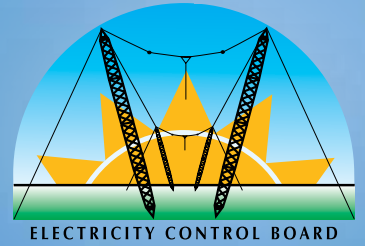


# SPARK



ELECTRICITY CONTROL BOARD

Official Newsletter of the Electricity Control Board

February - March 2016

## CEO's Message



“The Regulator is confident that as more renewable energy plants are commissioned, reducing the amount of energy Namibia imports will mitigate the impact of such cost on tariffs.”

There is no doubt that electricity or energy is a key enabler to achieve Vision 2030 as per the Namibian people's aspirations. In driving towards turning Namibia into an industrialised economy, there appears to be a perception by some that high or escalating electricity prices will hinder these efforts.

In 2005 Cabinet took a decision (Cabinet decision no 21/20.09.05/006) that NamPower tariffs should reach cost reflectivity by the year 2011/2012. Cost reflectivity means that the utility is allowed by the regulator to recover all reasonable costs of supplying electricity which includes all

operational, administrative and customer care cost. The ECB is committed to this decision and has granted NamPower real increases for the past 10 years to ensure that cost reflective tariff levels were reached by 2011/2012 and maintained beyond.

Electricity costs is made up of different cost drivers and the large part of the cost component is import costs. Namibia imports electricity from the neighboring countries, which energy is paid for in foreign currency. Due to fluctuation of the Namibian currency against other major international currencies there is a risk in the cost of import to increase, however the local costs are contained through review by the Regulator, and only justifiable increases are allowed. NamPower and other utilities has to recover these costs. With cost reflective tariffs the ECB is confident that it will attract new private generation into the industry to address the dependency on imports, without having to drastically increase the tariffs in order to accommodate new generation.

The substantial shortage of energy in the Southern Africa region at this stage is putting pressure on energy tariffs not only in Namibia but in all of the countries in the SADC region.

The Regulator however is confident that as more renewable energy plants are commissioned, reducing the amount of energy Namibia import will mitigate the impact of such cost on tariffs. In the meantime, in an effort to offer relief for some consumers, the ECB in consultation with Government embarked on two studies, namely the National Electricity Support Mechanism and a study to Improve Electrification in Urban and Rural Namibia. The ECB will work hard to ensure that these mechanisms are put into operation to promote access to electricity and to assist with affordability, further stimulating economic growth in the country.

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16 Years of Successful Regulation

The Electricity Control Board (ECB) is a State-Owned Enterprise responsible for the regulation of electricity in Namibia. The ECB was established in 2000 under the Electricity Act (Act 2 of 2000) as an Electricity Regulator. This Act however was repealed in 2007 and replaced with the Electricity Act 4 of 2007. The ECB's highest decision making body is the Board and is appointed by the Minister of Mines and Energy.

## INTRODUCING

## OUR BOARD MEMBERS







**From left to right standing:**

Ms. Helene Vosloo | Mr. Albie Basson | Ms. Foibe Namene (Ex-Officio)

**From left to right sitting:**

Ms. Panduleni Shimutwikeni (Vice Chairperson) | Mr. Gottlieb Hinda (Board Chairperson) | Ms. Evangelina Nailenge

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## Editorial Note



The year starts with the spotlight, once again, on the energy sector. From a distance, it would appear as if the spotlight could force the Regulator to bury its head in the sand. However on close inspection, the spotlight on the energy sector shows good signs. As a matter of fact, the Regulator has been looking forward to the day energy would become part of the conversation in almost every Namibian household. This by extension means broadened participation in the discourse on national development and at the same time educated consumers or end users. These are undoubtedly critical to any democracy, especially a developmental democracy.

Allow me to use two developments as examples to explain the above argument: the review of the 3x10MW solar tender in January 2016 and NamPower being dragged to court in February for the review of the 250MW tender.

The two court cases cited above in their nature appear humiliating, but they actually highlight the importance of judicial independence in any democracy. Imagine, a corporate citizen citing a President as a respondent in court! In some countries, this is totally unheard of. In addition to emphasizing judicial independence, both court cases underline the extent to which the Namibian Constitution is alive.

For the Regulator, valuable lessons were picked up in the process. In fact, candid reminders on the importance of Regulatory vigilance and integrity across the board at all times, now and in future when the ECB would be transformed into an Energy Regulator.

Since the energy sector has long been identified as the vehicle to industrialization, and a critical enabler to change the current socio-economic status quo, the Regulator would rather it continues to become part of the conversation in every Namibian household. Yeh, let the spotlight be on the energy sector, even if it's just for now!

**Feel free to speak to us:**  
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# Hinda heads New ECB Board

Mines and Energy Minister Obeth Kandjoze appointed Gottlieb Fabianus Hinda as the Chairperson of the new ECB Board, effective from 14 December 2015.

Hinda is currently the owner and Managing Member of GOH Business Consulting Services cc; GOH Trading Enterprise cc and GOH Investments cc. He holds a Masters in Business Administration (Finance Specialization) Degree from the University of Stellenbosch in South Africa, where he also obtained a Bachelors (Honours) Degree in Business Administration. In addition to these qualifications, Hinda holds a B.Sc. Agric (Biochemistry) Degree from the University of Natal.

Hinda has served on the ECB Board since March 2011 and was a Member of the Regulation Committee and Finance, Audit and Risk Committee. Other Board memberships as a non-Executive Director include the Namibia National Reinsurance Corporation, Ongwediva MediPark and Nongo Capital where he is the Managing Director.

Below are the board members and their portfolios:



**Gottlieb Hinda**  
**Board Chairperson**  
**Member of the Regulation Sub-Committee and Human Resources and Remuneration Sub-Committee**



**Panduleni Shimutwikeni**  
**Vice Chairperson**  
**Chairperson of the Human Resources and Remuneration Sub-Committee**

She is a lawyer and recently retired from her position as Secretary to the National Council of Namibia.



**Evangelina Nailenge**  
**Chairperson of the Regulation Sub-Committee and member of the Finance, Audit and Risk Sub-Committee**

She is currently employed at NAMFISA as General Manager: Investments Institutions. She was previously Deputy Director for Policy Research and Forecasting at the Central Bank of Namibia.



**Helene Vosloo**  
**Member of the Regulation Sub-Committee and Finance, Audit and Risk Committee Sub-Committees**

She is currently employed at the Communication Regulatory Authority of Namibia (CRAN), as Head: Economics and Sector Research. She was previously employed at the ECB as the Manager: Economic Regulation.



**Albie Basson**  
**Chairperson of the Finance, Audit and Risk Sub-Committee and member of the Human Resources and Remuneration Sub-Committee**

He is a director at Konigstein Capital (Proprietary) Limited and has been in the financial sector and can be associated with Bank Windhoek and KPMG to mention a few. He is also an independent director in various investment holding companies.

The term of the new Board will expire on 13 December 2019. An exclusive interview with the new Board Chairperson will feature in our next edition.



# New Strategic Plan takes shape



The Electricity Control Board has embarked on the formulation of its new Five Year Strategic Plan.

The new Business Plan will kick in as from 2016 - 2020. The plan is anticipated to coincide with the transformation of the ECB from an Electricity into an Energy Regulator, whose duty will be to oversee electricity, downstream gas and downstream petroleum in accordance with energy-specific legislation.

The institutional blue print is expected to help the Regulator the ECB in becoming an effective and efficient regulator and to find solutions to challenges brought by today's high-tech world. The Five-Year Plan will also take into consideration the dynamism of the sector, and prepare the Regulator to adapt without compromising its principles, and most importantly to come up with solutions that are not only viable but are durable.

The Strategy will also position the Regulator to anticipate and drive towards enhanced transparency, clarity of jurisdiction and harmony of regulations.

This will be achieved through the setting of clear rules and standards that will enable it to fully serve the industry and protect licensees and customers alike.

“ The institutional blue print is expected to help the Regulator the ECB in becoming an effective and efficient regulator and to find solutions to challenges brought by today's high-tech world. ”

# Solar PV Installed at ECB House



GS Fainsinger Consulting Engineers as the project consulting engineers.

Since the installation of the system the ECB has noted a 50% reduction in its energy requirement from the City of Windhoek, meaning that it has generated 50% of its electricity requirement with the solar PV system. The solar PV system is not only intended to reduce the ECB office building electricity (bill) from City of

Windhoek but will allow the institution to monitor and analyse first-hand information in the implementation of soon to be gazetted Net Metering Rules. The ECB together with the Electricity Supply Industry (ESI) stakeholders drafted a set of Net Metering Rules in 2013. The rules established a stan-

standardised approach to dealing with Renewable Energy Net Metering related matters.

The purpose of the rules is to, amongst others, allow electricity users to use renewable energy generation technologies such as roof top based PV and wind energy systems to offset part of their conventional electricity requirements. Energy produced and not consumed on premises at that specific time may be fed back into the distribution grid and will be used to offset part of the consumer's future energy requirements. This will contribute to reducing investment requirements of utilities and conventional independent power producers, allow customer-generators to reduce their imports from distribution networks through generating for own consumption, enable the promotion of sustainable renewable energy sources, small scale investments, value addition and electricity market development and contribute towards reducing unemployment. The Net Metering Rules are expected to be gazetted during the first half of 2016, with an implementation date expected to be announced afterwards.

The ECB has joined other corporates around the country by installing a 17kWp solar Photovoltaic (PV) grid connected system on its rooftop at its head office in Windhoek. The system was installed and switched on by Namibia Engineering Corporation (NEC) on an engineering procurement and construction (EPC) under the supervision of

# Knowledge Management Centre launched

“It is important that staff members and stakeholders have easy access to information and knowledge, both explicit and tacit.”

The ECB launched its Knowledge Management Centre, to be used by its staff and the public. The ECB, with the assistance of a consultant, developed a Knowledge Management Framework in 2012. The Framework was approved by the Board in 2013. One of the key outcomes of the Framework was to do a knowledge audit at the ECB, uncover what knowledge the ECB has and what knowledge the organisation needs to successfully pursue its aims and objectives.

The audit showed that ECB staff consider information and knowledge as important for achieving the institution's strategic objectives. However, the audit revealed that there is a lack of access to information as well as availability of resources to increase knowledge of the Namibian Electricity Supply Industry (ESI). The Knowledge Management Centre was created to address this need.

ECB Chief Executive Officer, Foibe Namene, said during the launch of the Centre that it is important that staff members and stakeholders have easy access to information and knowledge, both explicit and tacit.

“Without a knowledge hub and a proper records management system, achievement of ECB strategic objectives is compromised. Therefore the knowledge hub will facilitate the transition of ECB to a knowledge based organisation”, said Namene.



## Khomas Power and NamPower Discuss Line Take over

The Electricity Control Board held another round of discussions on 5 February 2016 to facilitate the take-over of supply of electricity to the members of the Khomas Power Farmer Scheme by the national utility NamPower. The meeting discussed amongst others the line upgrade, payment for the upgrade and a final timeline for the handover of the Khomas Power assets to NamPower. The finalisation of the matter will lead to the implementation of NamPower distribution tariffs, which will benefit the members of the Scheme. The ECB urged the parties to smoothly work around the key issues identified.

Farmers' schemes began in the early 2000s shortly after the promulgation of the Electricity Act, which enabled them to apply for electricity distribution and supply licences independently from the national electricity utility NamPower, regional councils or local authorities. This meant that the farmers collectively worked towards funding, constructing and operating an electricity network in order to electrify their farms.

However, as farmers schemes proliferated and matured, many began to experience operational, ownership, governance and other problems. In many instances the ECB was approached with requests to assist in the resolution of disputes or problems. More than twenty farmers' schemes are in existence in Namibia at the moment.







# Gentle Giant of Namibian ESI Remembered

Born at Siseke sa Banyai in the Ngoma area of the Zambezi region, Siseho Chibeya Simasiku qualified as an Electrical Engineer in 1978 from the Slovak Technical University in Czechoslovakia. He pursued a Master's degree in science majoring in nuclear power plant construction and operation of nuclear power plants, making him one of the first black Namibians to study nuclear engineering, especially in heavy current.

His contribution to the growth of the electricity or energy industry in general started with him being a lecturer of Electrical Machines and Power Systems at the University of Zambia shortly after graduating. He served the University of Zambia for three years, before joining the Zambia Electricity Supply Corporation (ZESCO).

The Namibian energy industry started benefitting from his wealth of experience when he joined Government service upon his return. His first deployment was as an Electrical Specialist in Nuclear Power at the then Ministry of Works, Transport and Communication. He also served the ministry as an Assistant Engineer.

His illustrious career in the electricity or energy industry then took him to the Ministry of Mines and Energy in 1993 where he

joined as a Chief Energy Researcher. He was appointed Director of Energy in 1995 and in 1997 as the Permanent Secretary of Mines and Energy.

He was then tasked with the establishment of the Electricity Control Board (ECB) and became its CEO in 2000. He served as the head of the Regulator for 14 years until July 2014 when he went on retirement.

Among his list of major accomplishments is the establishment of the Revolving Fund on Renewables. The fund was established with the assistance of the German GTZ and the Norwegian NVE and it is still operational. He is also credited with the establishment of the National Energy Policy. Simasiku was also quite instrumental in many pieces of legislation related to nuclear energy in Namibia.

He played a formative role in establishing the Regional Energy Regulators Association for Southern Africa (RERA). He also singlehandedly engineered the participation of Namibia in platforms such as the World Energy Council (WEC), African Forum for Utility Regulators (AFUR) and the African Electrotechnical Standardisation Commission (AFSEC).

“He was tasked with the establishment of the Electricity Control Board and became its CEO in 2000. He served as the head of the Regulator for 14 years until July 2014 when he went on retirement.”

## Know your electricity infrastructure: Transformer

A transformer is an electrical device that transfers electrical energy between two or more circuits through electromagnetic induction. Electromagnetic induction produces an electromotive force across a conductor which is exposed to time varying magnetic fields. Commonly, transformers are used to increase or decrease the voltages of alternating current in electric power applications.

A varying current in the transformer's primary winding creates a varying magnetic flux in the transformer core and a varying magnetic field impinging on the transformer's secondary winding. This varying magnetic field at the secondary winding induces a varying electromotive force or voltage in the secondary winding due to electromagnetic induction.

Since the invention of the first constant potential transformer in 1885, transformers have become essential for the transmission, distribution, and utilization of alternating current of electrical energy. Transformers range in size from RF transformers less than a cubic centimeter in volume to units interconnecting the power grid weighing hundreds of tons.



## Sparked Corner

**Question:** Cases involving loss of life due to electrocution appear to be on the increase. What is the responsibility of licensees and the ECB in this regard?

**Answer:** In line with existing procedures, the ECB expects licensees to submit a detailed report, adequately articulating circumstances that prevailed prior to and after the accident, as well as actions at all stages and measures put in place to avoid recurrence of loss of life due to electrocution. Licensees must demonstrate sufficient evidence of remedial action taken, based on lessons learned from past experiences, to prevent recurrence of such accidents resulting in the unnecessary loss of life or as in other cases, unnecessary damage to biological and network assets. However, the accident investigation report is not for public consumption and is subject to applicable confidentiality clauses related to the governance of the two institutions.

Considering the gravity of breaching provisions of the Namibia Electricity Safety Code, the ECB also requires licensees to submit a public safety awareness campaign plan, intended to articulate all potential risks related to the electricity distribution and supply infrastructure. Due to the gravity of cases involving loss of life due to electrocution, the ECB is obliged to escalate the regulatory oversight concerns through its Board and the Office of the Permanent Secretary, to the Minister of Mines and Energy.

# Sparky Moments



*Foibe Namene holding the plaque to be affixed at the new Knowledge Management Centre. She is sandwiched by Rojas Manyame, Professor Kingo Mchombu of UNAM who was the guest speaker and Mara Uazenga.*



*Rachel Boois, Josephine Amukwa and Lydia Mlunga smiling for the camera while taking a break from their hectic schedules.*



*Esther Heita, Kavepurua Kavetuna and Danel Wakudumo in a relaxed mood.*



*Zenia Tsuses, Frans Kooper and Lameka Amuanyena at the ECB's Strategic Plan workshop at Heja Lodge.*



*Donovan Maasz pausing for the camera.*





# ELECTRICITY SAFETY HINTS AND TIPS

## BASICS ABOUT ELECTRICITY

### RISKS FOR ALL



Electricity can cause burns, shocks and even death



Appliances and power cords can be just as dangerous as electrical power lines if you do not take proper safety precautions



Electricity flows easily through water, and it will travel through your body since your body is made of 70 percent water

## WHAT NOT TO DO AT HOME

- Never stick your fingers or any object into an electrical outlet or light bulb socket even if the appliance is switched off
- Never use electrical appliances or electrical cords near a sink, bathtub or other source of water
- Keep electrical wires and appliance cords away from sources of heat
- Never touch any electrical appliance or device, such as a light switch, hair dryer or toaster if you are touching water
- Never pull an electric plug out of the wall outlet by pulling on the electric cord
- Unplug an electrical appliance before cleaning it



- If you see a worn out, frayed or damaged electrical cord, tell an adult immediately

## WHAT NOT TO DO OUTDOORS

- Do not climb trees that are near power lines or have power lines running through them
- If a kite line or balloon strings are tangled in power lines, the electricity can travel down the line and cause a shock or start a fire
- Never try to remove the items stuck or tangled in a power line. Call the electricity company such as NamPower, NORED, Erongo RED, CENORED or the City of Windhoek to fix the problem



- Do not climb power line poles
- Keep away from electric substations
- Do not climb on fences around electric substations
- If you see a fallen or hanging electrical wire, stay away from it. Have an adult call the power company
- Never touch an electric wire that is down or lying on the ground. Also do not touch anything making contact with the conductor that is lying on the ground. Have an adult call the power company
- Be careful not to touch overhead electrical wires when you are carrying a long object such as a pool skimmer or ladder
- Never throw objects onto electric power lines