



Powering The Nation

TITLE:
EMERGENCY TARIFF
APPLICATION TO ERB

JULY 2024



EMERGENCY TARIFF APPLICATION 2024

Document

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INTRODUCTION

Zambia is currently grappling with a severe challenge of prolonged drought, exacerbated by the El Nino phenomenon, resulting in significant impacts on the country's energy, food and water security. This deficit is increasing as the year progresses due to depleting water levels in the main reservoirs at Kariba, and Itzhi-Tezhi. The drought has particularly affected the electricity production with a deficit of 825MW as at July 2024 against the demand of 2300MW.

The Republican President's declaration of National Disaster and Emergency as provided for under the Disaster Management Act No.13 of 2010 and the Energy Regulation Board's letter and gazette issued on 12 April 2024 regarding the declaration of a state of Emergency pursuant to Part (ii) Article 18 of the Electricity Act No. 11 of 2019 provides sufficient impetus for support towards ZESCO's application to revise tariffs during the emergency period.

To address the deficit, ZESCO has escalated emergency power imports from 64MW in January 2024 to 254MW in July 2024 while other traders are importing 155MW bringing total imports to 409MW. Moreover, ZESCO has augmented inland power generation through the Ndola Energy (105MW) HFO Plant from 20th June 2024. To further bolster the situation, ZESCO has decreased exports by 262MW from 502MW in February 2024 to approximately 240MW in July 2024 translates to approximately US\$20 million of lost revenue. (*The power exports versus imports are shown in table below*). Additionally, ZESCO has introduced power rationing measures, extending the initial 8-hour period for May 2024 to the current 12-hour period as advertised in the schedules. It must be stated that when system constraints are experienced the rationing hours generally go beyond the stipulated 12 hours. This is escalated by faults that are mistaken for power rationing as well. Despite these initial measures the deficit has increased from 750MW in March to 825MW in July 2024.

This is entirely a sinking position which requires immediate response. Further delay in approving this application will have dire consequences as the depletion dates of the water resource allocation at Kariba and maintenance of units at Maamba are fixed and closing

in. The corporation will require a total of **US\$68 million** every month in order to cushion the deficit, out of which ZESCO will contribute **US\$17 million** leaving a balance of **US\$51 million**. ZESCO believes this financial resource can be obtained through this emergency tariff application, failure to which the shareholder will have to bridge the funding gap to maintain the status quo.

POWER BALANCE UPDATE

DESCRIPTION	Jul	Aug	Sep	Oct	Nov	Dec	AVERAGE
TOTAL GENERATION	1,255	1,170	1,151	1,200	1,192	1,207	1,451
IMPORTS	409	409	409	409	409	409	305
AVAILABLE POWER	1,664	1,579	1,560	1,609	1,601	1,616	1,756
LOCAL DEMAND	1,818	1,761	1,799	1,760	1,638	1,629	1,864
LV EXPORTS	21	21	21	21	21	21	20
HV EXPORTS	240	240	240	240	240	240	294
TOTAL EXPORTS	261	261	261	261	261	261	314
DEMAND + EXPORT	2,079	2,022	2,060	2,021	1,899	1,890	2,178
DEFICIT BEFORE IMPORTS	-824	-852	-909	-821	-707	-683	-727
DEFICIT AFTER IMPORTS	-415	-443	-500	-412	-298	-274	-422
EXEMPTED LOADS							
MINES	680	680	680	680	680	680	680
CRITICAL REGIONAL LOADS	250	250	250	250	250	250	250
TOTAL EXEMPTED LOADS	930	930	930	930	930	930	930
LOADS ON LOAD MANAGEMENT	888	831	869	830	708	699	934
LOAD SHEDDING HOURS	11	13	14	12	10	9	11

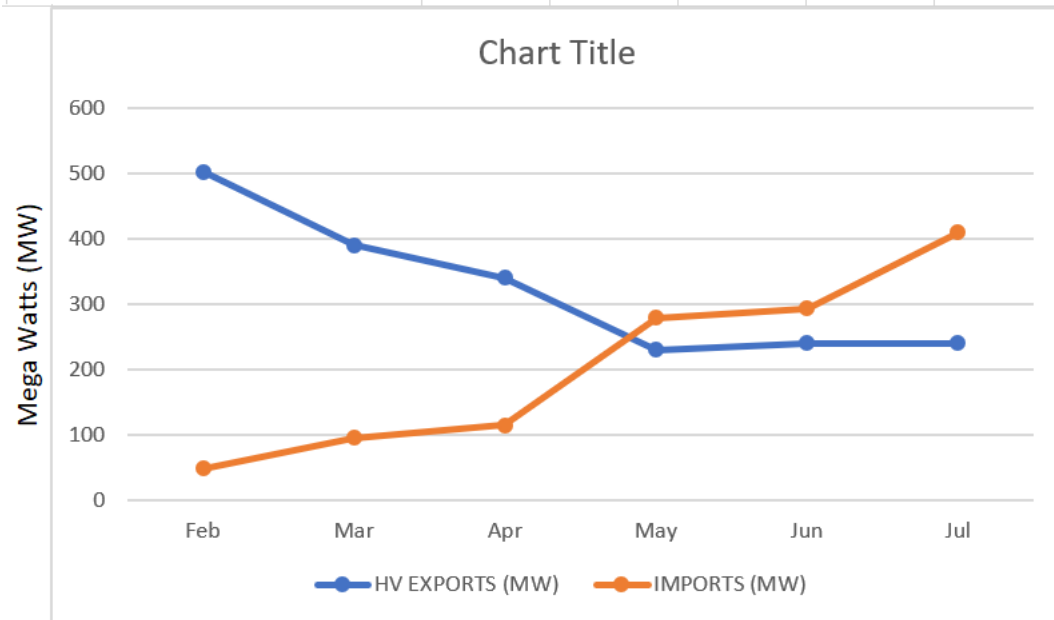
The power balance shows the power supply needed through the period July to December 2024. In the process it accounts for both the maintenance of the Maamba plant, anticipated stoppage of power generation at Kariba in September and expected new imports of power.

The process maintains the status quo and does not worsen the current power rationing status.

It must also be noted that the objective of the emergency tariff application is to stabilised the current power rationing (load shedding) and not to reduce it. The envisaged tariff is meant to minimally impact on the vulnerable low power users and protect the commercial industry whose power utilization is circa 2% of the total demand.

Power Exports vs Imports

DESCRIPTION	Feb	Mar	Apr	May	Jun	Jul
HV EXPORTS (MW)	502	390	340	230	240	240
IMPORTS (MW)	48	95	114	279	293	409
DESCRIPTION	Feb	Mar	Apr	May	Jun	Jul



The exports have been reduced from the contracted capacity of **502MW** in February 2024 to **240MW** in July 2024. The residue exports of **240MW** are reserved for the monthly power purchase from IPPs specifically Maamba Collieries and Itzhi Tezhi Power Company which are denominated in United States Dollar. Further, receivables from Nampower export revenue are assigned as collateral for a ZANACO syndicated facility that was obtained to pay IPP legacy debt. This is to hedge against the foreign exchange effects. The remaining exports are for life-line cross border obligations to the neighboring countries which account for about 10% of the total exports. The exports are also necessary for system stability in the interconnected power system. Overall, exports have reduced to an extent where ZESCO has moved from being a net exporter to a net importer.

Further to the above, the Kariba North Bank Power Station (KNBPS) is expected to deplete the allocated 8 billion cubic meters of water by September 2024 further increasing the deficit by 300MW. Additionally, Maamba Coal Plant will be taking out units 1 and 2 for mandatory routine maintenance in August and September respectively,

reducing the available power by 150MW. With the two events and without any further mitigations, the total deficit will increase by 450MW, thereby increasing the power rationing by 4 hours.

The Corporation will be required to procure an additional 150MW during the Maamba outage and 300MW once the Kariba North Bank water allocation is depleted to keep the productive sectors of the economy running while power rationing at 12 hours. To be able to secure this power, financial resources are required which are above ZESCO’s current tariff structure keeping in mind that lifeline tariffs applicable to domestic and commercial categories should not be affected to protect the masses and small businesses. The tenure for emergency tariff will be for a period of 9 months but to be reviewed periodically by the ERB.

ZESCO has identified and will proceed to procure from two sources (EDM-Karpowership of Mozambique-50MW and ESKOM of South Africa-70MW) at an indicative cost of US\$17 million monthly for the 120MW exclusive of wheeling costs, for a six-month period. Further, an additional 180MW from inland Diesel Generation will have to be procured at an indicative cost of US\$34 million per month for a period of six months (minimum rental period by most suppliers interacted with thus far) effective October 1, 2024. This will bridge the 300MW gap once the Kariba water allocation is depleted.

As the situation ahead is dire, ZESCO has continued to seek sources of power supply to reach over to the anticipated rain season. In this front, the pursuit of procurement of power supply from various sources. The indicative and possible include but not limited to the listed below:

Anticipated Sources and costs of Replacement Power Supply

Source	Tariff Estimated US\$ (Cents)	Quantum (MW)	Average Monthly Energy (GWh)	Average monthly Cost (USD Million)
South Africa	17	70	50	8.50
EDM	22	50	37	8.14
Diesel - Inland	26	180	131	34.06
	23.23	300	218	50.70

The current tariff structure does not cover the indicative costs of the power procurement, necessitating the need for an emergency tariff application as provided for in the Electricity Act No. 11 of 2019. ZESCO Limited made an application to the ERB on the 11th of July 2024 and the said application was rejected on the 17th of July 2024 as per the letter referenced ERB/103.3; Decision on ZESCO Limited’s Emergency Tariff Application.

Summary of Cashflows April 2024 – December 2024

Details	Baseline Tariff (US\$)	Current (US\$)	Emergency Tariff (US\$)
Revenue	97,953,572	104,765,246	136,076,087
Power Costs	75,518,308	89,317,719	134,514,647
Operating expenses less Interest on IPP Debt	18,958,451	18,958,451	18,958,451
Net Cashflows	3,476,813	(3,510,924)	(17,397,010)

The Regulator rejected ZESCO’s application citing concerns that the application lacked sufficient detail to enable the ERB Board to render its decision. ZESCO hereby submits its responses as requested for by the Regulator;

1 Item 1. SOURCES OF POWER AND QUANTUMS

The sources and quantum of emergency power being procured and proposed for procurement is highlighted in the table below. The average tariff for all the procured power is US¢23.23 at a total monthly cost of US\$51 million.

Sources, Tariffs, Costs & Quantum of Power

Source	Tariff		Average	Average
	Estimated US¢	MW	Monthly GWh	monthly USD Million
South Africa	17.00	70	50	9
EDM	22.00	50	37	8
Diesel - Inland	26.00	180	131	34
	23.23	300	218	51

At the current ZESCO retail price, the Corporation cannot generate the requisite resources finances to cover the required emergency power. We are presented with three scenarios:

- 1) Getting a monthly grant of the \$51 million to cover the costs;
- 2) Leaving matters as they are and increasing power rationing (load-shedding).
- 3) Upward adjustment of tariffs so that the Corporation raises the required finances to import emergency power.

2 ITEM 2 POWER FROM DOMESTIC SOURCES

ZESCO has received several proposals from various power traders using Diesel in the domestic spectrum. This has been through various meetings and discussions involving ZESCO, ERB, and the Ministry of Energy.

- a) The initiatives to procure power from both domestic and international sources aim to bridge the anticipated gap resulting from the depletion of water allocation at Kariba Power Station in September 2024.
- b) The quantum of 300MW of power to be procured is aligned to the US¢ 23.23 tariff being proposed in the emergency tariff application.
- c) The new sources of power will replace the power that will be lost from the imminent shutdown of Kariba Power Station and will not reduce the current 12 hours of power rationing. Without the purchase of emergency power, the power rationing would be extended from the current 12 hours to 16 hours per day.

3 ITEM 3 - DISASTER FUND REQUEST AND INLAND DIESEL POWER GENERATION

a) Inland Diesel Generators (cost of Procurement, power production and quantum of power)

The quantum and costs of inland diesel generators is illustrated in the table below and supported by documentation from Ndola Energy, Main Street and Matase Industrial Solutions. The ZESCO team undertook a due diligence exercise at Matase Industrial to ascertain the suitability of the various proposed solutions with units sized according to critical loads.

Inland Diesel Generation:

Supplier	MW	\$'000
NECL	150	130,000
Main Street	36	19,600
Matase Industrial Solutions	90	31,500
	276	181,100

b) DMMU, Ministry of Finance & National Planning, Government Departments and Co-operating Partners - ZESCO on 2nd April 2024 requested the Ministry of Energy to secure US\$90 million as initial payment for two months for the purchase of 240MW of emergency power imports as per attached request. A total amount of US\$30 million was disbursed to ZESCO against a request of US\$140 million (US\$90 million for emergency power and US\$50 million for solar elements).

The disbursed amount of US\$30 million (21% of requested amount) if entirely committed to solar plants could generate about 37.5 MW, against a monthly deficit of 825 MW.

4 ITEM 4 - IMPACT OF EMERGENCY TARIFF ON LOAD SHEDDING

The emergency tariff is meant for ZESCO to purchase emergency power which is not covered in the current tariff regime. The procurement of replacement power is primarily

focused on sustaining the operational continuity of key sectors within the economy. This initiative is crucial due to the forecasted depletion of water allocation at Kariba Power Station (300MW) in September 2024 and the mandatory routine maintenance downtime at Maamba Collieries Limited, resulting in a 150MW reduction in power generation during August and September 2024.

As indicated in 2, “c” above, without the purchase of emergency power, the power rationing would be extended from the current 12 hours to 16 hours per day.

5 ITEM 5 - PROJECTED FINANCIAL PERFORMANCE

The recorded profit of **ZMW 2,869 million** for the period ended 30 June 2024 was mainly driven by exchange gains of **ZMW 5,300 million** attributed to currency fluctuations. Ultimately, without the exchange gains in February, May and June 2024 the corporation would have recorded a net operation loss of **ZMW 2,400 million**.

Nevertheless, the shifting of loads by customers and/or noncompliance, including exempted loads, has resulted in the following consequences:

- 1) *Over generation, which has triggered the projected shutdown of the Kariba Station by end of September and minimal generation in the Kafue basin.*
- 2) *Unscheduled power flows on the international connection powerlines (Tie-line). This is drawing power beyond the agreed schedules thereby inconveniencing other utilities leading to costly penalties.*

Looking ahead, the financial repercussions are projected to become increasingly evident, as outlined in the analysis below:

Retail Sales June 2024 vs June 2023 (when the demand is high)

CUSTOMER CATEGORY	2024 June kWh	2023 June kWh	Δ%
RESIDENTIAL	144,723,329	227,830,185	(36)%

CUSTOMER CATEGORY	2024 June kWh	2023 June kWh	Δ%
MAXIMUM DEMAND	252,818,086	329,813,506	(23)%
COMMERCIAL	28,154,308	43,515,220	(35)%
AGRICULTURE	20,161,101	29,960,684	(33)%
SOCIAL	15,041,768	20,089,316	(25)%
DISTRIBUTION WATER PUMPING STATION	2,776,401	3,318,326	(16)%
	14,432,138	21,208,803	(32)%
	478,107,132	675,736,041	(29)%

A comparative analysis of the table above indicates a 29% reduction in the energy being sold to customers on a month-to-month basis, which shows the impact of power rationing from the time the exercise commenced.

The table below provides a summary cashflow of the energy costs and revenue for the period March 2024 to December 2024.

Summary of Energy Costs and Revenue

Details	Baseline with Normal Generation (US\$)	Current (US\$)	Proposed (US\$)
Revenue	97,953,572	104,765,246	136,076,087
Power Costs	75,518,308	89,317,719	134,514,647
Operating expenses less Interest on IPP Debt	18,958,451	18,958,451	18,958,451

Net Cashflows	3,476,813	(3,510,924)	(17,397,010)
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With the current tariff and importing power at the above estimated costs the net cashflow will be approximately negative US\$ 48 million per month (US\$ 288 million in six months) which is un-tenable, unless a funding gap is filled.

6 ITEM 6 - PROJECTED REVENUES

The anticipated scenario suggests a growth in revenues, albeit at a slower pace compared to costs. This projection is premised on the consideration that emergency power will be supplied to customers at a cost. As illustrated in the table above, should emergency power implementation come into effect, monthly revenues are estimated to rise to US\$136 million in contrast to power purchases amounting to US\$135 million. Additionally, factoring in operating expenses, a projected monthly loss of US\$17 million is foreseen.

It is crucial to recognize that the expense to ZESCO associated with enabling emergency power procurement is significantly lower than the cost incurred by the economy in the event of a power shortage hindering economic activities. This expense presents an opportunity for ZESCO to recover post-crisis, preventing economic collapse. However, time is of the essence; any delays in tariff adjustments exacerbate the situation as the introduction of sustainable generation into the grid is delayed, thereby worsening the power supply scenario. The summary of revenue and costs is outlined above.

7 ITEM 7 - REVENUE AND COSTS

Refer to items 5 and 6 above on Summary of Energy Costs and Revenue.

8 ITEM 8 - AUSTERITY MEASURES

While the austerity measures implemented in response to the current power crisis and revenue losses have yielded positive results, it is crucial to underline that these cost reductions cannot be reallocated to finance emergency power acquisitions.

ZESCO revised the Approved 2024 Operational Expenses Budget by 34% from ZMW6,385 million to ZMW4,187 million by cancelling some operational expenses resulting in total cost reductions of ZMW2,198 million. The corporation has also implemented several cost reduction measures including but not limited to:

- 1) Approval of subsistence allowance claims limited to five days per trip, with only Directors authorized to approve claims for local travel.
- 2) Restriction of overseas travel to address the power generation deficit challenge, with fully sponsored trips solely for this purpose.
- 3) Freeze on employment and promotions, restricted to critical positions only.
- 4) Hold on external training programs, with a shift towards in-house training initiatives.
- 5) Deferral of certain projects to the next financial year.
- 6) All non-operational vehicles are parked by 17:00 hours, and no staff, except operational personnel, are permitted to take vehicles home. This measure has notably resulted in significant savings on fuel and maintenance costs for vehicles.
- 7) We renegotiated payment terms with major creditors and lenders to agree on revised payment plans

Further, most system expansion projects planned for implementation in 2024 have been deferred resulting into total cashflow savings on CAPEX of ZMW 1 billion.

9 ITEM 9 - PUBLIC SENSITISATION

Recognizing the importance of public awareness during this emergency situation, ZESCO emphasizes the critical impact of timely action to prevent further depletion of essential water resources crucial for power generation and economic sustainability. ZESCO recommends the initiation of a sensitization period post the decision-making phase. It is imperative to highlight

that the sustainable procurement of emergency power hinges on tariffs that can adequately cover replacement power purchases. Given the current state of the ZESCO balance sheet, power suppliers require prepayments and typically request three months of projected invoices. This underscores the necessity of conducting sensitization efforts after the regulatory authority has made its decision.

10 ITEM 10 - ALTERNATIVE ENERGY SOLUTIONS

ZESCO is continuously looking for cheaper power and will seek to procure it wherever it may be available. In the current state, current Day Ahead Market (DAM) at the SAPP market is at USc 16 per unit of electricity. However, it is beneficial that bilateral arrangements are entered into because they are more stable and bigger volumes. The DAM quantum is normally smaller and unstable.

Harnessing of Renewable Energy which currently stands at around 2-3% are being defined in the Strategic Plan to diversify sources from the predominant Hydro Power Generation (87%) to attain a climate resilient energy mix. Renewable resources such as Solar, Wind, Geothermal and Biomass, with solar being abundantly available, relatively cheaper and quick to develop.

Several Power Purchase Agreements have been signed with various Independent Power Producers (IPPs) in **Thermal (Coal)- 1,500MW, Concentrated Solar Power (Thermal)- Phase I 500MW** of 3,000MW, Solar PV Phase I -**940MW** of 1,840MW with various PPAs totalling over **1,000MW** in progress.

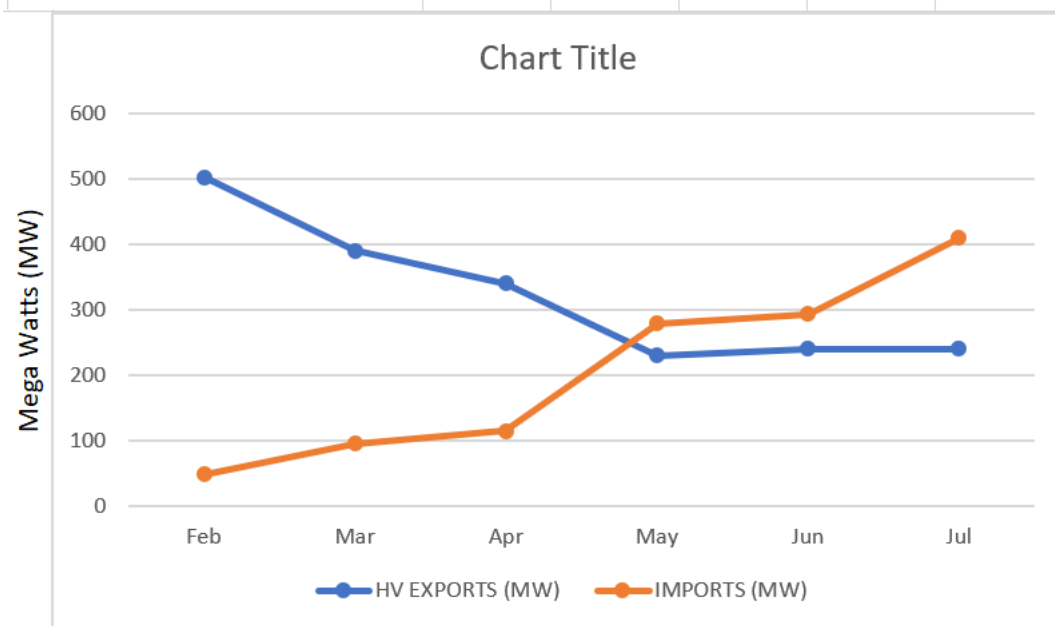
ZESCO Limited has incorporated a dedicated SPV namely **Kiyona Energy Limited** to focus on the implementation of the initiatives in the National Energy Efficiency, Sufficiency and Surplus Strategy (EESSS), 2022.

11 ITEM 11 - EXPORTS AND IMPORTS

Exports have been curtailed from 540MW to 240MW. However, ZESCO is unable to further reduce exports. Current export revenue is reserved for power purchases from IPPs such as Maamba Collieries and Itezhi Tezhi Power Company which are denominated in dollar. This is to hedge against the foreign exchange effects. Further, receivables from Nampower export revenue are assigned as collateral for a ZANACO loan facility that was obtained to pay IPP legacy debt.

Power Exports vs Imports

DESCRIPTION	Feb	Mar	Apr	May	Jun	Jul
HV EXPORTS (MW)	502	390	340	230	240	240
IMPORTS (MW)	48	95	114	279	293	409
DESCRIPTION	Feb	Mar	Apr	May	Jun	Jul



EMERGENCY TARIFF APPLICATION.

ZESCO Limited proposes the following changes to the tariff and structure to Residential, Commercial, Social, Water Utilities and Maximum Demand customer categories.

Tariff adjustment proposals for Residential customers.

ZESCO Limited proposes restructuring of its tariff system, with plans to expand the current 4 tariff bands to 6. The company aims to keep the R1 and R2 tariffs unchanged to prevent adverse financial effects on low-income families. As a result, the proposed modifications will primarily impact consumers using over 200kWh per month, as indicated in Table 1. This adjustment is anticipated to impact approximately 44% of customers, representing a combined consumption of around 220MW, which accounts for roughly 70% of the residential demand.

Table 1: Emergency Tariffs for Residential Customers.

Tariff categories	Current tariff K/kWh	Emergency tariff K/kWh	% Change
R1 ≤ 100	0.44	0.44	0%
R2 > 100 ≤200	1.05	1.05	0%
R3 > 200 ≤300	1.05	1.58	50%
R4 >300 ≤400	1.69	2.54	50%
R5 (New) >400 ≤500	1.69	2.96	75%
R6 (New) >500	2.44	6.25	156%

The anticipated modifications are projected to bolster the funding for emergency power, as outlined in sections one and three of this application.

Moreover, this initiative will incentivize residential consumers using over 500kWh to consider transitioning to alternative energy sources like solar and gas for cooking, fostering an energy-conscious culture and promoting efficient power utilization.

Emergency Tariff Application for Commercial Customers.

ZESCO intends to retain the current four tariff bands in addition to preserving the existing tariff rates applicable to customers within categories C2, and C3. For the C1 category, ZESCO suggests a 21% reduction in the tariff, decreasing it from 0.78 Kwacha per unit to 0.62 Kwacha. This adjustment is intended to assist small and medium enterprises (SMEs) consuming 100kWh or less. During this power crisis, SMEs face dual costs due to business interruptions caused by inconsistent power supply and the need to purchase alternative

power sources like fuel for small generators. Therefore, ZESCO's initiative to lower costs for the C1 category will not only benefit SMEs consuming 100kWh or less but all commercial customers alike. The emergency tariff adjustments will exclusively affect customers with a consumption exceeding 500kWh, classified under the C4 category. This strategy is designed to provide consistent support to Small and Medium Enterprises (SMEs) whose energy usage falls below the 500kWh threshold. The Commercial category maintains an average monthly draw of 48MW.

Moreover, the tariff modification will serve as a means to generate supplementary revenue necessary to support the procurement of emergency power to mitigate the ramifications of power shortages. The initiative also aims to encourage the adoption of alternative energy sources. It is essential to note that any conservation of hydroelectric power during the ongoing crisis will aid in lessening the impact of power rationing. Within the commercial category, which encompasses operations consuming below 16kva of power, Table 4 delineates the emergency tariff adjustments.

Table 4: Commercial tariff.

Tariff categories	Current tariff K/kWh	Emergency tariff K/kWh	% Change
C1 ≤ 100	0.78	0.62	(21)
C2 > 100 ≤300	1.35	1.35	0
C3 >300 ≤500	2.19	2.19	0
C4 (New) >500	2.26	3.15	12.6

Social Services

ZESCO proposes to maintain the tariffs and tariff structure for this category of the customers. These are purely customers providing critical social services such as; Government Hospitals, Clinics, Schools, Old People’s Homes, Orphanages, Street Lighting and Churches.

Water Pumping Stations

ZESCO proposes to maintain the current tariff structure for the water pumping stations. This measure is aimed at supporting the provision of clean water and sanitation services in the crisis period.

Emergency Tariff Adjustment for Maximum Demand Customers

ZESCO proposes to maintain the current structure for MD1, MD2, and MD3 tariffs, including the time-of-use tariff. Notably, MD1 and MD2 tariffs are hovering around 4 cents due to the devaluation of the kwacha, while MD3 is approximately 7 cents. In addition, ZESCO suggests a tariff adjustment amounting to K3.6/kWh or US¢14.5/kWh based on the prevailing K25/US\$ exchange rate. This adjustment introduces a two-tier tariff system where 70% of the consumption will be billed at the existing MD tariffs, while the remaining 30% will be subject to the new emergency tariff of US¢14.5/kWh. The 30:70 split aims to facilitate load management for these customers until the planned inland diesel power plants become operational, considering that most of these customers do not have dedicated supply lines.

This tariff adjustment is projected to generate an additional revenue of ZMW 227.6 million or USD 9.1 million monthly, earmarked for the procurement of 86MW of emergency power. This allocation includes 30MW for MD1, 47MW for MD2, and 9MW for MD3 customers. It is important to note that customers with existing and active partial Emergency Power Supply Agreements (PSAs) with ZESCO in the Maximum Demand category will not be subjected to the emergency tariff changes.

However, it is essential to highlight that the PSAs transitioning from Maximum Demand Customers (MD4) have not been factored into this proposal. These agreements between ZESCO and entities like Manganese mines are bilateral and are not part of the current application. Therefore, there is a potential opportunity for ZESCO to integrate approximately 400MW into the grid, with the financing shared among the various customer categories mentioned above.

CONCLUSION

ZESCO is actively pursuing various options to purchase power to mitigate the effects of the power deficit. Noteworthy in efforts to scale down on exports is the considerable claw back of power that has been achieved while taking into consideration obligations that come with being interconnected with other power utilities in the region, contractual obligations, debt

servicing obligations through assigned receivables and reciprocity in provision of lifeline power to Zambia’s neighbours who have in the past equally extended support to our country in times when their power generation has been constrained.

The Republican President’s declaration of National Disaster and Emergency as provided for under the Disaster Management Act No.13 of 2010 and the Energy Regulation Board’s letter and gazette issued on 12 April 2024 regarding the declaration of a state of Emergency pursuant to Part (ii) Article 18 of the Electricity Act No. 11 of 2019 provides sufficient impetus for support towards ZESCO’s application to revise tariffs during the emergency period. This measure combined with various short to medium term interventions are designed to support critical sectors of the economy such as the mines, agriculture and industry.

The current tariff structure cannot support the purchase of the available sources of power and hence the urgent need to vary the tariff structure to support these power purchases. The Corporation understands the socio-economic impacts of upward tariff adjustments and has deliberately proposed the maintenance tariffs on selected bands in the residential and commercial customer categories to support low income households and small and medium-sized enterprises respectively.