financial position -Defined benefit obligation	29,750,363	(1,347,984)	28,402,379
Other Comprehensive Income-remeasurement loss	-	1,347,984	1,347,984

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. RECEIVABLES (CONTINUED)

Restatement

	As previously stated,	Adjustment	Restated position
31-Dec-22			
Receivable Staff loan mark to market	3,927,553	(398,737)	3,528,816
Interest amortisation		79,562	79,562
			3,608,378
Fair value Reserves	1,803,029	398,737	2,201,766
31-Dec-23			
As previously stated,			
Retained earnings-staff loans market to market	44,012,223	(319,175)	43,693,048
As previously stated,			
Receivable Staff loan mark to market	3,304,724	437,402	3,742,126
Interest amortisation		80,054	80,054
			3,822,180
Fair value Reserves	2,201,766	(437,402)	1,764,364
Other payable over provision	1,347,984	(1,347,894)	-

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2024	2023
	K	K
Cash and cash equivalents	<u>28,209,678</u>	<u>109,512,720</u>

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. CAPITAL GRANTS

	2024	Restated
	K	2023
		K
a. GRZ Capital grant		
Balance at beginning of the year	528,416	547,804
Grant credited to comprehensive income during the year	(19,388)	(19,388)
Balance at end of the year	509,028	528,416

The capital grant refers to a grant from the Government of the Republic of Zambia made in 2004 towards the construction of ERB offices and was made available from licence fees payable to Government by ERB. It is amortised on a straight-line basis over 50 years.

	2024	Restated
	K	2023
		K
b. Cost of Service Study Capital grant		
Balance at beginning of the year	731,939	1,158,175
Grant credited to comprehensive income during the year	(305,757)	(426,236)
Balance at end of the year	426,182	731,939

The ERB received a capital grant from the African Development bank towards the purchase of equipment used in the Cost-of-service Study. The grant is being amortised over the useful life of the assets.

	2024	Restated
	K	2023
		K
c. Total Capital grant		
Balance at beginning of the year	1,260,355	1,705,979
Grant credited to comprehensive income during the year	(325,145)	(445,624)
Balance at end of the year	935,210	1,260,355

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. DEFERRED EMPLOYEE BENEFITS

(a)

The employee benefit obligation recognised in the statement of financial position represents the present value of the defined benefit (gratuity) obligation as adjusted for past service costs. Actuarial valuations were carried out for the financial year ended 31st December 2024. The amounts recognised in the statement of financial position are determined as follows:

	2024	Restated 2023
Present value of unfunded obligations	28,758,006	28,402,379
(b) Movement in the defined benefit obligation over the year is as follows	2024	2023
Balance at beginning of the year	28,402,379	45,005,651
Current Service cost/Gratuity	23,176,705	18,484,000
Service benefit provision made during the year	-	6,050,721
Remeasurement (gain)/loss	(459,893)	1,347,984
Interest on Actuarial Valuation	2,428,403	2,115,920
Gratuity Paid during the year	(24,789,588)	(20,419,974)
Service benefits paid during the year	-	(24,181,075)
	<u>28,758,006</u>	<u>28,402,379</u>
Less: payable within one year, included in other payables (note 13)	<u>(8,389,826)</u>	<u>(10,731,728)</u>
Payable after more than one year	<u>20,368,180</u>	<u>17,670,651</u>
(c) Recognised in profit or loss		
Charge for the year	23,176,705	25,881,857
Interest cost on Actuarial Valuation	2,428,403	2,115,920
Employee benefits in P/L	<u>25,605,108</u>	<u>27,997,777</u>
(d) Recognised in other comprehensive income		
Remeasurement gain/(loss)	<u>(459,893)</u>	<u>1,347,984</u>
(e) Total employee benefits	<u>25,605,108</u>	<u>27,997,777</u>

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. DEFERRED EMPLOYEE BENEFITS

(f) Actuarial assumptions

Critical assumptions are made by the actuary in determining the present value of gratuity benefit obligation including the discount rate. The carrying amount of the provision and the key assumptions made in estimating the provision were as follows:

	31-Dec-24	31-Dec-23
Discount rate	16.50%	8.55%
Future salary increases	10.00%	7.00%
Long term inflation	10.00%	13.10%

(g) Sensitivity analysis

The results of the actuarial valuation are sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, the actuarial relied on calculations of the duration of the liability. Based on this methodology, the results of the sensitivity analysis are summarized in the table below:

	31-Dec-24	31-Dec-23
	Present value of obligation	Present value of obligation
1% increase in discount rate	(141,998)	431,248
1% decrease in discount rate	144,377	(445,195)
1% increase in salary rate	151,594	(371,919)
1% decrease in salary rate	(151,683)	367,552

Since all the benefits payable under the plan are salary related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different.

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. PAYABLES

		Restated
Employee benefits payable within a year (note 12)	<u>8,389,826</u>	<u>10,731,728</u>
Leave pay provision	4,700,475	5,193,459
PAYE and NAPSA payable	411	3,504,736
Sundry payables	<u>3,661,382</u>	<u>57,806,053</u>
	<u>8,362,268</u>	<u>66,504,248</u>
	<u>16,752,094</u>	<u>77,235,976</u>
Trade payables	3,405,823	124,230
Other payables	255,559	-
Assessment fees payable	-	<u>57,681,823</u>
	<u>3,661,382</u>	<u>57,806,053</u>

The carrying amount of the payables approximate its fair value due to their short-term nature.

14. OPERATING LEASE ARRANGEMENTS

(i) ERB as a lessee

The operating lease relates to one lease for an office with an average lease term of 1 year. The lease involves the occupancy of the office building at plot number 84 Mayadi Lubwa road, Chinsali and Plot Number 659, John Hunt Way, Livingstone. The ERB does not have an option of purchasing the leased property at the expiry of the lease period.

Because of the short-term nature of the leases above, no right of use asset and related liability have been recognized as exempt from IFRS 16 - Leases considerations.

Payments recognised as an expense	280,260	299,210
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(ii) ERB as a lessor

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The operating lease relates to one lease for office space with an average period of 2 years. The lease involves the occupancy of office space to the lessee (Fuel Marking Programme) at the ERB office building plot number 9330 Danny Pule Road, Lusaka. No rent is paid.

15. RELATED PARTY TRANSACTIONS

In the context of the ERB, related party transactions include any transactions carried out with any of the following:

- The Government of the Republic of Zambia.
- Parastatals and other statutory bodies; and
- Members of the Board and key management personnel.

The transactions to be reported are those that affect the ERB in making financial and operating decisions. Examples of such transactions include:

- Funding;
- Bank balances; and
- Procurement and investment contracts.

Transactions during the year	2024 K	2023 K
Grant receivable for the year from the Government	<u>90,647,013</u>	<u>90,647,013</u>

The ERB undertakes to disclose the nature of related party relationships, and the types of transactions necessary for the understanding of the annual financial statements.

Compensation of Board members and key management personnel

The remuneration of Board members and other members of key management (Director General and all Heads of Departments) during the year was as follows:

(i) Key management compensation	2024 K	2023 K
Salaries and Emoluments	36,250,686	27,061,248
Retirement benefits	8,015,556	6,821,713
Napsa/NHIMA	572,254	411,129
Other benefits	52,409	183,493
Total key management compensation	<u>44,890,905</u>	<u>34,477,583</u>
(ii) Board Members allowances, Fees for service as Members of the Board	<u>3,699,554</u>	<u>3,297,600</u>
(iii) Loans and other advances to key management personnel	<u>1,329,402</u>	<u>279,642</u>

The recovery of loans and other advances to key management personnel is assured as employees borrow

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. FINANCIAL RISK MANAGEMENT POLICIES

Financial risk management objectives

The ERB's Finance Department co-ordinates access to domestic markets, monitors and manages the financial risks relating to the operations of ERB. These risks include market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The ERB does not enter into or trade financial instruments, including derivative financial instruments.

Market risk

The ERB's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see below). The ERB does not enter into any derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including any forward foreign exchange contracts to hedge the exchange rate risk.

There has been no change to the ERB's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The ERB undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises.

The ERB is exposed to foreign exchange risk arising primarily with respect to cash and cash equivalents which are denominated in US Dollars, for which ERB does not hedge for such risks, but uses cashflow planning to match foreign denominated payments against available foreign denominated cash and cash equivalents.

The carrying amounts of the ERB's foreign currency denominated bank and cash balances at the reporting date are as follows:

Foreign currency risk management

	USD	K
At 31 December 2024		
Cash and cash equivalents	1,731	47,897
Total foreign currency assets	<u>1,731</u>	<u>47,897</u>
At 31 December 2023		
Cash and cash equivalents	1,866	47,956
Total foreign currency assets	<u>1,866</u>	<u>47,956</u>

ENERGY REGULATION BOARD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. FINANCIAL RISK MANAGEMENT POLICIES(CONTINUED)
Foreign currency risk management

The following are exchange rates for the significant currencies applied at the date of the statement of financial position:

	2024	2023
Closing rate as at 31 December	27.67	25.70
Average exchange rate for the year	26.21	24.78

Foreign currency sensitivity

The following table illustrates the foreign denominated balances' sensitivity to a 8% (2023: 43%) decrease in the Kwacha against the US dollar. The analysis is based on the assumption that the foreign exchange rates had increased by 8% and 43% respectively. The sensitivity analysis includes only foreign currency denominated monetary items outstanding at the reporting date. This analysis assumes all other variables remain constant. The analysis is performed on the same basis for 2023.

	On deficit for the year/ accumulated funds
Effect in Kwacha	
31 December 2024	
Impact of the Kwacha decrease by 8%	<u><u>3,832</u></u>
31 December 2023	
Impact of the Kwacha decrease by 43%	<u><u>20,142</u></u>

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. FINANCIAL RISK MANAGEMENT POLICIES(CONTINUED)

Credit risk management.

In line with IFRS 9, the ERB assesses the credit risk that a counterparty may default on its contractual obligations resulting in financial loss to the ERB and as such the expected has been identified and accounted for accordingly in the statement of profit and loss. Refer to note 9.2. 'recognition of expected credit losses' for further details, for which ERB has applied specific customers impairment assessment.

On the basis, ERB's maximum exposure to credit risk as at 31st December 2024 was determined as follows:

	2024	2023
Ageing of impaired other receivables	K	K
Over 120 days	96,800	88,800
Impairment	(96,800)	(88,800)
Balance	-	-

Liquidity risk management

The ERB manages liquidity risk by; maintaining sufficient levels of its cash and cash equivalent to meet its liabilities when they are due; s projecting cash flows; monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and matching the maturity profile of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts disclosed in the table below are the contractual undiscounted cash flows and exclude the impact of netting agreements. The balances are due within 12 months and equal their carrying balances, as the impact of discounting is not significant.

Liabilities	0-1 year	1-5 years	Total
Payables (excluding statutory liabilities)	16,751,683	-	16,751,683
	16,751,683	-	16,751,683
Year ended 31 December 2023			
Liabilities			
Payables (excluding statutory liabilities)	73,731,240	-	73,731,240
	73,731,240	-	73,731,240

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. FINANCIAL RISK MANAGEMENT POLICIES(CONTINUED)

Liquidity risk management (continued)

Fair value measurements

The information set out below provides information about how the ERB determines fair values of various financial assets and financial liabilities.

The financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable as outlined below:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Stock Exchange).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The ERB considers relevant and observable market prices in its valuations where possible.

(i) Fair value of the ERB's financial assets and financial liabilities that are measured at fair value on a recurring basis

The employee benefits accumulated gratuity, and the staff loans receivable were measured at fair value on a recurring basis during the period.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Financial instruments by category as at 31 December

	2024	2023
	K	K
Financial assets at amortised cost		
Cash and cash equivalents	28,209,678	109,512,720
Other receivables (excluding prepayments and statutory receivables)	6,990,251	5,253,861
	35,199,929	114,766,581

Capital risk management

ERB is grant aided by the Government of Republic of Zambia and receives its funding from the Ministry of Finance as allocated in the annual national budget. Further, ERB had no borrowings at the end of the year (2024: Nil) and as such the entity was not geared and was also not geared in the prior year (2023: Not geared)

ENERGY REGULATION BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

17. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2024 (2023: Nil).

18. CONTINGENT LIABILITIES

Cases before the courts include Yohanne Mukabe Vs ERB, Juliet Bungoni Vs ERB, Noah Soko Vs ERB. The contingent liability from the cases cannot be ascertained as the matters are yet to be concluded.

19. EVENTS AFTER THE REPORTING DATE

There were no significant material events after the reporting date that required disclosure or adjustments to the annual financial statements.

ENERGY REGULATION BOARD
APPENDIX I: UNAUDITED DETAILED OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER

Kwacha	2024	Restated 2023
Income		
Government revenue grants	90,647,012	90,647,013
Amortisation of capital grants	325,145	445,624
Agency Fees	89,712,485	89,712,486
Finance Income	489,409	735,719
Other income		
Interest income	296,190	114,007
Net exchange gains	706	-
Sale of application forms	925,464	649,384
Gain on disposal of assets	1,567,679	231,267
Other Sundry income	499,580	64,129
Amortisation of staff benefit	104,841	80,054
Bad debt impairment release	-	9,000
	3,394,459	1,147,841
Total income	184,568,511	182,688,683
Expenditure		
Employee costs	134,951,791	109,455,047
Office expenses	8,703,380	7,952,838
Depreciation	7,219,831	6,110,306
Publicity and consumer outreach	5,613,185	5,768,847
Board Members' emoluments	3,699,554	3,297,600
Regulatory advocacy costs	5,426,535	7,072,113
Standard enforcement	3,266,698	3,404,771
Subscriptions	4,564,990	3,490,722
Training	2,925,172	1,878,064
Board Training expenses	320,512	2,764,882
Tariff review & pricing	824,698	1,957,216
Postage, telephone and fax	3,882,118	4,634,458
Staff welfare	2,964,775	3,261,212
Medical expenses	3,402,899	2,519,024
Insurance expenses	2,019,319	5,966
Workshops	1,703,014	1,244,049
Other Audits and Consultancy	925,668	814,533
Motor vehicle expenses	1,240,677	1,255,883
Board regulatory and meetings expenses	2,368,941	2,182,645
Standards development costs	1,064,727	739,306
Printing and stationery	1,004,983	1,072,223
Licence development and review	640,289	855,142
Energy market reform costs	802,545	300,410
External audit Fees	288,788	288,788
Legal framework	841,100	1,672,758
Office rent	390,207	381,610
Legal fees	602,031	78,636
Regulatory research & dev costs	446,334	764,951
Bank charges and interest	145,154	218,112
Workers compensation	92,401	84,235
Staff recruitment	61,261	109,780
Integrity committee costs	279,418	206,393
Foreign exchange loss	-	65,588
Bad debt provision	8,000	-
Total expenditure	202,690,994	175,908,108
Surplus/(Deficit) for the year	(18,122,483)	6,780,575
<i>Other Comprehensive income</i>		
Remeasurement gain/(loss)	459,893	(1,347,984)
	(17,662,590)	5,432,681



APPENDICES

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Appendix 1-1: Composition of the Board

Member	Position	Date Appointed	Comment/Note
Mr Reynolds C. Bowa	Chairperson	14 th December 2021	Position revoked on 3 rd May 2024
Mr. James Banda	Vice Chairperson	28 th July 2022	Appointed Chairperson on 6 th May 2024
Mr. Michael Kachumi	Vice Chairperson	14 th December 2021	Elected as Vice Chairperson on 14 th May 2024
Ms. Karen Banda	Member	14 th December 2021	
Mr. Banji Kalenga	Member	14 th December 2021	
Dr. Mususu Kaonda	Member	5 th May 2022	
Mrs. Jane Musonda Mulenga	Member	5 th May 2022	

Appendix 1-2: Composition of the five Board Committees

Membership of Audit and Risk Committee

Member	Position	Date Appointed	Comments/Note
Mr. Michael Kachumi	Chairperson	5 th January 2022	
Mr. James Banda	Member	28 th July 2022	Left the committee upon his appointment as Board Chairperson in May 2024
Mr. Boniface M. Chitambala	Member	5 th January 2022	
Mr. Shuko Ndhlovu	Member	5 th January 2022	
Ms. Patricia Hantumba	Member	5 th January 2022	

Membership of the Consumer Affairs Committee

Member	Position	Date Appointed
Mrs. Jane M. Mulenga	Chairperson	26 th May 2022
Ms. Karen Banda	Member	5 th January 2022
Ms. Rita Mkandawire	Member	3 rd May 2022
Mr. Bwanga Kapumpa	Member	5 th January 2022
Mr. Chisebwe Fumbeshi	Member	5 th January 2022

Membership of the Finance, Human Resource and Administration Committee

Member	Position	Date Appointed
Ms. Karen Banda	Chairperson	24 th December 2021
Mrs. Jane M. Mulenga	Member	26 th May 2022
Mr. Jack Sievu	Member	24 th December 2021
Mr. Kelvin Shamizhinga	Member	24 th December 2021
Mr. Teddie Mwale	Member	24 th December 2021

Membership of Technical Committee

Member	Position	Date Appointed
Mr. Banji Kalenga	Chairperson	5 th January 2022
Dr. Kaonda Mususu	Member	26 th May 2022
Dr. Bernard Tembo	Member	5 th January 2022
Mr. Charles Mukuka	Member	5 th January 2022
Mr. John Chirwa	Member	5 th January 2022

Membership of Licensing Committee

Member	Position	Date Appointed	Comment/Note
Dr. Kaonda Mususu	Chairperson	26 th May 2022	
Mr. Michael Kachumi	Member	25 th April 2022	
Mr. James Banda	Member	28 th July 2022	Left the Committee upon his appointment as Board Chairperson in May 2024
Mr. Eugene Kalesha	Member	5 th January 2022	
Mr. Moses Chatulika	Member	5 th January 2022	
Ms. Michelle Mwiinga	Member	25 th April 2022	

Appendix 1-3: Number of Board Meetings

Regulatory, Administrative and Special Board Meetings

Type of Meeting	Number Scheduled	Number Held
Administrative	4	4
Regulatory	4	4
Special Board Meetings:	8	12
Special Regulatory		9
Special Administrative		3
Total	16	20

Attendance for the Administrative Board Meetings held in 2024

Name	Meetings Held	Attended
Mr Reynolds C. Bowa	4	1
Mr. James Banda	4	4
Mr. Michael Kachumi	4	4
Mr. Banji Kalenga	4	4
Ms. Karen Banda	4	4
Dr. Mususu Kaonda	4	4
Mrs. Jane M. Mulenga	4	4

Attendance for the Regulatory Board Meetings held in 2024

Name	Meetings Held	Attended
Mr. Reynolds C. Bowa	4	1
Mr. James Banda	4	4
Mr. Banji Kalenga	4	4
Mr. Michael Kachumi	4	4
Ms. Karen Banda	4	4
Dr. Mususu Kaonda	4	4
Mrs. Jane M. Mulenga	4	4

Attendance for the Special Administrative Board Meetings held in 2024

Name	Meetings Held	Attended
Mr. Reynolds C. Bowa	3	2
Mr. James Banda	3	3
Mr. Banji Kalenga	3	3
Mr. Michael Kachumi	3	3
Ms. Karen Banda	3	3
Dr. Mususu Kaonda	3	3
Mrs. Jane M. Mulenga	3	3

Attendance for the Special Regulatory Board Meetings held in 2024

Name	Meetings Held	Attended
Mr. Reynolds C. Bowa	9	1
Mr. James Banda	9	9
Mr. Banji Kalenga	9	9
Mr. Michael Kachumi	9	9
Ms. Karen Banda	9	9
Dr. Kaonda Mususu	9	9
Mrs. Jane M. Mulenga	9	9

Attendance for the Petroleum Pump Price Review Board Meetings held in 2024

Name	Meetings Held	Attended
Mr. Reynolds C. Bowa	12	4
Mr. James Banda	12	12
Mr. Banji Kalenga	12	12
Mr. Michael Kachumi	12	12
Ms. Karen Banda	12	12
Dr. Mususu Kaonda	12	12
Mrs. Jane M. Mulenga	12	12

Appendix 1-4: Number of Committee Meetings

Number of Committee Meetings held in 2024

Committee	Scheduled Meetings	Meetings Held	Special Meetings
Audit and Risk	4	4	-
Consumer Affairs	4	4	-
Finance, Human Resource and Administration	4	4	3
Technical	4	4	2
Licensing	12	12	1
Combined Audit and Risk and Finance, Human Resource & Administration	2	2	-
Total			

Attendance for the Audit and Risk Committee Meetings held in 2024

Name	Scheduled	Held	Attended	Comment/Note
Mr. Michael Kachumi	4	4	4	
Mr. James Banda	4	4	2	Left the Committee after appointment as Board Chairperson in May 2024
Ms. Patricia Hantumba	4	4	4	
Mr. Shuko Ndhlovu	4	4	4	
Mr. Boniface Chitambala	4	4	4	

Attendance for the Consumer Affairs Committee Meetings held in 2024

Name	Scheduled	Held	Attended	Comment/Note
Ms. Karen Banda	4	4	4	-
Mrs. Jane M. Mulenga	4	4	4	-
Ms. Rita Mkandawire	4	4	4	-
Mr. Bwanga Kapumpa	4	4	4	-
Mr. Chisebwe Fumbeshi	4	4	4	-

Attendance for the Finance, Human Resources and Administration Committee Meetings held in 2024

Name	Scheduled	Held	Attended
Ms. Karen Banda	4	4	4
Mrs Jane M. Mulenga	4	4	4
Mr. Jack Sievu	4	4	4
Mr. Kelvin Shamizhinga	4	4	4
Mr. Teddie Mwale	4	4	4

Attendance for the Special Finance, Human Resources and Administration Committee Meetings held in 2024

Name	Scheduled	Held	Attended
Ms. Karen Banda	4	3	3
Mrs Jane M. Mulenga	4	3	3
Mr. Jack Sievu	4	3	3
Mr. Kelvin Shamizhinga	4	3	3
Mr. Teddie Mwale	4	3	3

Attendance for the Technical Committee Meetings held in 2024

Name	Scheduled	Held	Attended
Mr. Banji Kalenga	4	4	4
Dr. Kaonda Mususu	4	4	4
Dr. Bernard Tembo	4	4	4
Mr. Charles Mukuka	4	4	4
Mr. John Chirwa	4	4	4

Attendance for the Special Technical Committee Meetings held in 2024

Name	Scheduled	Held	Attended
Mr. Banji Kalenga	-	2	2
Dr. Kaonda Mususu	-	2	2
Dr. Bernard Tembo	-	2	2
Mr. Charles Mukuka	-	2	2
Mr. John Chirwa	-	2	2

Attendance for the Licensing Committee Meetings held in 2024

Name	Scheduled	Held	Attended	Comment/Note
Dr. Kaonda Mususu	12	12	12	
Mr. Michael Kachumi	12	12	12	
Mr. James Banda	12	12	4	Left the Committee after appointment as Board Chairperson in May 2024
Mr. Eugene Kalesha	12	12	12	
Mr. Moses Chatulika	12	12	12	
Ms. Michelle Mwiinga	12	12	11	

Attendance for the Special Licensing Committee Meetings held in 2024

Name	Scheduled	Held	Attended
Dr. Kaonda Mususu	-	1	1
Mr. Michael Kachumi	-	1	1
Mr. Eugene Kalesha	-	1	1
Mr. Moses Chatulika	-	1	1
Ms. Michelle Mwiinga	-	1	1

Attendance for the Combined Meeting of the Audit and Risk and the Finance, Human Resource and Administration Committee held in 2024

Name	Scheduled	Held	Attended
Mr. Michael Kachumi	2	2	2
Mr. James Banda	2	2	2
Ms. Karen Banda	2	2	2
Mrs Jane M. Mulenga	2	2	2
Ms. Patricia Hantumba	2	2	2
Mr. Shuko Ndhlovu	2	2	2
Mr. Boniface Chitambala	2	2	2
Mr. Jack Sievu	2	2	2
Mr. Kelvin Shamizhinga	2	2	2
Mr. Teddie Mwale	2	2	2

Appendix 1-5: Summary Attendance of Committee Meetings

Member	Committee	Number of Meetings
Mr. James Banda	ARC	2
	COMBINED ARC/FHRAC	2
	LC	4
Mr. Michael Kachumi	ARC	4
	COMBINED ARC/FHRAC	2
	LC	12
Ms. Karen Banda	CAC	4
	FHRAC	4
	SPECIAL FHRAC	3
	COMBINED ARC/FHRAC	2
Mrs. Jane M. Mulenga	CAC	4
	FHRAC	4
	SPECIAL FHRAC	3
	COMBINED ARC/FHRAC	2
Mr. Banji Kalenga	TC	4
	SPECIAL TC	2
Dr. Kaonda Mususu	LC	12
	TC	4
	SPECIAL TC	2
Mr. Boniface M. Chitambala	ARC	4
	COMBINED ARC/FHRAC	2
Mr. Shuko Ndhlovu	ARC	4
	COMBINED ARC/FHRAC	2
Ms. Patricia Hantumba	ARC	4
	COMBINED ARC/FHRAC	2
Mr. Bwanga Kapumpa	CAC	4
Ms. Rita Mkandawire	CAC	4
Mr. Chisebwe Fumbeshi	CAC	4
Mr. Jack Sievu	FHRAC	4
	SPECIAL FHRAC	3
	COMBINED ARC/FHRAC	2
Mr. Kelvin Shamizhinga	FHRAC	4
	SPECIAL FHRAC	3
	COMBINED ARC/FHRAC	2
Mr. Teddie Mwale	FHRAC	4
	SPECIAL FHRAC	3
	COMBINED ARC/FHRAC	2
Mr. Eugene Kalesha	LC	12
	SPECIAL LC	1
Mr. Moses Chatulika	LC	12
	SPECIAL LC	1
Ms. Michelle Mwiinga	LC	11
	SPECIAL LC	1
Dr. Bernard Tembo	TC	4
	SPECIAL TC	2
Mr. Charles Mukuka	TC	4
	SPECIAL LC	2
Mr. John Chirwa	TC	4
	SPECIAL TC	2

Appendix 2-1: Types of Licences Issued by the ERB

Petroleum licences

No	Description of Licence	Tenure (Years)
1	Export of Liquefied Petroleum Gas (Butane)	5
2	Import, Distribute & Export Petroleum Products (Oil Marketing Companies)	5
3	Import, Distribute & Export of Liquefied Petroleum Gas	5
4	Importation, Packaging & Blending, Distribution & Export of Lubricants	5
5	Refining of Petroleum Products	15
6	Retail of Liquefied Petroleum Gas	5
7	Retail of Petroleum Products	5
8	Terminal Storage of Petroleum Products	10
9	Storage of Petroleum Products - Consumer Facility	3
10	Transportation and Marketing of Coal ⁵	3
11	Transportation of Petroleum Products – Liquefied Petroleum Gas	3
12	Transportation of Petroleum Products by Rail	3
13	Transportation of Petroleum Products by Road	3
14	Transportation of Petroleum Products by Pipeline	15
15	Wholesale Marketing of Petroleum Products	1.5

Electricity licences

No	Description of Licence	Tenure (Years)
1	Distribution of Electricity	15
2	Embedded Generation of Electricity	25
3	Embedded Generation of Electricity for Own Use	5
4	Generation of Electricity	30
5	Generation of Electricity for Own Use	5
6	Generation, Distribution and Supply of Electricity to an Off grid	20
7	Supply of Electricity	5
8	System Operator	5
9	Trading of Electricity	20
10	Transmission of Electricity	30

Renewable energy licences

No	Description of Licence	Tenure (Years)
1	Manufacture, Supply, Installation, & Maintenance of Renewable Energy Generating Equipment	5
2	Production of Biofuels	15
3	Storage and Blending of Biofuels	5
4	Transportation of Biofuels	3
5	Import, Distribution & Export of Biofuels	5

No	Subsector	Tenure (Years)
1	Electricity	2
2	Petroleum	2
3	Renewable Energy	2

⁵ Not a petroleum-based fuel but a fossil fuel

Construction Permits issued in the Energy Subsector

Appendix 2-2: Approved Electricity Supply Agreements

No.	Contracting Parties	Agreement Type	Contracted Capacity	Duration (Years)
1.	ZESCO Limited and Zambia Sugar Plc	PSA	30MVA	5
2.	ZESCO Limited and United Capital Fertilizer	PSA	25MVA	10
3.	ZESCO Limited and Enterprise Power DRC SARL	PSA	350MW	10
4.	ZESCO Limited and SkyPower Services MENA Limited	PSA	1,000MW	30
5.	ZESCO Limited and Electricidade de Moçambique, EP	PPA Addendum	200MW	0.42
6.	ZESCO Limited and Kariba North Bank Extension	PPA	100MWac + 200MWac	25
7.	ZESCO Limited and Zamgreen Agriculture Limited	PSA	10MVA	5
8.	ZESCO Limited & Consolidated Farming Limited	PSA	15MVA	5
9.	ZESCO Limited & Lumwana Mining Company Limited	PSA Addendum	65MVA	10
10.	ZESCO Limited & Neutron HK Limited	PSA	300MW	25
11.	Copperbelt Energy Corporation Plc & Changfa Resources Limited	PSA	10MVA	15
12.	ZESCO Limited & Enterprise Power DRC SARL	Wheeling	100MW	3
13.	ZESCO Limited & Lusaka South Multi Facility Economic Zone	PSA	120MVA	5
14.	GreenCo Power Services Limited, FQM Trident Limited & Kansanshi Mining Plc	PSA	30MW	1
15.	Kanona Power Company, FQM Trident Limited and Kansanshi Mining Plc	PSA	45MW	1
16.	ZESCO Limited and GreenCo Power Services Limited	Wheeling	30MW	1
17.	ZCCZ and Nkana Mining and Minerals Limited	PSA	7MVA	6
18.	ZCCZ and Yellowstripes	PSA	7MVA	6
19.	ZESCO Limited and Eagle Eye Trans Limited	PSA Addendum	8MVA	5
20.	ZESCO Limited and Zambeef Plc	PSA	3.5MVA	0.5
21.	ZESCO Limited & Maamba Collieries Limited	PPA	300MW	20
22.	Ndola Energy Company Limited & FQM Trident Limited	PSA	20MW	1
23.	ZESCO Limited and Lunyati Solar Energy Corporation	PPA	500 MW	25
24.	ZESCO Limited and Kadewele Energy Limited	PPA	40MW	20
25.	ZESCO Limited and Energy Pool Resources Limited	PPA		
26.	ZESCO Limited & Ndola Energy Company Limited	Wheeling	150MW	2
27.	Enterprise Power Zambia Limited and Kansashi Mining Plc	PSA	7.5MW	0.5
28.	Enterprise Power Zambia Limited and FQM Trident Limited	PSA	7.5MW	0.5
29.	ZESCO Limited & Sanhe Zambia Limited	PSA Addendum	45MVA	10

No.	Contracting Parties	Agreement Type	Contracted Capacity	Duration (Years)
30.	ZESCO Limited & Nalolo Solar Power Energy Company Limited	PPA	300MW	25
31.	ZESCO Limited & Enterprise Power Trading Zambia Limited	Wheeling	50MW	5
32.	ZCCZ and Chambeshi Metals Plc	PSA	60MVA	6
33.	ZESCO Limited and Kroup Mining and Mineral Processing Limited	PSA	1MW	5
34.	ZESCO Limited and Luminara Energy Limited	PPA	50MW	25
35.	ZESCO Limited and ASCG Westland	PPA Addendum	500MW	25
36.	ZESCO Limited and Wendit Zambia Power Limited	PPA	50 MW	25
37.	ZESCO Limited and Akus Solar Power Enterprises Limited	PPA	200MW	25
38.	ZESCO Limited & Lunsemfwa Hydro Power Company Limited	WA	N/A	10
39.	ZESCO Limited & Lufubu Power Company Limited	PPA	165MW	25
40.	CEC and Hue Gang Steel (Z) Limited	PSA	10MVA	15
41.	Lunsemfwa Hydro Power Company Limited & Sable Zinc Limited	PSA	10MW	3
42.	Copperbelt Energy Corporation Plc & Chilanga Cement Plc	PSA	12.8MVA	15
43.	ZESCO Limited and Cooma Solar Power Plant Limited	PPA	50MW	10
44.	ZESCO Limited & Solar Century Trading Limited	PSA Addendum	10MW	25
45.	ZESCO Limited and Zimbabwe Electricity Transmission and Distribution Company	WA	300MW	15
46.	ZESCO Limited and Electricity Supply Corporation of Malawi Limited	PSA	7MW	2
47.	ZESCO Limited and GreenCo Power Services Limited	PSA	125MW	2
48.	GreenCo Power Services Limited and FQM Trident Limited	PSA	40MW	3
49.	ZESCO Limited and GreenCo Power Services Limited	Use of System	N/A	15
50.	ZESCO Limited and GreenCo Power Services Limited	WA		
51.	ZESCO Limited and Solar One Kanona Limited	WA		25
52.	ZESCO Limited and Water and Power Supply Namibia	PPA	150MW	25
53.	ZESCO Limited and 2LEE Technologies	PPA	200MW	25
54.	ZESCO Limited and Lyawere Company Limited	PPA	30MW	25
55.	ZESCO Limited and Seven Yrds Limited	PPA	20MW	25
56.	ZESCO Limited and Allpro Green Energy Limited	PPA	150MW	25
57.	ZESCO Limited and Petrodex Trading LLC	PSA	120MW	5
58.	GreenCo Power Services Limited and Northwestern Energy Corporation Limited	PSA	3MW	0.83
59.	GreenCo Power Services Limited and LimeCo Resources Limited	PSA	1.4MW	0.83
60.	GreenCo Power Services Limited and High Power Cables Limited	PSA	1.5MW	0.83

No.	Contracting Parties	Agreement Type	Contracted Capacity	Duration (Years)
61.	GreenCo Power Services Limited and Coca Cola Beverages Zambia Limited	PSA	1.5MW	0.83
62.	ZESCO Limited and Astrorix	PPA	400MW	25
63.	ZESCO Limited and Vasley Enterprise Limited	PPA	65MW	20
64.	ZESCO Limited and Jet Energy	PPA	30MW	20
65.	ZESCO Limited and Petrodex Trading LLC	PSA	80MW	5
66.	GreenCo and Zambia Breweries Plc	PSA	3.8 MW	0.75
67.	ZESCO Limited and Visha Limited	PPA	30MW	20
68.	ZESCO Limited and GoTech Energy Holdings Limited	PPA	100MW	25
69.	ZESCO Limited and Sinogy Power Zambia Limited	PPA	600MW	25
70.	ZESCO Limited and Zengamina Power Limited	PPA	3MW	10

Appendix 4-2: Results of Baseline Samples Collected

PROVINCE	Low Sulphur Gasoil (LSGO)				Unleaded Petrol				%Overall Pass rate
	Total No. of Samples of Samples tested	No. of samples passed	No. of samples failed ⁶	% Pass rate	Total No. of Samples of Samples tested	No. of samples passed	No. of samples failed	% Pass rate	
Central	111	99	12	89.19	67	65	2	97.01	92.13
Copperbelt	221	194	27	87.78	151	143	8	94.70	90.59
Eastern	40	39	1	97.50	38	38	0	100.00	98.72
Luapula	26	25	1	96.15	21	18	3	85.71	91.49
Lusaka	343	320	23	93.29	326	314	12	96.32	94.77
Muchinga	40	37	3	92.50	33	32	1	96.97	94.52
Northern	35	32	3	91.43	23	23	0	100.00	94.83
North-Western	45	38	7	84.44	31	25	6	80.65	82.89
Southern	82	68	14	82.93	52	51	1	98.08	88.81
Western	18	17	1	94.44	15	15	0	100.00	96.97
Total	961	869	92	90.43	757	724	33	95.64	92.72

⁶ Failed samples include those that fell in the suspect band and will only be confirmed by the GCMS

Appendix 4-3 Results of Nationwide Samples Collected in 2024

Province	Total Collected Samples			Total	Field Results			Total	Off-Site Testing	%Pass		
	Retail	Consumer	Mines		Depots	Pass	Fail				Suspect	Overdose
Central	126	22	0	0	148	129	11	4	4	148	0	87.16
Copperbelt	258	77	14	4	353	310	13	10	3	336	17	92.26
Eastern	86	8	0	0	94	90	3	1	0	94	2	95.74
Luapula	35	2	0	0	37	33	3	1	0	37	0	89.19
Lusaka	560	52	0	7	619	567	23	21	1	612	7	92.65
Muchinga	34	1	0	0	35	34	1	0	0	35	0	97.14
Northwestern	51	12	19	2	84	53	8	1	1	63	21	84.13
Northern	26	9	0	0	35	33	0	1	1	35	4	94.29
Southern	93	25	0	0	118	111	5	2	0	118	1	94.07
Western	35	0	0	0	35	32	0	2	1	35	0	91.43
Total	1304	208	33	13	1558	1392	67	43	11	1513	52	92%

Appendix 4.4: Illegal Fuel Vending Raids

Location	Date	No. of Suspects Arrested	Volume of fuel seized/litres	Estimated value ⁷ / ZMW
Kafue /Chikankata/Lusaka	28th March 2024	13	1,260	39,211
Kafue/ Chilanga/Lusaka	23rd October,2024	8	4,695	140,756
Kabompo	20th December 2024	2	8,500	254,830
Manyinga	20th December 2024	3	5,430	162,791
Solwezi	20th December 2024	1	1,450	43,471
Ndola	21st December,2024	6	1,300	38,974
Kapiri Mposhi	21st December 2024	11	3,000	89,940
Kabwe	21st December 2024	6	950	28,481
		50	26,585	798,455

⁷ The estimated value is based on the respective pump price as approved by the Board and may not tally with the funds realized from the sell by the Court

Appendix 4-5: Summary of Enforcement Hearings

No.	Licensee	Date of Enforcement Decision	Nature of Breach	ERB Decision (Penalty/Fines in ZMW)
1.	Zacks Service Station	6/12/2023	Failure to conduct licensed activities in accordance with conditions, standards and regulations	Penalty 54,000
2.	NDS Transport Limited	1/02/2024	Operating without a licence contrary to Section 10(1) of the Energy Regulation Act	Penalty 75,000
3.	Rubis Energy Limited	5/02/2024	Indiscriminate and unlawful parking of motor vehicles at Chongwe Service Station	Reprimanded
4.	Point and Line Technologies Limited	14/02/2024	Operating without a licence contrary to Section 10(1) of the Energy Regulation Act	Penalty 75,000
5.	Mount Meru Petroleum Limited	19/02/2024	Refueling of PSV Vehicle with passengers on board	Reprimanded
6.	Vivo Energy Zambia Limited	09/04/2024	Failure to maintain a well-documented complaints handling procedure contrary to ZS 385	Reprimanded
7.	TAAM ZAMBIA LIMITED	11/03/2024	Operating without a licence contrary to Section 10(1) of the Energy Regulation Act	Fined 60,000
8.	DIZAB Investment Limited	11/03/2024	Illegal vending contrary Section 48(1)(c) of the Energy Regulation Act	Fined K45,000
9.	Goldstar Energy Limited	09/04/2024	Operating without a licence contrary to Section 10(1) of the Energy Regulation Act	Penalty 75,000
10.	Lake Petroleum Limited	16/05/2024	17 Service Stations failed to meet KPI's in Breach of Licence Conditions	Reprimanded
11.	Mount Meru Petroleum Limited	22/05/2024	Breach of Licence Condition by failing to submit comprehensive report of fire incident in stipulated time frame in Breach of Licence Condition	Reprimanded
12.	Eco Petroleum Limited	06/05/2024	Failure to provide functional compressed air system at service station in breach of Clause 3.3.1 of Licence Condition	Reprimanded
13.	Eco Petroleum Limited – Jacaranda	06/08/2024	Failure to have a well-documented complaints handling procedure in breach of licence condition under 7.0 of Zambian Standards 385-part 5	Reprimanded
14.	HGC Transport and Logistics Limited	25/07/2024	Failure to submit an incident report to the ERB	Reprimanded
15.	Mount Meru Petroleum – Solwezi	11/09/2024	Failure to provide functional compressed air systems contrary to condition 3.3.1 of their licence condition	Reprimanded
16.	Puma Energies Zambia Limited	23/08/2024	Failure to have a well-documented complaints handling procedure contrary to condition 7.0 of the ZS standards 385	Reprimanded

No.	Licensee	Date of Enforcement Decision	Nature of Breach	ERB Decision (Penalty/Fines in ZMW)
17.	Uno Energies Zambia Limited	11/07/2024	Breach of Clause 3.2 of the Conditions of the Construction Permit as read with Regulation 38 of the Energy Regulation (General Regulations).	Fined 45,000
18.	Amico Investment Limited	N/A	Non-Payment of statutory fees amounting to ZMW 32,687.52	Paid
19.	Dana Oil Corporation Limited	N/A	Non-Payment of statutory fees amounting to ZMW175,715.31	Paid
20.	Electpower Technologies Limited	N/A	Non-Payment of statutory fees amounting to ZMW346.38	Paid
21.	LBM Transport Limited	N/A	Non-Payment of statutory fees amounting to ZMW 340,814.40	Paid
22.	Luyoda Green Energy Limited	N/A	Non-Payment of statutory fees amounting to ZMW18,946.78	Paid
23.	Star Oil Company (z) Limited	N/A	Non-Payment of statutory fees amounting to ZMW13,600.35	Paid
24.	Exxon Petroleum Limited	N/A	Non-Payment of statutory fees amounting to ZMW640,444.17	Paid
25.	SGC Investments Limited – Solwezi	10/08/2024	Failure to provide functional compressed air systems at its service station contrary to condition 3.3.1 of the licence conditions	Reprimanded
26.	Vivo Energy Zambia Limited - Manyama and Chingola Service Stations	17/10/24	Failure to provide functional compressed air systems at two of its service stations contrary to condition 3.3.1 of the licence conditions.	Reprimanded
27.	Horn Afric Motors Limited – Transporter	10/10/2024	Failure to submit a comprehensive incident report to the ERB contrary to Clause 2.1.4 of its licence conditions - Road Traffic Accident	Reprimanded
28.	Kawaida Collaborative Limited – Kitwe	08/10/2024	Operating without a licence contrary to Section 10(1) of the Energy Regulation Act	Reprimanded
29.	Harvest Group of Companies -Twin palm	04/12/2024	Failure to have a satisfactory well documented complaints handling procedure.	Reprimanded
30.	Lake Petroleum Limited -Lilayi	18/11/2024	Failure to exhibit a well-documented complaints procedure contrary to clause 7.0 ZS 385	Reprimanded
31.	East Pole Energy Limited	31/10/2024	Variation of site layout plan without prior approval from the ERB	Fined K60,000
32.	Harvest Group of Companies Limited – Lilayi, Esther Lungu Road	23/10/2024	Variation of approved site layout plan contrary to Clause 3.2 of construction Permit.	Fined K60,000

No.	Licensee	Date of Enforcement Decision	Nature of Breach	ERB Decision (Penalty/Fines in ZMW)
33.	DS Home Solar Limited	27/12/2024	Operating without a licence contrary to section 10(1) of the Energy Regulation Act	Fined K75,000
34.	Oryx Energies Limited	05/12/2024	Failure to obtain a construction permit contrary to Section 22 of the Energy Regulation Act	Fined K240,000(providing for 4 districts thus K60,000 for each)
35.	Rubis Energy - Kalingalinga	09/12/2024	Alleged fuel contamination contrary to clause 7.7 of the Quality Control and Monitoring Guidelines	Fined K60,000
36.	United Metro Energy	16/09/2024	Operating without a licence contrary to section 10(1) of the Energy Regulation Act	Fined K75,000
37.	Great North Resources Ltd/Pexas Energy Ltd	N/A	Non-payment of statutory fees amounting to K19,405.42	Paid
38.	Peskar Lubricants Limited	N/A	Non-payment of statutory fees amounting to K3,548.22	Paid
39.	Mesaka Energy Limited	N/A	Non-payment of statutory fees amounting to K269,431.27	Paid
40.	Apex Energies Limited	N/A	Non-payment of statutory fees amounting to K9,851.04	Paid
41.	Global Freight services Limited	N/A	Non-payment of statutory fees amounting to K16,193.23	Paid
42.	Ravasia Motors	N/A	Non-payment of statutory fees amounting to K111,490.94	Paid

Appendix 5-1: Wholesale Price Build-Up for December 2024

		PETROL	DIESEL	KEROSENE
Platts Arab Gulf	US\$/barrel	75.67	86.19	86.89
Conversion Factor		8.42	7.56	7.88
FOB Price	US\$/MT	637.14	651.60	684.69
FOB	US\$/MT	637.14	651.60	684.69
Freight	US\$/MT	-	-	-
C & F (Dar/Beira)		637.14	651.60	684.69
Storage	US\$/MT	9.48	9.23	9.23
Insurance	US\$/MT	-	-	-
Financing/Supplier margin	US\$/MT	-	-	-
Tipper charges	US\$/MT	-	-	-
Local charges	US\$/MT	-	-	-
Wharfage	\$3.00/M3 which is equivalent to \$4.05/MT for petrol & \$3.57/MT for Diesel & \$3.75/MT for Kerosene	4.05	3.57	3.75
BPS Premium	\$/MT	131.95	66.99	170.00
CIF (Dar/Beira)		782.62	731.39	867.67
Transportation Fee (Road/Pipeline)	US\$/MT	220.00	158.50	205.00
Transportation Losses	0.5% petrol & 0.3% diesel, 0.3% kerosene	5.01	2.67	3.22
Importers Cost Plus Margin	US\$/MT	66.51	70.16	70.06
CIF (Lusaka)	\$/MT	1,074.14	962.72	1,145.95
Storage losses	0.5% petrol & 0.3% diesel, 0.3% kerosene	5.37	2.89	3.44
Wholesale Price to OMC	\$/tonne	1,079.51	965.61	1,149.39
Conversion factors		0.74	0.84	0.80
Wholesale Price to OMC	\$/M3	798.84	811.11	919.51
Exchange Rate	K to \$	28.48	28.48	28.48
New Wholesale Price to OMC	K/M3	22,750.96	23,100.41	26,187.64

Appendix 5-2: Approved Multi Year Tariffs

CUSTOMER CATEGORY	TARIFF	2022 Tariffs (K/kWh)	Approved Multi-Year Tariffs (K/kWh)				
			2023	2024	2025	2026	2027
1. METERED RESIDENTIAL TARIFFS [Capacity up to 15kVA]							
R1 - Consumption up to 100kWh	Energy Charge/kWh	0.47	0.40	0.44	0.54	0.63	0.73
R2 - Consumption above 100 to 200kWh	Energy Charge/kWh	0.85	0.95	1.05	1.28	1.50	1.76
R3 - Consumption above >200≤ 500	Energy Charge/kWh	1.94	1.54	1.69	2.07	2.42	2.83
R4 - Consumption above 500	Energy Charge/kWh	N/A	2.22	2.44	3.23	3.45	4.04
2. COMMERCIAL TARIFF (Capacity up to 15kVA)							
C1 - Commercial ≤100	Energy Charge/kWh	1.07	0.67	0.78	0.92	0.98	1.05
C2 - Commercial >100≤ 300	Energy Charge/kWh	1.85	1.15	1.35	1.58	1.69	1.81
C3 - Commercial >300≤ 500	Energy Charge/kWh	N/A	1.99	2.19	2.52	2.65	2.78
C4 - Commercial >500	Energy Charge/kWh	N/A	2.26	2.28	2.39	2.51	2.63
3. SOCIAL SERVICES TARIFFS (Schools, Hospitals, street lighting)							
S1 - Social ≤ 100	Energy Charge/kWh	1.19	0.62	0.69	0.76	0.81	0.87
S2 - Social >100≤ 300	Energy Charge/kWh		0.94	1.04	1.15	1.23	1.32
S3 - Social >300≤ 500	Energy Charge/kWh		1.00	1.11	1.22	1.31	1.40
S4 - Social >500	Energy Charge/kWh		1.13	1.25	1.38	1.48	1.59
	Fixed Monthly Charge	83.84	Abolished				
4. WATER PUMPING STATIONS							
W1 ≤ 12000	Energy Charge/kWh		0.50	0.56	0.60	0.65	0.70
W2 >12000≤ 50000	Energy Charge/kWh		0.57	0.65	0.76	0.81	0.88
W3 >50000≤ 100000	Energy Charge/kWh		1.01	1.13	1.21	1.30	1.41
W4 >100000	Energy Charge/kWh		1.53	1.72	1.84	1.97	2.15
5. DISTRIBUTION TARIFFS							
Purchasers of power for distribution to Retail customers. (Exchange rate: ZMK16.50/US\$)	MD Charge/kVA/ Month Energy Charge/kWh	218.73 0.54	250.8 0.62	254.8 0.63	258.2 0.64	261.7 0.65	268.5 0.66
6. MAXIMUM DEMAND TARIFFS							

CUSTOMER CATEGORY	TARIFF	2022 Tariffs (K/kWh)	Approved Multi-Year Tariffs (K/kWh)				
			2023	2024	2025	2026	2027
MD1 - Capacity from $\geq 16 \leq 300$ KVA	MD Charge/kVA/Month	42.79	51.96	55.23	60.2	65.62	71.53
	Energy Charge/kWh	0.61	0.74	0.81	0.88	0.96	1.05
	Fixed Monthly Charge	419.02	508.82	548	597.32	651.07	709.67
	Off Peak MD Charge/KVA/Month	21.39	25.98	27.62	30.1	32.81	35.76
	Off Peak Energy Charge/kWh	0.46	0.56	0.61	0.66	0.72	0.79
	Peak MD Charge/KVA/Month	53.48	64.95	69.04	75.26	82.03	89.41
	Peak Energy Charge/kWh	0.77	0.93	1.01	1.10	1.20	1.31
MD2 - Capacity from 301kVA to 2,000kVA	MD Charge/kVA/Month	80.03	97.18	106.22	115.78	126.2	137.56
	Energy Charge/kWh	0.53	0.64	0.70	0.77	0.84	0.91
	Fixed Monthly Charge	837.97	1,017.55	1,112.18	1,212.28	1,312.38	1,440.31
	Off Peak MD Charge/KVA/Month	40.01	48.59	53.11	57.89	63.1	68.78
	Off Peak Energy Charge/kWh	0.39	0.48	0.53	0.58	0.63	0.68
	Peak MD Charge/KVA/Month	100.03	121.48	132.77	144.72	157.75	171.95
	Peak Energy Charge/kWh	0.66	0.80	0.88	0.96	1.04	1.14
MD3 - Capacity from 2,001kVA to 5000kVA	MD Charge/kVA/Month	126.39	295.33	319.84	364.62	390.15	429.16
	Energy Charge/kWh	0.43	1.00	1.09	1.24	1.33	1.46
	Fixed Monthly Charge	1,755.17	3,397.77	3,815.70	4,349.89	4,654.39	5,119.82
	Off Peak MD Charge/KVA/Month	63.2	147.67	159.92	182.31	195.07	214.58
	Off Peak Energy Charge/kWh	0.32	0.75	0.82	0.93	1.00	1.1

CUSTOMER CATEGORY	TARIFF	2022 Tariffs (K/kWh)	Approved Multi-Year Tariffs (K/kWh)				
			2023	2024	2025	2026	2027
	Peak MD Charge/ KVA/Month	157.99	369.16	399.8	455.78	487.68	536.45
	Peak Energy Charge/ kWh	0.54	1.26	1.36	1.55	1.66	1.83
MD4 - Capacity >5000kVA	MD Charge/kVA/ Month	127.10					
This category has been migrated to Bulk Consumer	Energy Charge/kWh	0.36					
	Fixed Monthly Charge	3,510.39					
	Off Peak MD Charge/ KVA/Month	63.55					
	Off Peak Energy Charge/kWh	0.27					
	Peak MD Charge/ KVA/Month	158.88					
	Peak Energy Charge/ kWh	0.45					
							Abolished to Migrate to Power Supply Agreements
Bulk [PPA]>5000KVA	MD Charge/kVA/ Month		329.75	366.02	403.36	416.27	471.21
(Exchange rate: ZMK16.50/US\$)	Energy Charge/kWh		0.93	1.04	1.14	1.18	1.33
NOTE:							
The above tariffs are:							
(a) Exclusive of 3% Government excise duty							
(b) Exclusive of 16% Value Added Tax (VAT)							

Appendix 9-1: Institutional Performance for 2024

The Table below provides a detailed breakdown of the performance ratings against each target.

Detailed KPI Scoring Template

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
Balanced Scorecard Activities (Weight =39.25%)							
Pillar 1: Stakeholder Management							
1.	Implementation of the Communication and Visibility Strategy	1 st Media briefing/ engagement conducted by 31 st March 2024	100		0.5%	0.5	Two (2) media engagements were carried out in Q1 2024 as follows: i. Save a Life campaign – 18 th January 2024 ii. Media breakfast – 26 th March 2024
		2 nd Media briefing/ engagement conducted by 31 st May 2024	100		0.5%	0.5	A media Breakfast was held on 12 th April 2024 in Kasama. Media Tour to CEC 60 MW Itimpi Solar Plant and Afrox LPG facility with nine (09) Media houses - 22 nd May 2024
		3 rd Media briefing/ engagement conducted by 30 th June 2024	100		0.5%	0.5	Four (4) media engagements were carried out in Q2 2024 as follows: i. Media Engagement at Energy Indaba with 20 media houses - 21 st June 2024.
		4 th Media briefing/ engagement conducted by 31 st July 2024	100		0.5%	0.5	Two (3) media engagements were carried out in Q3 2024 as follows: i. Media tour to Kasanjiku Mini Hydro Power Station with six (06) media houses – 25 th June 2024 ii. Media Tour to TAZAMA with 15 Media houses – 27 th June 2024

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		5 th Media briefing/ engagement conducted by 30 th September 2024	100		0.5%	0.5	<p>Three (3) media engagements were carried out as follows:</p> <ul style="list-style-type: none"> i. ERB conducted media engagements during the 96th Agricultural and Commercial Show in Lusaka. ii. Media engagement conducted during ZESCO Application Public Hearing held on 21st August 2024 where 55 media houses covered the event. iii. Media Briefing regarding the Board's Decision on ZESCO's Emergency Tariff Application held on 23rd August 2024.
		6 th Media briefing/ engagement conducted by 31 st October 2024	100		0.5%	0.5	<p>Three (3) media engagements were carried out as follows:</p> <ul style="list-style-type: none"> i. Public Hearing on ZESCO Limited's Emergency Tariff Application held in Kitwe on 5th October 2024 ii. Public Hearing on ZESCO Limited's Emergency Tariff Application held in Lusaka on 7th October 2024 iii. The Director General's Engagement at the Town Hall Meeting organised by Diamond TV under the topic Zambia's Energy Crisis on 10th October 2024

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		7 th Media briefing/ engagement conducted by 30 th November 2024	100		0.5%	0.5	<p>Four (4) media engagements were carried out as follows:</p> <ul style="list-style-type: none"> i. The ERB and Zambia Metrology Agency (ZMA) held a stakeholder engagement on quality and safety concerns for LPG usage on 26th November 2024. ii. The ERB participated in a stakeholder engagement meeting with Ward Councillors, Ward Development Committees and Interest Groups in Livingstone on the emergency tariff and energy efficiency initiatives. The meeting was organised by ZESCO on 6th November 2024 iii. The ERB and OMCs discussed the National Fuel situation on 8th November 2024. iv. The ERB and Zambia Revenue Authority (ZRA) held a sensitisation meeting with Nakonde Border Agents on renewable energy including solar importation on 1st November 2024.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		8th Media briefing/ engagement conducted by 31 st December 2024	100		0.5%	0.5	Two (2) media engagements were carried out as follows: 1. The ERB hosted a meeting with OMCs on the fuel situation in the country on 26 th December 2024. 2. The ERB hosted the Minister of Energy Hon. Makozi Chikote for a meeting with Oil Marketing Companies (OMCs) on 10 th December 2024.
		1 st meeting with Government by 31 st March 2024	100		0.5%	0.5	A meeting was held with Ministry of Energy on 28 th March 2024.
		2 nd meeting with Government by 30 th June 2024	100		0.5%	0.5	A meeting was held with Ministry of Energy on 9 th May 2024.
		3 rd meeting with Government by 30 th September 2024	100		0.5%	0.5	A meeting was held on 15 th September 2024 with the Ministry of Energy, Ministry of Transport and other Government Agencies to discuss Bladder tanks.
		4 th Meeting with Government by 31 st December 2024	100		0.5%	0.5	The ERB has had several meetings with Government in the Quarter under review
		1 st Energy industry meeting held by 31 st March 2024	100		0.5%	0.5	Four (4) industry meetings were held in Q1 2024 as follows: i. Petroleum – 24 th January 2024 ii. Petroleum – 31 st January iii. Petroleum – 6 th March 2024 iv. Electricity – 26 th March 2024

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		2 nd Energy industry meeting held by 31 st May 2024	100		0.5%	0.5	Two (2) industry meetings were held as follows: i. Petroleum – 15 th May 2024 ii. Petroleum – 17 th May 2024
		3 rd Energy industry meeting held by 30 th June 2024	100		0.5%	0.5	An Energy Industry meeting was held for the Petroleum subsector on 23 rd May 2024.
		4 th Energy industry meeting held by 30 th September 2024	100		0.5%	0.5	A Petroleum Industry meeting was held on 11 th July 2024.
		5 th Energy industry meeting held by 31 st October 2024	100		0.5%	0.5	An Energy Industry meeting was held for the Petroleum subsector on 28 th October 2024.
		6 th Energy industry meeting held by 30 th November 2024	100		0.5%	0.5	A Petroleum Industry meeting was held on 8 th November 2024
		One (1) parliamentary discussion forum conducted by 30 th September 2024	100		2%	2	The ERB had two (02) parliamentary forums on 2 nd March 2024 and 3 rd June 2024 for the Parliamentary Committee on Accounts of Parastatal Bodies and Other Statutory Institutions and the Energy Parliamentary Committee on Energy, Water Development and Tourism.
		Inter-Schools Competition conducted by 30 th June 2024	100		2%	2	Two Inter-schools' competitions were conducted in Q2 as follows: i. Lusaka Inter-Schools competition conducted on 28 th and 30 th May 2024 for the 1 st and 2 nd rounds. ii. Northern Province Inter-Schools Energy Quiz conducted on 7 th June 2024

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		1 st Provincial Town hall meeting by 31 st March 2024	100		0.5%	0.5	The 1 st Town Hall meeting was held on 29 th February 2024 in Chipata.
		2 nd Provincial Town hall meeting by 30 th April 2024	100		0.5%	0.5	The 2 nd Town Hall meeting was held on 26 th April 2024 in Mwinilunga.
		3 rd Provincial Town hall meeting by 31 st May 2024	100		0.5%	0.5	The 3 rd Town Hall meeting was held on 14 th March 2024 in Kabwe.
		4 th Provincial Town hall meeting by 30 th June 2024	100		0.5%	0.5	The 4 th Town Hall meeting was held on 20 th June 2024 in Choma.
		5 th Provincial Town hall meeting by 31 st July 2024	100		0.5%	0.5	The 5 th Town Hall meeting was held on 30 th May 2024 in Mansa
		6 th Provincial Town hall meeting by 30 th September 2024	100		0.5%	0.5	The 6 th Town Hall meeting was held on 25 th July 2024 in Mongu
		1 st Name/Shame articles by 31 st March 2024	100		0.5%	0.5	Three (3) Name/Shame articles were published online in Q1 2024 on the following dates: i. 22 nd January 2024 ii. 23 rd February 2024 iii. 7 th March 2024
		2 nd Name/Shame articles by 30 th June 2024	100		0.5%	0.5	A name and shame article were circulated on 13 th June 2024 on enforcement Action taken against Four (04) Companies for Breaching Licence Conditions.
		3 rd Name/Shame articles by 30 th September 2024	100		0.5%	0.5	Press Statement: ERB Takes Enforcement Action Against Seven (7) Companies, Recovers Liabilities.
		4 th Name/Shame articles by 31 st December 2024	100		0.5%	0.5	A Statement was published on 7 th November 2024.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Publish all relevant Regulatory Board directives, decisions, and court judgements 10 calendar days after Board decision.	N/A		N/A	N/A	There were no matters which required publishing after the Q1 Full Board meetings.
		Publish all relevant Regulatory Board directives, decisions, and court judgements 10 calendar days after Board decision.	100		0.25%	0.25	Published the Revision of Petroleum Pump Prices for the Month of April, May and June.
		Publish all relevant Regulatory Board directives, decisions, and court judgements 10 calendar days after Board decision.	100		0.25%	0.25	<ol style="list-style-type: none"> 1. Published statement on the clarification on ZESCO's Electricity Emergency Tariff Application on 21st August 2024. 2. Issued the ZESCO emergency Tariff Decision Board Statement on 23rd August 2024 3. Published the Net metering Tariff Decision Statement on 30th August 2024 4. Published the Revision of Petroleum Pump Prices for the Month of October on 30th September 2024

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Publish all relevant regulatory board directives, decisions, and court judgements within 10 calendar days after Board decision by 31 st December 2024	100		0.25%	0.5	Four Press statements were published namely: 1. Press Statement: Review of Petroleum Pump Prices for December 2024 (Press Release Document) done by 1 st December 2024 2. Press Statement: Review of Petroleum Pump Prices for December 2024 (Press Release Document) done by 1 st December 2024 3. Petroleum Price Review for January – done by 31 st December 2024 4. Press Statement: Approved net metering tariffs and connection charges.
2.	Conduct Stakeholder Survey	Concept Note developed and approved by 30 th June 2024	100		1%	1	The concept note was developed and approved on 30 th May 2024
3.		Conduct Stakeholder engagement Survey by 30 th October 2024	100		2%	2	The stakeholder Survey was undertaken as planned to target the following: <ul style="list-style-type: none"> • Consumers – 10 provincial centres • Media Houses • Licensees • Government and Government agencies The Survey was held in October 2024

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
4.		Consumer Awareness 60% by 30 th November 2024	96.83		0.25%	0.24	A consumer awareness survey was conducted and the Survey results showed that consumer awareness stood at 58.10 percent. This was below the targeted 60%
5.		Licensee Awareness 99% by 30 th November 2024	98.08		0.25%	0.25	A Licensee awareness survey was conducted and the results showed that Licensee awareness stood at 97.1 percent. This was below the targeted 99%.
6.		Media Awareness 98% by 30 th November 2024	100		0.25%	0.25	A Media awareness survey was conducted and results stood at 98.4%
7.		Government Awareness 70% by 30 th November 2024	100		0.25%	0.25	A Government awareness survey was conducted which included Government agencies and the results stood at 86.2 %
Pillar 2: Operational Excellence							
8.	Integration and enhancement of Key Regulatory Modules	Enhancement of MIS to resolve existing challenges completed by 30 th June 2024	N/A		N/A ⁸	N/A	The activity was waived based on a Board resolution made during the 1st ordinary regulatory Board meeting to suspend enhancements until an independent review of the system is conducted.
		100% integration of MIS with Accounting Software by 30 th September	NA		NA	NA	The activity was waived based on the ongoing independent review of the MIS.
9.		Automation of Financial Workflow Processes by 31 st December 2024	N/A		N/A	N/A	This activity was suspended awaiting the completion MIS audit.
10.		Online Payment platforms integrated with MIS by 31 st December 2024	NA		NA	N/A	This activity was suspended awaiting the completion MIS audit.

⁸ Waived from assessment as the activity was put on hold by the Board pending an independent review of the MIS

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
11.	Development of energy pricing framework	E- Vehicle Pricing Framework i) Draft Framework developed by 31 st July 2024	100		1%	1	The pricing framework was developed and completed by 30 th July 2024.
12.	Development of energy pricing framework	E- Vehicle Pricing Framework i) Stakeholder consultation by 31 st August 2024	100		0.5%	05	The stakeholder consultation was conducted on 8 th July 2024.
13.	Development of energy pricing framework	E- Vehicle Pricing Framework ii) Board Approval by 31 st December 2024	100		0.5%	0.5	The Board paper was Submitted and approved by the Technical Committee of the Board in October 2024. The EV Pricing Guidelines were presented and approved by the Board on Monday, 2 nd December 2024.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
14.	Development of Regulations	Draft Regulations developed by 28 th February 2024	100		1%	1	The Draft Regulations were developed in January 2024.
		Management Approval of Regulations by 31 st March 2024	100		0.5%	0.5	The Draft Enforcement Regulations were approved by Management in February 2024.
		Board Approval of Layman's draft Enforcement Regulations by 31 st May 2024	100		0.5%	0.5	The Layman's draft was sent to the MoE following Board approval of the Enforcement manual.
		Regulations developed and approved by Board by 30 th June 2024	100		1%	1	The regulations were developed by a Technical Committee for Open access which comprises the ERB and were submitted to the Steering committee before being submitted to the Ministry of Justice (MoJ).
		Layman's Draft of the Petroleum Stock Monitoring Regulations developed and approved by Board i) Draft Regulations Developed by 30 th September 2024	100		1.5%	1.5	The layman's draft for the National Petroleum Stock Monitoring System (NPSMS) Statutory Instrument (SI) was developed by the end of January 2024. However, the Board directed ERB Management to ensure that there were no gaps in the proposed SI once it is promulgated. In this regard, management resolved to subject the draft SI to further review and finalise the same once the findings and subsequent recommendations from the consultant were received. The Consultant is yet to submit the final report which was due on 7th October 2024.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Layman's Draft of the Petroleum Stock Monitoring Regulations developed and approved by the Board ii) Board Approval of Regulations by 31 st December 2024	100		0.5%	05	The Board paper was approved by the board and the Regulations have since been submitted to the Ministry of Energy (MoE).
15.	Development and Review of Standards	Electrical Safety Code – Code of Practice: Part 1 i) Revised Draft ready for stakeholder consultation by 30 th June 2024 Electrical Safety Code – Code of Practice: Part 1 Board approval of Draft Standard by 31 st December 2024 Electrical Safety Code – Code of Practice: Part 2 i) Revised Draft ready for stakeholder consultation by 30 th June 2024 Electrical Safety Code – Code of Practice: Part 2 ii) Board approval of Draft Standard by 31 st December 2024	100		1%	1	Revised Draft Standard sent out for stakeholder consultation on 26 th June 2024, and advertised on the ERB website and social media platforms.
			100		0.25%	0.25	The draft Standard was approved by the Board at stakeholder consultation stage. Nevertheless, the final Standard was submitted to the Board for their information.
			100		1%	1	Revised Draft Standard sent out for stakeholder consultation on 26 th June 2024, and advertised on the ERB website and social media platforms.
			100		0.25%	0.25	The draft Standard was approved by the Board at stakeholder consultation stage. Nevertheless, the final Standard was submitted to the Board for their information.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Electric Vehicle Charging Systems Standard i) Draft Standard developed by 31 st May 2024	100		1%	1	The following Vehicle Charging system draft standards were developed. I. Electrically propelled road vehicles, Safety specifications Part 1: Rechargeable energy storage system (RESS) II. Electrically propelled road vehicles, Safety specifications Part 2: Vehicle operational safety means and protection against failures. III. Electrically propelled road vehicles Safety Specifications, Part 3: Electrical safety IV. Electrically propelled road vehicles – safety specifications part 4: post-crash electrical safety V. Electrically propelled road vehicles – Connection to an external electric power supply – Safety requirements VI. Electrically propelled road vehicles – vocabulary
		Electric Vehicle Battery Storage Standard (i) Board approval of Draft Standard by 31 st December 2024	100		0.25%	0.25	The standards were developed in June 2024. The Board Paper was done and submitted in October 2024
		ZS 372: Operational requirements for Road tank vehicles i) Existing Standard revised by 31 st May 2024	100		1%	0	A virtual inception meeting was held on the 24 th May 2024 and a revised standard was drafted in the first week of July.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Electrical Safety Code – Code of Practice: Part 1 ii) Stakeholder consultation and public comments incorporated by 30 th September 2024	100		0.5%	0.5	The public comments were incorporated from 9 th to 13 th September 2024
		Electrical Safety Code – Code of Practice: Part 2 iii) Stakeholder consultation and public comments incorporated by 30 th September 2024	100		0.5%	0.5	The public comments were incorporated from 9 th to 13 th September 2024
		Electric Vehicle Battery Storage Standard Draft Standards developed by 31 st July 2024	100		1%	1	One Standard on Rechargeable Energy Storage System (Standard on Battery Safety) was developed in June 2024.
		Electric Vehicle Battery Storage Standard i) Stakeholder consultation and public comments incorporated by 30 th September 2024	NA		N/A	N/A	The activity was waived because the Standards development process considered adoption of the standard which does not require Public comments.
		Electric Vehicle Charging Systems Standard ii) Stakeholder consultation and public comments incorporated by 30 th September 2024	N/A		N/A	N/A	The activity was waived because the Standards development process considered adoption of the standard which does not require Public comments.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Electric Vehicle Battery Storage Standard	100		0.25%	0.25	The standards were developed in June 2024.
		(i) Board approval of Draft Standard by 31 st December 2024					The Board Paper was done and submitted in October 2024
		Electric Vehicle Charging System Standard	100		0.25%	0.25	The standards were developed in June 2024.
		ii) Board approval of Draft Standard by 31 st December 2024					The Board Paper was done and submitted to the Board in October 2024
	Periodic compliance monitoring of licensed enterprises, infrastructure, supply & product quality, and systems	Ensure 78% electricity distribution infrastructure compliance to standards by 31 st December 2024	100		1%	1	A ZESCO Self-Audit Distribution Compliance survey was conducted and results stood at 79%. This was above the targeted 78%
		Ensure 95% petroleum infrastructure compliance of standards by 31 st December 2024	95.09		1%	0.951	A survey on petroleum infrastructure compliance with standards was conducted, yielding the following results: <ul style="list-style-type: none"> • Retail: 89.30% • Bulk: 90.34%

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		% LPG infrastructure compliance to standards (i) Retail = 70% By 31 st December 2024	100		1%	1	A survey on LPG infrastructure compliance with standards was conducted, yielding the following results: Retail = 71.73%
		% LPG infrastructure compliance to standards Bulk = 90% By 31 st December 2024	100		1%	1	A survey on LPG infrastructure compliance with standards was conducted, yielding the following results: Bulk = 93.67%
		Ensure 90% compliance for Fuel marking samples by 31 st December 2024	100		1%	1	A survey for fuel marking compliance was conducted, yielding the following results: The baseline survey aimed to establish marker penetration in the petroleum supply chain, with 1,718 samples collected and tested, achieving a pass rate of 92.72%. Following this, the fourth-quarter sampling and testing exercise was conducted, where 1,558 samples were collected and tested, yielding a pass rate of 92.00% against the institutional KPI target of 90%.
		Ensure 98% petroleum quality compliance to standards by 31 st December 2024	95.42		1%	0.954	A survey for petroleum quality compliance was conducted, yielding the following results: 93.51% petroleum quality compliance to standards was achieved

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Ensure 78% power quality compliance to standards by 31 st December 2024	100		1%	1	A survey for power quality compliance was conducted, yielding the following results: 85.3% power quality compliance to standards.
	Implementation of risk management strategy	Risk Maturity of 2.8 by 31 st December 2024	100		2%	2	A risk assessment was conducted and results showed that as of December 2024, our Risk Maturity stood at 2.97
	Conduct Mid Term Review of SBP	Board approval of Mid-term Review Report	100		0.5%	0.5	The report was finalised and submitted to the Finance and Human Resources committee for review and comments.
	Periodic compliance monitoring of licensed enterprises, infrastructure, supply & product quality, and systems	Ensure 78% electricity distribution infrastructure compliance to standards by 31 st December 2024	100		1%	1	A ZESCO Self-Audit Distribution Compliance survey was conducted and results stood at 79%. This was above the targeted 78%.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
16.	Creation of Synergies	<p>Three (3) MOUs signed with Government Agencies</p> <p>1) EWURA MOU i. Draft MOU developed and submitted to partner agency for consideration by 30th May 2024</p>	100		0.75%	0.75	The draft MOU was sent to EWURA on 3 rd April 2024.
		<p>Three (3) MOUs signed with Government Agencies</p> <p>2) PACRA MOU i. Draft MOU developed and submitted to partner agency for consideration by 30th May 2024</p>	100		0.75%	0.75	The draft MOU was sent to PACRA in January 2024.
		<p>Three (3) MOUs signed with Government Agencies</p> <p>3) ZRA MOU i. Draft MOU developed and submitted to partner agency for consideration by 30th May 2024</p>	100		0.75%	0.75	The draft MOU was sent to ZRA in January 2024.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
		Three (3) MOUs signed with Government Agencies 4) EWJURA MOU ii. MOU signed by both parties by 30 th September 2024	0		0.25%	0	The process awaits formalisation by way of signing the MoU by the respective signatories.
		Three (3) MOUs signed with Government Agencies 5) PACRA MOU MOU signed by both parties by 30 th September 2024	100		0.25%	0.25	The PACRA MoU signed by both parties by 30 th September 2024
		Three (3) MOUs signed with Government Agencies 6) ZRA MOU MOU signed by both parties by 30 th September 2024	100		0.25%	0.25	The ZRA MoU was signed by both parties by 30 th September 2024
	Conduct Mid Term Review of SBP	Management approved Mid-Term Review roadmap for by 31 st March 2024 SBP Mid-Term Review Conducted by 30 th September 2024	100		0.5%	0.5	The Mid Term Review Roadmap was approved on 7 th March 2024.
			N/A		2%	N/A	N/A

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
Pillar 3: People and Culture							
17.	Staff Capacity Building	Management approved 2024 Training Plan by 31 st March 2024	100		0.5%	0.5	The 2024 Training Plan was approved on 28 th February 2024.
		Management approved E-Learning Programme by 30 th June 2024	100		0.5%	0.5	The E-Learning Programme was approved on 17 th April 2024.
18.		100% Implementation of 2024 Training Plan by 31 st December 2024	100		1%	1	75 staff were trained against the targeted 66 Staff to be trained signifying 114% implementation of the training plan.
19.		2025 Training Plan developed and approved by Management by 31 st December 2024	N/A		N/A	N/A	Approval was granted to defer this activity to 31 st Jan 2025
20.	Conduct Employee Engagement Survey	Approved Research Concept by 30 th June 2024	100		1%	1	The concept was approved on 19 th June 2024.
		Conduct Employee Engagement Survey by 30 th September 2024	100		2%	2	The Employee Engagement Survey was conducted in September 2024
21.	Conduct Employee Engagement Survey	80% Engaged Employees by 31 st October 2024	98.125		1%	0.98125	According to the Employee engagement survey which was undertaken from 19 th August 2024 to 23 rd August 2024. Employee engagement was reported to stand at 78.5%. This was below the targeted 80% employee engagement mark.

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
22.	Implementation of cultural transformation program	100% implementation of Cultural transformation Program by 31 st December 2024	100		1%	1	The Cultural Survey and Transformation Report was conducted on 23 rd December 2024 and approved on 27 th December 2024. The survey had a response rate of 66.45% of the total workforce across all the various levels and gender in business. The results of the survey indicated that ERB had a hierarchy culture characterized by stakeholder (market), clan and adhocracy traits respectively. The culture dominated by a focus on control and adherence to structures, processes, plans and budgets.
Pillar 4: Financial Sustainability							
1.	Increase nontax revenue collection.	Collection of Q1 Parliament target of K107,610,093	100		0.75%	0.75	A total of K177,010,956.59 was collected against the Q1 target of K107,610,093.
		Collection of Q2 Parliament target of K115,033,202.	100		0.75%	0.75	A total of K169,288,750.51 was collected against the target of K115,033,202.
		Collection of Q3 Parliament target of K119,385,526	100		0.75%	0.75	A total of K182,790,596 was collected against the target of K119,385,526
		Collection of Q4 Parliament target of K134,496,540 by 31 st December 2024	100		0.75%	0.75	A total of K179,674,011.09 was collected against the Q4 target of K135,422,217
2.	Implementation of donor funding strategy	Two solicitation papers presented to Cooperating Partners for funding by 31 st July 2024	100		1%	1	Three solicitation papers were sent to AFDB, USAID and European Union by 31 st July 2024
3.	Management of Fuel Quality	1.7 Billion litres marked by 31 st December 2024	100		2%	2	The total marked volume for the period January 2024-December 2024 is 2,361,093.99 m³ This amounts to 2,361,093,990 litres

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
4.	Monitoring Program	Fuel Marking Collection of K349,248,486 by 31 st December 2024	100		2%	2	<p>The fuel marking collections were exceeded.</p> <p>The actual collection was K 451,434,238 against a target of K 349,248,486</p>
ROUTINE SERVICE LEVEL DELIVERABLES ASSESSED AGAINST SERVICE LEVEL AGREEMENTS (Weight= 5%)							
1.	Issuance of licences in the energy sector	60 calendar days for standard licence	98.71%		5.00%	4.94	By December 2024, 515 initial licence applications were due for issuance. The 515 Licences were issued in an average processing time of 22 days. Notably, 509 out of the 515 applications were issued within the stipulated service level of 60 days representing 98.83% performance.
2.		30 calendar days for renewal	84.62%		3.00%	2.54	<p>During the period under review all 39 renewal licence applications were due for issuance by 31st December 2024.</p> <p>Based on the 39 standard licences issued, the average processing time for a licence renewal was 16 days. Notably, 33 of the 39 Licences due for issuance were issued within the stipulated service level of 30 days representing 84.62% performance.</p>

No.	Strategy	Target	Self-Rating (0-100)	Approved Rating (0-100)	Weight	Weighted Score	Notes
3.		20 calendar days for construction permit	88.24		2.00%	1.76	During the period under review, a total of 59 construction permit applications were due for issuance by 31st December 2024. The average processing time of the 59 permits was 14 days. Notably, 52 of the 59 permits due for issuance were issued within the stipulated service level of 20 days representing 88.14% performance.
4.	All duly lodged applications processed within 90 calendar days tariff decision	N/A	N/A		N/A	N/A	In the year under review, none of the retail tariff licensees serving end-user customers applied for a tariff adjustment. As a result, this SLA could not be scored.
5.	Review of PPAs and PSAs	30 calendar days for PPAs and PSAs	60		5.00%	3.00	A total of 69 applications for regulatory review of Power Purchase Agreements (PPAs) were due for regulatory approval by 31st December 2024. Based on the 69 PPAs reviewed, the average review time was found to be 24 days. However, 42 of the 69 PPAs were processed within the stipulated timeframe of 30 days representing 60.87% performance.
6.	Determination of consumer complaints	30 working days for consumer complaints	89.12		5.00%	4.46	A total of 507 complaints were received and were due for assessment between 1st January and 31st December 2024. Of the 507 complaints, 415 complaints were resolved while 92 complaints were pending conclusion of investigations. Based on the 415 complaints resolved, the average resolution period was 6
	TOTAL					92.81	

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We safeguard your interests