



END OF YEAR PRESS BRIEFING

BY

ENG. ELIJAH C. SICHONE

DIRECTOR GENERAL

ENERGY REGULATION BOARD

24TH DECEMBER 2025

MEMBERS OF THE PRESS

ERB MANAGEMENT AND STAFF

LADIES AND GENTLEMEN

INTRODUCTION:

CORDIAL GOOD MORNING AND WELCOME TO YOU ALL TO THE END OF YEAR PRESS BRIEFING.

AS THE YEAR 2025 DRAWS TO A CLOSE, THE ENERGY REGULATION BOARD (ERB) WOULD LIKE TO TAKE THIS PRIVILEGED OPPORTUNITY TO REFLECT ON THE INSTITUTIONAL PERFORMANCE INSOFAR AS THE EXECUTION OF ITS REGULATORY MANDATE IS CONCERNED. WHAT A YEAR IT WAS IN TERMS OF ENHANCED COLLABORATION WITH VARIOUS STAKEHOLDERS THAT LED TO SUCCESSES AMID UNPRECEDENTED ENERGY SECTOR CHALLENGES.

ON BEHALF OF THE BOARD, MANAGEMENT AND STAFF OF THE ERB, LET ME OUTLINE THE HIGHLIGHTS OF THE YEAR AS FOLLOWS:

ELECTRICITY SUB-SECTOR:

ELECTRICITY OPEN ACCESS FRAMEWORK

ON 14TH FEBRUARY 2025, THE MINISTER OF ENERGY, HON. MAKZO CHIKOTE, MP, OFFICIALLY LAUNCHED THE ELECTRICITY OPEN ACCESS FRAMEWORK TO ENHANCE PRIVATE SECTOR PARTICIPATION IN THE ENERGY SECTOR BY ENABLING NON-DISCRIMINATORY ACCESS TO THE NATIONAL TRANSMISSION AND DISTRIBUTION NETWORKS.

AS PART OF THIS FRAMEWORK, THE ERB DEVELOPED THE OPEN ACCESS TRANSMISSION AND DISTRIBUTION PRICING METHODOLOGY. THIS PROMOTES TRANSPARENCY IN THE INDUSTRY THROUGH A PRESCRIBED METHODOLOGY FOR THE DETERMINATION OF USE-OF-SYSTEM CHARGES THAT ENSURES BOTH

FAIRNESS FOR NETWORK USERS, AND COST RECOVERY FOR THE NETWORK OWNERS.

FURTHER, IN LINE WITH THE ELECTRICITY OPEN ACCESS FRAMEWORK, THE ERB HAS SPEARHEADED THE DEVELOPMENT OF DOCUMENTS TO BE USED BY OPEN ACCESS MARKET PARTICIPANTS, THAT APPLY FOR CONNECTION TO, AND USE OF THE TRANSMISSION AND DISTRIBUTION NETWORKS, AS PROVIDED FOR UNDER STATUTORY INSTRUMENT (SI) 40 OF 2024.

ELECTRICITY TARIFFS

IN OCTOBER 2025, THE ERB APPROVED ZESCO'S APPLICATION TO REPLACE THE EMERGENCY ELECTRICITY TARIFFS, WHICH WERE INITIALLY VALID FOR THREE MONTHS FROM 1ST NOVEMBER 2024 AND LATER EXTENDED THREE TIMES UPTO 31ST OCTOBER 2025. THIS APPROVAL ALLOWED FOR THE RESUMPTION OF THE MULTI-YEAR TARIFF FRAMEWORK (MYTF) FOR THE PERIOD 1ST NOVEMBER 2025 TO 31ST OCTOBER 2027.

THE IMPACT OF THE TARIFF DECISION WERE AS FOLLOWS:

1. RESIDENTIAL CUSTOMERS WILL EXPERIENCE A **46% REDUCTION** IN THE HIGHEST EMERGENCY TARIFF RATE, FROM **K6.39/KWH** TO **K3.45/KWH**;
2. SOCIAL SERVICES AND WATER PUMPING CATEGORIES WILL RETAIN CURRENT TARIFF LEVELS, ENSURING CONTINUED ACCESS TO ESSENTIAL PUBLIC SERVICES;
3. THE TARIFF CATEGORY W4 FOR WATER PUMPING TARIFFS WAS REDUCED FROM **K1.72/KWH** TO **K1.50/KWH**. THIS ADJUSTMENT IS INTENDED TO SUPPORT THE PROVISION OF CLEAN AND SAFE WATER;
4. THE DISTRIBUTION AND MAXIMUM DEMAND (MD) CUSTOMERS TARIFFS WERE REVISED TO OPERATE UNDER SIMPLIFIED, ENERGY-ONLY TARIFFS REFLECTIVE OF CURRENT SYSTEM LIMITATIONS.

THE APPROVED TARIFFS CAME INTO EFFECT ON 1ST NOVEMBER 2025 AND WILL REMAIN IN EFFECT UNTIL 31ST OCTOBER 2026 AFTER WHICH ZESCO IS REQUIRED TO SUBMIT A TRUE-UP REPORT BEFORE MIGRATING TO THE 2026/2027 TARIFFS.

FURTHER AND IN LINE WITH THE APPROVED ZESCO TARIFFS, NORTHWESTERN ENERGY CORPORATION LIMITED (NVEC) HAS ALSO BEEN DIRECTED TO REVERT TO THE MULTI-YEAR TARIFF FRAMEWORK EFFECTIVE 1ST NOVEMBER 2025 FOR ITS RESIDENTIAL CONSUMERS.

NET METERING PROGRAMME

FOLLOWING THE INTRODUCTION OF NET- METERING IN 2024, THE ERB ANNOUNCED ATTRACTIVE NET METERING TARIFFS OF USc6/kWH FOR CONSUMERS SUBSCRIBED TO THE ZESCO NET METERING PROGRAMME. THE PROGRAMME IS EXPECTED TO ENCOURAGE CONSUMERS TO SWITCH TO RENEWABLE SOURCES OF POWER AND TO CONTRIBUTE TO GENERATION CAPACITY THEREBY CUSHIONING THE CURRENT ELECTRICITY DEFICIT.

SINCE INCEPTION, THE UTILITY HAS ACHIEVED SIGNIFICANT MILESTONES UNDER THE NET METERING PROGRAMME, INCLUDING ONBOARDING LARGE-SCALE PROSUMERS WITH INSTALLATIONS RANGING FROM **100 KW** TO **3,500 KW**. THIS CUTS ACROSS SECTORS SUCH AS AGRICULTURE, HOSPITALITY, AND MANUFACTURING, REFLECTING STRONG AND GROWING INTEREST. ZESCO HAS REPORTED 280 ACTIVE PROSUMERS WITH TOTAL INTALLED CAPACITY OF **11.84 MW**. A TOTAL OF **2,207 MWH** OF POWER WAS EXPORTED TO THE GRID AS AT END OF THE THIRD QUARTER OF 2025.

POWER PURCHASE AND SUPPLY AGREEMENTS

ARISING FROM THE ELECTRICITY SUPPLY INDUSTRY REFORMS, THE ERB CONTINUES TO REVIEW AND APPROVE POWER TRADING AGREEMENTS AS AND WHEN THEY ARE RECEIVED FOR REGULATORY APPROVAL.

BETWEEN JANUARY AND NOVEMBER 2025, THE ERB APPROVED **SIXTY (60)** POWER PURCHASE AGREEMENTS AND **SIXTEEN (16)** POWER SUPPLY AGREEMENTS.

MONITORING OF POWER PROJECTS

DURING THE PERIOD UNDER REVIEW, THE ERB CONTINUED TO ISSUE CONSTRUCTION PERMITS AND MONITOR THE IMPLEMENTATION OF NEW POWER PROJECTS. THE POWER PROJECTS ARE CRITICAL FOR DIVERSIFICATION OF THE ENERGY MIX, WHICH IS VITAL FOR ENHANCING ZAMBIA'S ENERGY SECURITY, PROMOTING RENEWABLE ENERGY ADOPTION, AND SUPPORTING ECONOMIC GROWTH.

THE POWER PROJECTS WOULD FURTHER IMPROVE ELECTRICITY ACCESS, REDUCE RELIANCE ON IMPORTS, AND CONTRIBUTE TO ENVIRONMENTAL SUSTAINABILITY, POSITIONING ZAMBIA FOR A MORE RESILIENT AND INCLUSIVE ENERGY FUTURE.

PETROLEUM SUB-SECTOR:

TAZAMA OPEN ACCESS FRAMEWORK

IN APRIL 2025, THE IMPLEMENTATION OF OPEN ACCESS ON THE TAZAMA PIPELINE MARKED A MAJOR MILESTONE FOR ZAMBIA'S PETROLEUM SECTOR. THE FRAMEWORK GRANTED MULTIPLE OIL MARKETING COMPANIES THE RIGHT TO TRANSPORT DIESEL FROM DAR-ES-SALAAM, TANZANIA, TO NDOLA VIA THE PIPELINE. THIS REFORM HAS STRENGTHENED FUEL SECURITY AND FOSTERED HEALTHY COMPETITION AMONG OMCs, WHILE CREATING THE POTENTIAL FOR A LOWER PRICE OF DIESEL THROUGH COMPETITIVE BIDDING FOR PIPELINE ACCESS.

A PRACTICAL PRECEDENT OF THE SUCCESSFUL IMPLEMENTATION OF THE OPEN ACCESS FRAMEWORK FOR DIESEL, THROUGH THE TAZAMA PIPELINE WHICH HAS YIELDED SIGNIFICANT ECONOMIC BENEFITS. BY ALLOWING OIL MARKETING COMPANIES TO DIRECTLY IMPORT AND TRANSPORT DIESEL, THE FRAMEWORK HAS RESULTED IN LOWERED TRANSPORTATION COSTS AND HAS FOSTERED COMPETITIVE PRICING WHICH HAS ULTIMATELY BENEFITED CONSUMERS THROUGH REDUCED PUMP PRICES. CONSUMERS HAVE BENEFITED FROM LOWER PUMP PRICES, WHICH CAN BE SEEN THROUGH THE REDUCING IN THE PRICES OF

DIESEL FROM **K32.54/LITRE** IN MARCH 2025, PRIOR TO THE FRAMEWORK'S INTRODUCTION, TO **K23.13/LITRE** BY JULY 2025. THIS REPRESENTS AN AVERAGE REDUCTION OF APPROXIMATELY **30%**.

TAZAMA PIPELINE EFFICIENCY ENHANCEMENT

TO ENHANCE PIPELINE EFFICIENCY, TAZAMA INTRODUCED THE USE OF A **DRAG-REDUCING AGENT (DRA)** IN THE FIRST QUARTER OF 2025. THIS INNOVATION INCREASED AVERAGE DAILY PIPELINE THROUGHPUT FROM APPROXIMATELY **2.8 MILLION LITRES** TO ABOUT **3.6 MILLION LITRES**, THEREBY IMPROVING THE NATIONAL SECURITY OF DIESEL SUPPLY TO THE MARKET.

PETROLEUM PRICING

PRIOR TO CONSIDERATION OF THE MIGRATION TO LONGER PRICING PERIODS, THE ERB CONTINUED TO UNDERTAKE MONTHLY REVIEWS OF PETROLEUM PRODUCT PRICES THROUGHOUT 2025. THE REVIEWS ARE ALIGNED WITH THE IMPORT CYCLE OF OIL MARKETING COMPANIES (OMCS).

MOVEMENTS IN INTERNATIONAL OIL PRICES AND THE EXCHANGE RATE OF THE KWACHA TO THE UNITED STATES DOLLAR REMAINED THE PRIMARY FACTORS IMPACTING DOMESTIC FUEL PRICES IN ZAMBIA. THE MONTHLY PRICE ADJUSTMENTS ENSURED FULL COST RECOVERY FOR IMPORTERS WHILE SAFEGUARDING THE SECURITY OF SUPPLY FOR THE LOCAL ZAMBIAN MARKET.

WITH SUPPORT FROM THE FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE (FCDO), THE ERB ENGAGED A CONSULTANT THIS YEAR TO CONDUCT A COMPREHENSIVE REVIEW OF PETROLEUM DOWNSTREAM MARGINS. THE STUDY AIMED TO EVALUATE AND ALIGN THESE MARGINS TO ENSURE THAT PRUDENTLY INCURRED COSTS ARE RECOVERED WHILE SAFEGUARDING NATIONAL ENERGY SECURITY.

ON THE GLOBAL MARKET, PETROLEUM PRODUCTS TRADED AT AN AVERAGE OF **US\$81.41/BBL IN 2025**, COMPARED TO **US\$89.60/BBL IN 2024**. THE DECLINE IN AVERAGE OIL PRICES ON THE INTERNATIONAL MARKET, WAS LARGELY DRIVEN BY OVERSUPPLY, AS INCREASED PRODUCTION FROM OPEC+ MEMBERS AND NON-

OPEC PRODUCERS OUTPACED DEMAND. AT THE SAME TIME, DEMAND GROWTH GENERALLY SOFTENED DURING THE YEAR, DUE TO SLOWER ECONOMIC ACTIVITY IN MAJOR MARKETS, RISING ENERGY EFFICIENCY AND THE CONTINUED INCREASE IN UPTAKE OF ELECTRIC VEHICLES. THESE FACTORS, COUPLED WITH BROADER GLOBAL ECONOMIC UNCERTAINTY, EXERTED DOWNWARD PRESSURE ON OIL PRICES THROUGHOUT THE YEAR.

FUEL STOCK MONITORING

IN THE PERIOD JANUARY TO OCTOBER 2025 THE AVERAGE DAILY CONSUMPTION OF **DIESEL** INCREASED TO **4.9 MILLION LITRES** COMPARED TO **4.5 MILLION LITRES IN 2024**. SIMILARLY, THE AVERAGE DAILY CONSUMPTION OF **PETROL** INCREASED TO **1.8 MILLION LITRES** COMPARED TO **1.6 MILLION LITRES IN 2024**.

THE AVERAGE STOCK COVER DAYS FOR **DIESEL** AND **PETROL** DURING THE PERIOD JANUARY TO DECEMBER 2025 WERE **15.8 AND 11.8 DAYS**, RESPECTIVELY. ADDITIONALLY, THE AVERAGE STOCK COVER DAYS FOR **KEROSENE** WERE **10.7 DAYS** AND **7.8 DAYS** FOR **JET A-I** DURING THE SAME PERIOD.

THE ERB WILL CONTINUE TO MONITOR FUEL STOCK LEVELS ON A DAILY BASIS TO ENSURE A RELIABLE AND ADEQUATE SUPPLY OF PETROLEUM PRODUCTS ACROSS THE COUNTRY.

LICENSING:

THE ERB, IN LINE WITH ITS STATUTORY MANDATE TO OVERSEE AND REGULATE THE ENERGY SECTOR, CONTINUED TO FACILITATE INVESTMENTS AND ENSURE COMPLIANCE WITH TECHNICAL, FINANCIAL, LEGAL, SAFETY, AND ENVIRONMENTAL STANDARDS. THROUGH ITS LICENSING AND PERMITTING FUNCTIONS, THE ERB PLAYS A PIVOTAL ROLE IN SUPPORTING NATIONAL ENERGY SECURITY, ECONOMIC GROWTH, AND THE COUNTRY'S TRANSITION TOWARD A MORE DIVERSIFIED AND RESILIENT ENERGY MIX.

DURING THE REPORTING PERIOD, THE ERB GRANTED **474 STANDARD LICENCES** AND **100 CONSTRUCTION PERMITS**, COLLECTIVELY

REPRESENTING A PLEDGED INVESTMENT OF **ZMW 67.2 BILLION (APPROXIMATELY USD 2.9 BILLION)**. THESE APPROVALS DEMONSTRATE CONTINUED INVESTOR CONFIDENCE IN ZAMBIA'S ENERGY SECTOR AIMED AT ADDRESSING THE CURRENT ELECTRICITY DEFICIT AND ENSURE SUSTAINED SUPPLY OF PETROLEUM PRODUCTS. THEY ALSO UNDERSCORE THE SECTOR'S STRATEGIC IMPORTANCE TO INDUSTRIAL DEVELOPMENT AND OVERALL ECONOMIC STABILITY.

THE APPROVED LICENCES WERE DISTRIBUTED ACROSS THREE KEY SUB-SECTORS AS FOLLOWS:

1) ELECTRICITY:

- **11 LICENCES**, ACCOUNTING FOR **TWO PERCENT (2%)** OF ALL APPROVALS;

2) PETROLEUM:

- **274 LICENCES**, MAKING UP **FIFTY-EIGHT PERCENT (58%)** OF THE TOTAL; AND

3) RENEWABLE ENERGY:

- **191 LICENCES**, REPRESENTING THE REMAINING **FORTY PERCENT (40%)**.

THESE APPROVALS ARE NOT MERELY ADMINISTRATIVE PROCESSES. INSTEAD, THEY ARE CRITICAL INTERVENTIONS THAT DIRECTLY CONTRIBUTE TO:

- 1) ADDRESSING THE ELECTRICITY DEFICIT CURRENTLY AFFECTING HOUSEHOLDS, INDUSTRY, AND KEY ECONOMIC SECTORS;
- 2) IMPROVING THE SECURITY OF SUPPLY OF PETROLEUM PRODUCTS, WHICH ARE ESSENTIAL FOR TRANSPORTATION, MINING, AGRICULTURE, AND MANUFACTURING;

- 3) SUPPORTING NATIONAL ECONOMIC GROWTH, INCLUDING GOVERNMENT'S AMBITION TO INCREASE COPPER PRODUCTION AND IMPROVE COMPETITIVENESS; AND
- 4) FACILITATING LONG-TERM ENERGY INFRASTRUCTURE DEVELOPMENT, WHICH POSITIONS ZAMBIA AS A REGIONAL ENERGY HUB.

ONE OF THE NOTABLE APPROVALS DURING THIS PERIOD WAS THE LICENSING OF A **50 MW HEAT RECOVERY THERMAL POWER PLANT** FOR **UNITED CAPITAL FERTILIZER ZAMBIA LIMITED**, A PROJECT THAT ENHANCES LOCAL FERTILIZER PRODUCTION WHILE SUPPORTING POWER DIVERSIFICATION AND REDUCING RELIANCE ON THE NATIONAL GRID. THIS DEVELOPMENT DEMONSTRATES THE RESILIENCE OF THE ENERGY SECTOR AND ITS CONTINUED ABILITY TO ATTRACT INVESTMENT EVEN DURING POWER SUPPLY CHALLENGES.

OTHER LICENSED ACTIVITIES INCLUDED:

- 1) THE MANUFACTURE, SUPPLY, INSTALLATION, AND MAINTENANCE OF RENEWABLE ENERGY SYSTEMS TO SUPPORT HOUSEHOLD, COMMERCIAL AND INDUSTRIAL POWER GENERATION ACTIVITIES TO CUSHION THE IMPACT OF LOAD SHEDDING IN ALL SECTORS OF THE ECONOMY;
- 2) THE TRANSPORTATION, DISTRIBUTION, AND IMPORTATION OF PETROLEUM PRODUCTS, INCLUDING LIQUEFIED PETROLEUM GAS (LPG), WHICH SUPPORTS THE SHIFT TOWARD CLEANER HOUSEHOLD ENERGY SOURCES; AND
- 3) THE EXPANSION OF PETROLEUM INFRASTRUCTURE TO MAINTAIN NATIONWIDE FUEL AVAILABILITY.

THE ERB APPROVED **78 CONSTRUCTION PERMITS** IN THE PETROLEUM SUBSECTOR, WHICH WILL FACILITATE THE ESTABLISHMENT OF NEW SERVICE STATIONS AND STORAGE FACILITIES ACROSS THE COUNTRY. THESE INVESTMENTS ARE ESSENTIAL FOR ENSURING CONSISTENT PETROLEUM PRODUCT AVAILABILITY AND STRENGTHENING NATIONAL FUEL SECURITY.

IN THE ELECTRICITY SUBSECTOR, **22 CONSTRUCTION PERMITS** WERE APPROVED FOR STRATEGIC POWER PROJECTS DEVELOPMENT **AGGREGATED TO 1,545 MW**. THESE INCLUDE:

- 1) **1,115 MW OF SOLAR PHOTOVOLTAIC POWER PROJECTS** ACROSS SEVEN PROVINCES, WHICH WILL STRENGTHEN RENEWABLE ENERGY PENETRATION AND CLIMATE RESILIENCE;
- 2) **57 MW OF HEAT RECOVERY THERMAL PLANTS** IN LUSAKA, AIMED AT ENHANCING ENERGY EFFICIENCY AND INDUSTRIAL SUSTAINABILITY;
- 3) **330 MW OF COAL-FIRED THERMAL POWER GENERATION** IN SINAZONGWE AND KAZUNGULA DISTRICTS, WHICH WILL SUPPORT GRID RELIABILITY;
- 4) **35 MW OF BAGASSE-BASED POWER GENERATION** AT ZAMBIA SUGAR PLC IN MAZABUKA AND KAWAMBWA SUGAR LIMITED IN KAWAMBWA, PROMOTING CIRCULAR ECONOMY PRINCIPLES; AND
- 5) **7.2 MW OF EMERGENCY DIESEL POWER GENERATION** AT LUBAMBE COPPER MINE LIMITED TO SUPPORT CONTINUOUS MINING OPERATIONS.

THESE DEVELOPMENTS REPRESENT A SIGNIFICANT CONTRIBUTION TOWARD STABILIZING ZAMBIA'S ENERGY SUPPLY. THEY WILL ALSO:

- 1) ENHANCE THE RELIABILITY AND DIVERSITY OF ELECTRICITY GENERATION, THEREBY REDUCING VULNERABILITY TO DROUGHT AND OTHER SUPPLY RISKS;
- 2) STRENGTHEN THE PETROLEUM SUPPLY CHAIN AND ENSURE ADEQUATE AND GEOGRAPHICALLY BALANCED ACCESS TO FUELS;
- 3) SUPPORT INDUSTRIAL GROWTH, PARTICULARLY IN MINING, AGRICULTURE, AND MANUFACTURING; AND
- 4) CREATE JOBS AND STIMULATE LOCAL ECONOMIC ACTIVITY DURING CONSTRUCTION AND OPERATIONAL PHASES.

COLLECTIVELY, THESE INVESTMENTS REAFFIRM THE STRATEGIC IMPORTANCE OF THE ENERGY SECTOR IN SUSTAINING ECONOMIC GROWTH, PROMOTING NATIONAL PRODUCTIVITY AND ENSURING ZAMBIA'S LONG-TERM ENERGY SECURITY.

QUALITY PERFORMANCE:

ELECTRICITY

DURING THE PERIOD UNDER REVIEW, THE ENERGY REGULATION BOARD CONTINUED TO MONITOR POWER QUALITY PERFORMANCE THROUGH THE IMPLEMENTATION OF THE POWER QUALITY MANAGEMENT FRAMEWORK. ACCORDING TO THE PQMS FRAMEWORK, A TOTAL OF **353 SITES** ARE REQUIRED TO BE MONITORED FOR POWER QUALITY AND RELIABILITY BY THE LICENSEES,

AS AT END OF QUARTER THREE (03) OF 2025, **316 SITES** WERE MONITORED BY VARIOUS LICENSEES IN THE ELECTRICITY SUB-SECTOR AND THE COMPLIANCE RATE WAS AT **84.0%** WHICH MET THE REGULATORY TARGET OF **80%**.

PETROLEUM

THE ENERGY REGULATION BOARD, IN COLLABORATION WITH THE ZAMBIA BUREAU OF STANDARDS (ZABS) GAZETTED THE FOLLOWING ZAMBIAN STANDARDS IN THE PETROLEUM SUBSECTOR:

- 1) THE REVISED ZAMBIAN STANDARD **ZS 372: TRANSPORTATION OF PETROLEUM PRODUCTS: OPERATIONAL REQUIREMENTS FOR ROAD TANK VEHICLES – CODE OF PRACTICE.**
 - THIS STANDARD WAS REVISED TO PROVIDE TECHNICAL REQUIREMENTS FOR SAFE PARKING AREAS FOR ROAD TANK VEHICLES.
- 2) NEW ZAMBIAN STANDARD **ZS 1261: PETROLEUM CUSTOMER QUALITY OF SERVICE.**
 - THIS STANDARD WAS DEVELOPED TO OUTLINE THE MINIMUM

REQUIREMENTS FOR MEASURING THE QUALITY OF SERVICE PROVIDED BY PETROLEUM SERVICE STATIONS IN ZAMBIA AS WELL AS EVALUATING PERFORMANCE. IN ADDITION, THE STANDARD PROVIDES TIMELINES IN WHICH DIFFERENT CUSTOMER COMPLAINTS FROM THE PETROLEUM SUB-SECTOR ARE EXPECTED TO BE RESOLVED BY LICENSEES

DURING THE YEAR, THE ENERGY REGULATION BOARD PROMULGATED/GAZETTED GUIDELINES AND FRAMEWORKS WHICH WERE DEVELOPED AND/OR REVISED IN COLLABORATION WITH OTHER STAKEHOLDERS AS FOLLOWS:

- 1) GUIDELINES FOR IMPLEMENTATION OF THE UNIFORM PETROLEUM PRICING (UPP) MECHANISM FOR THE ZAMBIAN PETROLEUM RETAIL SECTOR.
 - THE GUIDELINES HARMONISED PREVIOUSLY ISSUED INSTRUCTIONS ON THE UPP MECHANISM TO ALIGN WITH THE UPP POLICY. THE SAID GUIDELINES WERE APPROVED BY THE MINISTRY OF ENERGY ON 18TH SEPTEMBER 2025.

- 2) GUIDELINES FOR THE APPROVAL OF PERFORMANCE ENHANCING ADDITIVES IN PETROLEUM FUELS. THE DEVELOPED GUIDELINES WERE PUBLISHED IN THE REPUBLIC OF ZAMBIA GOVERNMENT GAZETTE UNDER GAZETTE NOTICE NO. 356 OF 2025, DATED 11TH APRIL 2025.
 - THE NEED FOR ADDITIVES IS PARTLY DRIVEN BY THE IMPACT THE EMISSIONS EMANATING FROM THE COMBUSTION OF PETROLEUM FUELS IN VEHICLES HAVE ON THE ATMOSPHERE AND ON CLIMATE CHANGE. IN THIS CASE, ADDITIVES HAVE BEEN IDENTIFIED AS ONE OF THE MEASURES THAT CAN PLAY A ROLE IN ENHANCING PERFORMANCE OF VEHICLE ENGINES WITH REGARDS TO THEIR DURABILITY, POWER, FUEL CONSUMPTION AND EMISSIONS. THE SAID GUIDELINES PROVIDES THE CRITERION FOR THE ACCEPTANCE OF THE SAID ADDITIVES

TO SUPPORT THE REVISED ZAMBIAN STANDARD ZS 372 AND ENHANCE LICENSING, THE ENERGY REGULATION BOARD HAS APPROVED THE REVISED LICENSING FRAMEWORK TO INCLUDE BULK RETAILING AT TRUCK STOPS AND SELECTED CONSUMER FACILITIES. THIS IS INTENDED TO DECONGEST REGULAR FILLING STATIONS, THEREBY ELIMINATING THE PROBLEM OF TRUCKS (BOTH PETROLEUM AND NON-PETROLEUM) PARKING AT FILLINGS STATIONS AND QUEUING UP ALONG ROADS WHILE WAITING TO REFUEL

IN ORDER TO ENHANCE REGULATORY OVERSIGHT, THE ENERGY REGULATION BOARD COMPLETED THE DEVELOPMENT OF THE REGULATORY TOOLS IN COLLABORATION WITH OTHER GOVERNMENT AGENCIES AND STAKEHOLDERS AS FOLLOWS:

- 1) DRAFT PETROLEUM FUELS AND FUEL BLENDS QUALITY REGULATIONS:
 - THESE REGULATIONS WILL SUPPORT ENFORCMENT OF THE INTRODUCTION OF THE BLENDED FUELS ON THE ZAMBIAN MARKET. THESE WILL SOON BE SUBMITTED TO THE MINISTRY FOR FINALISATION; AND
- 2) DRAFT GUIDELINES ON IN-TRANSIT LOSSES FOR THE ZAMBIAN PETROLEUM INDUSTRY.
 - THE SAID GUIDELINES WILL BE ABLE TO GUIDE THE INDUSTRY ON THE ALLOWABLE INTRANSIT LOSSES. THESE WILL SOON BE PRESENTED TO THE BOARD FOR APPROVAL

IN ADDITION, DEVELOPMENT OF THE ZAMBIAN STANDARD FOR THE USE OF PORTABLE CONTAINERS FOR HANDLING OF PETROLEUM PRODUCTS REACHED AN ADVANCED STAGE AND IS EXPECTED TO BE COMPLETED IN THE FIRST QUARTER OF 2026. THIS STANDARD IS MEANT TO PROVIDE SPECIFICATIONS FOR THE PORTATIBLE CONTAINERS THAT CAN BE USED FOR CONVEYING PETROLEUM PRODUCTS.

FURTHER, REVISION OF THE FOLLOWING PETROLEUM PRODUCTS QUALITY STANDARDS HAS REACHED AN ADVANCED STAGE.

- 1) ZS 395: UNLEADED PETROL (GASOLINE) FOR MOTOR VEHICLES SPECIFICATIONS
- 2) ZS 718: LOW SULPHUR GASOIL (LSGO) – SPECIFICATIONS; AND
- 3) ZS 369: AUTOMOTIVE GASOIL (DIESEL FUEL) – SPECIFICATIONS

GAZZETING OF THESE STANDARDS IS EXPECTED TO BE UNDERTAKEN IN THE FIRST QUARTER OF 2026.

COMPLIANCE MONITORING:

UNDER THE ENERGY REGULATION ACT NUMBER 12 OF 2019, THE ERB IS MANADATED TO MONITOR THE PERFORMANCE OF LICENSEES AND ENTERPRISES IN THE ENERGY SECTOR TO ENSURE COMPLIANCE TO SET STANDARDS, CODES, GUIDELINES AND REGULATIONS.

ELECTRICITY

IN AUGUST 2025, THE ERB ROLLED-OUT REVISED CHECKLISTS FOR RISK-BASED INFRASTRUCTURE COMPLIANCE MONITORING AUDITS FOR THE ELECTRICITY SUB-SECTOR.

FOR THE 2025 LICENSEES TECHNICAL AUDITS, A TOTAL OF **200 SITES** WERE AUDITED ACROSS THE **10 PROVINCES**. THE AUDITING CRITERIA FOCUSED ON ALL SITES THAT SCORED **80% AND BELOW** IN THE 2024 AUDITS. OVERALL, THE **200 SITES** AUDITED IN 2025 RECORDED AN AVERAGE DISTRIBUTION INFRASTRUCTRE COMPLAINCE SCORE OF **73%** COMPARED TO **74%** IN 2024, THIS SHOWED A SLIGHT DECLINE FROM LAST YEAR'S PERFORMANCE AND BELOW THE ERB SET COMPLIANCE BENCHMARK OF **80%**.

THE WAS DONE THROUGH SELF ASSESSMENT MEANT TO ENSURE THAT LICENSEES UPHOLD THE HIGHEST STANDARDS OF SAFETY, OPERATIONS AND MAINTENANCE TO PROTECT CUSTOMERS AND TO ENSURE THE RELIABILITY OF OUR ENERGY SUPPLY. THE ERB HAS ACCORDINGLY COMMENCED VERIFICATION AUDITS TO VALIDATE THE COMPLIANCE SCORES REPORTED BY LICENSEES. THIS WILL CULMINATE INTO OTHER INTERVENTIONS TO ENSURE THAT APPROPRIATE

CORRECTIVE ACTIONS IS UNDERTAKEN TO IMPROVE THE LOW COMPLIANCE RATES.

PETROLEUM

WITH THE INCREASED NUMBER OF LICENSEES IN THE PETROLEUM SUBSECTOR, THE ERB HAS IMPLEMENTED THE RISK BASED COMPLIANCE MONITORING APPROACH JUST LIKE IN THE ELECTRICITY SUBSECTOR, IN ORDER TO ENHANCE ADHERENCE TO NATIONAL STANDARDS, CODES AND GUIDELINES.

IN THIS REGARD, OMCs CONDUCTED COMPLIANCE AUDITS OF THEIR INFRASTRUCTURE AND SYSTEMS AGAINST THE PROVISIONS OF THE ABOVE-MENTIONED REGULATORY TOOLS. REPORTS OF THESE AUDITS WERE SUBMITTED BY THE OMC's TO THE ERB IN LINE WITH CONDITIONS OF THEIR RESPECTIVE LICENCES. IN THE THIRD AND FOURTH QUARTERS OF 2025, THE ERB UNDERTOOK AUDITS OF PETROLEUM INFRASTRUCTURE TO VALIDATE THE REPORTS RECEIVED FROM OMCs AS FOLLOWS:

- **27 BULK FUEL STORAGE DEPOTS, WHOSE AVERAGE COMPLIANCE LEVEL STOOD AT 86.3 PERCENT, AGAINST A SET TARGET OF 95 PERCENT.**
- **14 BULK DEPOTS FOR LIQUEFIED PETROLEUM GAS (LPG), WHOSE AVERAGE COMPLIANCE RATE STOOD AT 91.7 PERCENT, AGAINST THE SET TARGET OF 90 PERCENT; AND**
- **406 FILLING STATIONS WHOSE AVERAGE COMPLIANCE RATE STOOD AT 88.7% AGAINST THE SET TARGET OF 95%.**

OIL MARKETING COMPANIES (OMCS) WHOSE INFRASTRUCTURE DID NOT MEET THE PRESCRIBED COMPLIANCE TARGETS WILL BE SUMMONED FOR TECHNICAL HEARINGS FOR POSSIBLE ENFORCEMENT IN THE FIRST QUARTER OF 2026. FURTHER, THESE OMCS HAVE BEEN ISSUED WITH SPECIFIC TIMELINES WITHIN WHICH TO RECTIFY AND CLOSE THE IDENTIFIED ANOMALIES

FUEL MARKING

THE ENERGY REGULATION BOARD CONTINUED TO IMPLEMENT THE FUEL MARKING PROGRAM, WHOSE OBJECTIVES INCLUDE CURBING FUEL ADULTERATION (COMMONY KNOWN AS CHANGANYA), A VICE THAT COMPROMISES THE QUALITY OF PETROLEUM PRODUCTS ON THE MARKET.

IN ADDITION, FUEL MARKING DETECTS DUMPING AND SMUGGLING, THE TWO VICES THAT NOT ONLY DEPRIVE GOVERNMENT OF THE MUCH-NEEDED REVENUE IN FORM OF TAXES BUT ALSO PROMOTES UNFAIR COMPETITION IN THE PETROLEUM SUBSECTOR.

IN THE ZAMBIAN CONTEXT, FUEL MARKING ENTAILS THE DOSING OF ALL LEGITIMATELY IMPORTED DIESEL, PETROL AND KEROSENE (PRIOR TO DISPATCH INTO THE LOCAL MARKET), WITH SMALL PRESCRIBED QUANTITY OF UNIQUELY FORMULATED BIOCHEMICAL SUBSTANCE (KNOWN AS MARKER) AND SUBSEQUENT MONITORING OF IT'S CONCENTRATION THROUGHOUT THE SUPPLY CHAIN USING CUSTOMISED EQUIPEMENT.

CHANGES TO THE CONCENTRATION OF THE MARKER DOWN STREAM WOULD INDICATE ADULTERATION, SMUGGLING AND DUMPING BETWEEN THE DISPATCH PORT AND THAT LOCATION.

BETWEEN 1ST JANUARY 2025 AND 30TH NOVEMBER 2025, A TOTAL VOLUME OF **2.4 MILLION CUBIC METRES** OF UNLEADED PETROL, DIESEL AND KEROSENE DESTINED FOR THE DOMESTIC MARKET WAS MARKED. DURING THE SAME PERIOD, THE ERB UNDERTOOK NATIONWIDE FIELD SAMPLING AND TESTING COMPLIANCE MONITORING EXERCISES. DURING THE FIRST HALF OF THE YEAR, THE ERB RECORDED AN OVERALL COMPLIANCE RATE OF **87.0%** WHILST THE PRELIMINARY COMPLIANCE RATE ACHIEVED DURING THE QUARTER 3 SAMPLING CAMPAIGN STOOD AT **91.8%**.

FURTHER, TO ENHANCE PETROLEUM QUALITY MONITORING, DURING THE PERIOD UNDER REVIEW, THE ON-SITE PRODUCT QUALITY PILOT TESTING EXERCISE WAS UNDERTAKEN CONCURRENTLY WITH FUEL MARKING FIELD SAMPLING AND TESTING. A TOTAL OF **309 SAMPLES** WERE TESTED, AND A COMPLIANCE RATE OF **95.8%** WAS ATTAINED. ONCE FULLY ROLLED OUT, THE

ONSITE INDICATIVE PRODUCT QUALITY TESTING WILL ENHANCE THE ERB'S CAPACITY TO ENSURE THAT PETROLEUM PRODUCTS ON THE MARKET ARE OF ACCEPTABLE QUALITY.

TO COMPLEMENT THE FUEL MARKING INITIATIVE, THE ERB CONTINUED TO FACILITATE COORDINATED RAIDS ON SMUGGLING ENTRY POINTS AND ILLEGAL FUEL VENDING HOTSPOTS. THESE OPERATIONS WERE CONDUCTED BY THE TASK TEAM COMPRISING LAW ENFORCEMENT AGENCIES AND OTHER KEY STAKEHOLDERS.

DURING THE PERIOD UNDER REVIEW, THE TASK TEAM CARRIED OUT RAIDS IN EASTERN, WESTERN, AND NORTHWESTEN PROVINCES, RESULTING IN THE SEIZURE OF **19,578 LITRES** OF FUEL AND THE ARREST OF **68 SUSPECTS**. OF THESE, **39** HAVE BEEN CONVICTED BY THE COURTS OF LAW AND HAVE SINCE PAID THE FINES WHILE **29 CASES** ARE STILL PENDING IN THE COURTS OF LAW.

ENFORCEMENTS:

ENFORCEMENT ACTION IS A NECESSARY REGULATORY FUNCTION AS IT AIMS TO PROTECT THE INTERESTS OF CONSUMERS, ENSURE FAIR COMPETITION, PROVIDE QUALITY SERVICE, PROMOTE SAFETY AND FOSTER RELIABILITY IN THE ENERGY SECTOR.

DURING THE PERIOD UNDER REVIEW, THE ERB CARRIED OUT ENFORCEMENT ACTION WITH RESPECT TO **ONE HUNDRED AND SEVENTY (170) MATTERS**. OUT OF THOSE MATTERS, **TWENTY-FIVE (25)** WERE IN CONTRAVENTION OF THE ENERGY REGULATION ACT NO. 12 OF 2019, **ONE HUNDRED AND TWO (102)** WERE WITH RESPECT TO BREACH OF VARIOUS LICENCE CONDITIONS, WHILE **FORTY-THREE (43)** WERE IN RESPECT TO LICENSEES DEFAULTING IN THE PAYMENT OF THEIR STATUTORY OBLIGATIONS IN FEES PAYABLE TO THE ERB.

THE OFFENDING ENTITIES WERE FINED, REPRIMANDED FOR NON-COMPLIANCE WHILE REGULATORY LICENCE REQUIREMENTS AND DEBT COLLECTION MEASURES WERE EMPLOYED TO RECOVER THE OUTSTANDING STATUTORY FEES

IN ACCORDANCE WITH THE ENERGY REGULATION ACT NO. 12 OF 2019 AND OTHER ENFORCEMENT ACTION INCLUDING COURT PROCESS.

CONSUMER COMPLAINTS:

THE ENERGY REGULATION ACT NO. 12 OF 2019 MANDATES THE ENERGY REGULATION BOARD TO PROTECT AND SAFEGUARD CONSUMER INTERESTS THROUGH THE ESTABLISHMENT AND ENFORCEMENT OF EFFECTIVE COMPLAINTS HANDLING MECHANISM. IN FULFILMENT OF THIS MANDATE, THE ENERGY REGULATION BOARD IS COMMITTED TO ENSURING THAT COMPLAINTS EMANATING FROM THE PROVISION OF PRODUCTS AND SERVICES FROM THE ELECTRICITY, PETROLEUM, AND RENEWABLE ENERGY SUB-SECTORS ARE ADDRESSED WITHIN THE AGREED SERVICE LEVEL AGREEMENT TIMELINES.

IN EXECUTING THIS FUNCTION, THE ENERGY REGULATION BOARD HAS ESTABLISHED A ROBUST COMPLAINTS HANDLING PROCEDURE WHICH, AMONG OTHER THINGS, PROVIDES AN END-TO-END PROCESS FROM THE POINT A COMPLAINTS IS RECEIVED UNTIL IT IS RESOLVED. FOR CONTEXT, DURING THE REVIEW PERIOD, A TOTAL OF **450** COMPLAINTS WERE HANDLED FROM WHICH **362** WERE RESOLVED, REPRESENTING A RESOLUTION RATE OF **80.4%**.

WITHIN THE SAME PERIOD, THE ELECTRICITY SUB-SECTOR ACCOUNTED FOR **366** COMPLAINTS RECEIVED, REPRESENTING **81.3%** OF THE TOTAL CASES. A MAJORITY OF THESE COMPLAINTS RELATED TO DELAYED NEW CONNECTIONS TO THE ELECTRICITY GRID AND POWER OUTAGES, RESPECTIVELY.

THE PETROLEUM SUB-SECTOR ACCOUNTED FOR **71** COMPLAINTS ACCOUNTING FOR **15.8%** OF THE TOTAL CASES HANDLED. THE BULK OF PETROLEUM CASES RELATED TO PRODUCT CONTAMINATION.

THE RENEWABLE SUB-SECTOR ACCOUNTED FOR ONLY **2.9%** OF THE CASES RECEIVED WITH 13 COMPLAINTS WHICH MAINLY BORDERED ON OFF SPECIFICATION SOLAR EQUIPMENT SUCH AS BATTERIES AND INVERTERS.

TO EXPEDITE THE RESOLUTION OF OUTSTANDING COMPLAINTS, THE ENERGY REGULATION BOARD HELD COMPLAINTS MEETINGS FOR CASES WHICH HAD

REMAINED UNRESOLVED BEYOND SERVICE LEVEL AGREEMENTS AND INDUSTRY STANDARDS TIMELINES. AS SUCH, THE MEETINGS PROVIDED A PLATFORM FOR AMICABLE RESOLUTION OF COMPLAINTS WHERE AFFECTED PARTIES ARE BROUGHT TOGETHER TO THE MEDIATION ROUNDTABLE BY THE REGULATOR.

CONSUMER AWARENESS PROGRAMMES:

ENGAGING WITH STAKEHOLDERS REMAINS CRUCIAL TO THE ERB AS IT PROVIDES PLATFORMS FOR MUTUAL INTERACTION. IN ORDER TO ENHANCE VISIBILITY AND RAISE AWARENESS AMONG THE STAKEHOLDERS, THE ENERGY REGULATION BOARD UNDERTOOK SEVERAL AWARENESS PROGRAMMES WHICH, AMONG THEM INCLUDED: EXHIBITIONS, MOBILE OFFICE OUTREACH ACTIVITIES, AWARENESS TOWN HALL MEETINGS, MEDIA TOURS AND SCHOOL SENSITISATION VISITS.

THESE PROGRAMMES AIM TO EMPOWER CONSUMERS TO MAKE INFORMED DECISIONS, PROMOTE ENERGY SAFETY AND EFFICIENCY AND ENSURE FAIR AND TRANSPARENT REGULATORY PROCESSES.

NON-TAX REVENUE COLLECTION:

THE ENERGY REGULATION BOARD IS CHARGED WITH THE RESPONSIBILITY TO COLLECT LICENCE FEES AS NON-TAX REVENUE ON BEHALF OF THE ZAMBIAN GOVERNMENT.

DURING THE REPORTING PERIOD, THE ERB COLLECTED ZMW **777 MILLION** IN LICENCE FEES, AGAINST THE TARGET OF **ZMW 639 MILLION** AS AT 30TH NOVEMBER 2025, EXCEEDING ITS TARGET **BY 22%**.

THIS NOTABLE ACHIEVEMENT DEMONSTRATES THE ERB'S COMMITMENT TO EFFECTIVE REGULATION AND REVENUE COLLECTION ON BEHALF OF THE GOVERNMENT TO SUPPORT THE COUNTRY'S ECONOMIC GROWTH AND DEVELOPMENT.

CONCLUSION:

IN CONCLUSION, THE ERB HAS THIS YEAR ADVANCED SEVERAL REGULATORY ACTIONS DESIGNED TO SUPPORT ALL THREE KEY ENERGY SUB SECTORS – ELECTRICITY, PETROLEUM AND RENEWABLE ENERGY. KEY MILESTONES IN THE YEAR INCLUDED ACCELERATED APPROVALS FOR ENERGY PROJECTS WHICH HAVE ENCOURAGED INVESTMENT IN THE ENERGY SECTOR THAT ARE FAST TRACKING ZAMBIA'S RECOVERY FROM THE ENERGY DEFICIT AND SUPPLY CHALLENGES.

THE ERB IS MOST GRATEFUL TO THE GOVERNMENT'S RESOLUTE LEADERSHIP AND UNWAVERING SUPPORT THAT ENABLED THE ENERGY SECTOR GROWTH AND INVESTMENTS IN 2025 THROUGH EFFECTIVE POLICIES AND FORWARD-LOOKING REFORMS. UNDOUBTEDLY, ZAMBIA IS ON THE PATH TO TAKING ITS RIGHTFUL PLACE AS THE ENERGY HUB IN THE REGION.

WITH FURTHER ENHANCED COLLABORATION WITH AND STEADFAST SUPPORT FROM VARIOUS STAKEHOLDERS, THE ERB HOPES TO BUILD ON THE 2025 MOMENTUM INTO 2026.

THANK YOU FOR YOUR ATTENTION AND COMPLIMENTS OF THE SEASON.

GOD BLESS YOU ALL.