



POWER MARKET RESTRUCTURING AND ITS IMPACT ON THE ELECTRICITY SUPPLY INDUSTRY

**PUBLIC HEARING ON THE REVIEW OF THE 2018-2022 ELECTRICITY
TARIFF BASE FOR ESCOM**

SUNBIRD MOUNT SOCHE HOTEL , BLANTYRE

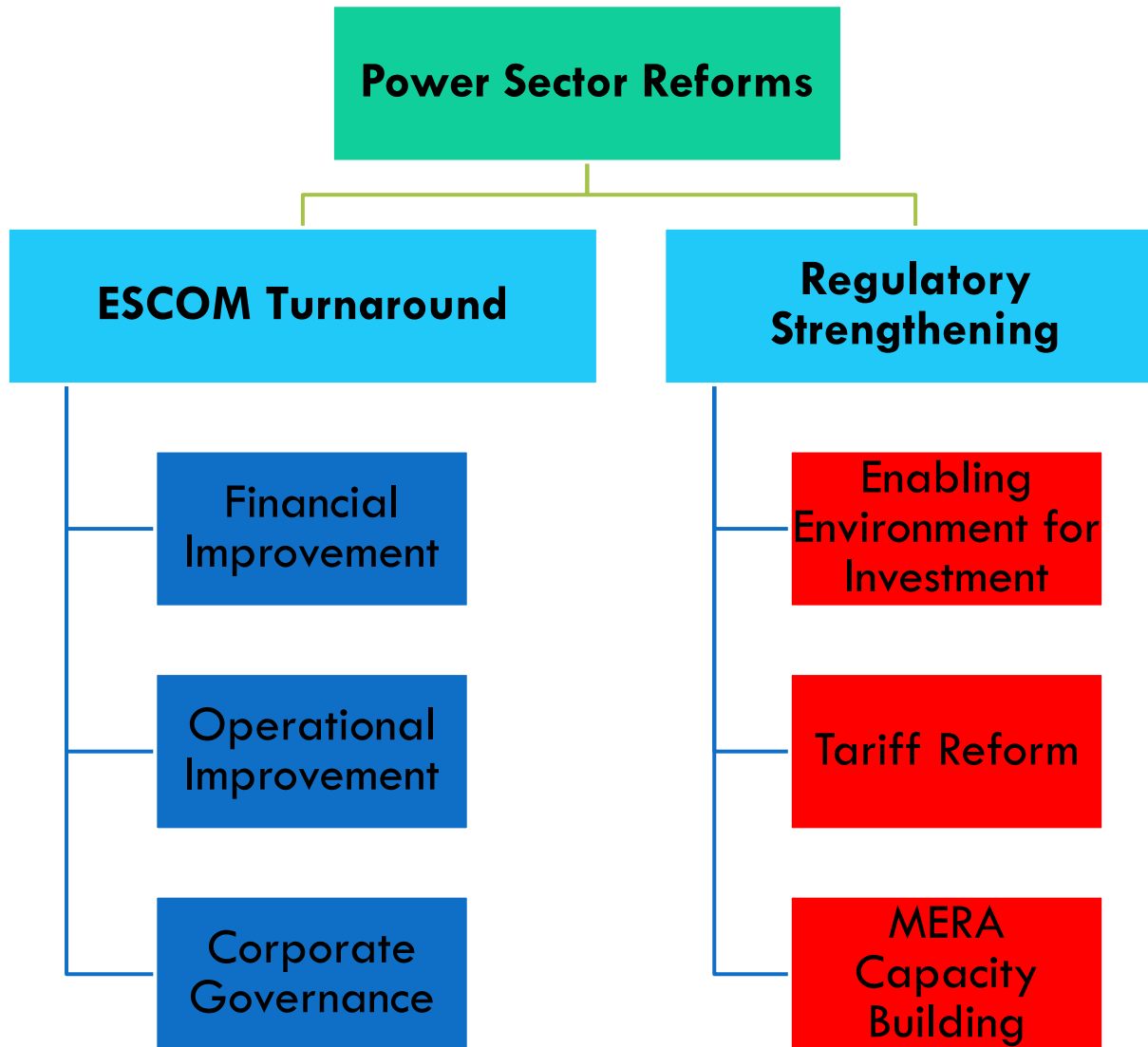
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INTRODUCTION

- The Government of Malawi (GoM) is implementing reform programs in various sectors.
- Power Market Restructuring is one of the major reforms being undertaken in the energy sector by the MNREM under MCA-Malawi's Power Sector Reform (PMR) Project.
- The reforms in the power industry are being undertaken by the MNREM, ESCOM and MERA.
- The reforms started in 2014



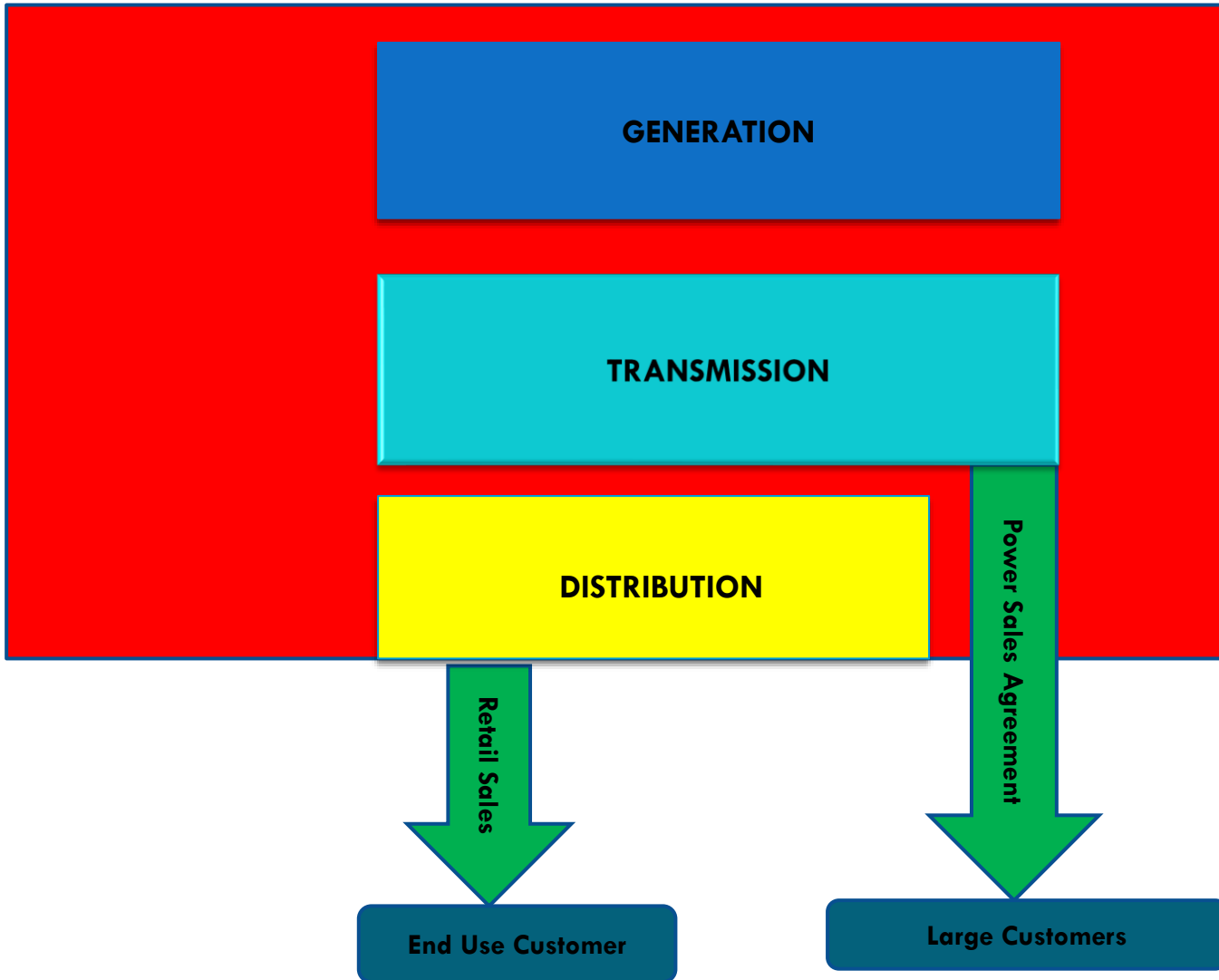
MILESTONES UNDER POWER MARKET RESTRUCTURING

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- Electricity Act of 2004 amended,
- New Power Market Model developed,
- Regulatory process and methodologies redesigned (*Market Rules, Grid Code & Tariff Methodology*),
- Framework for Independent Power Producers (solicited & unsolicited) developed, and
- EGENCO Limited established and operational.

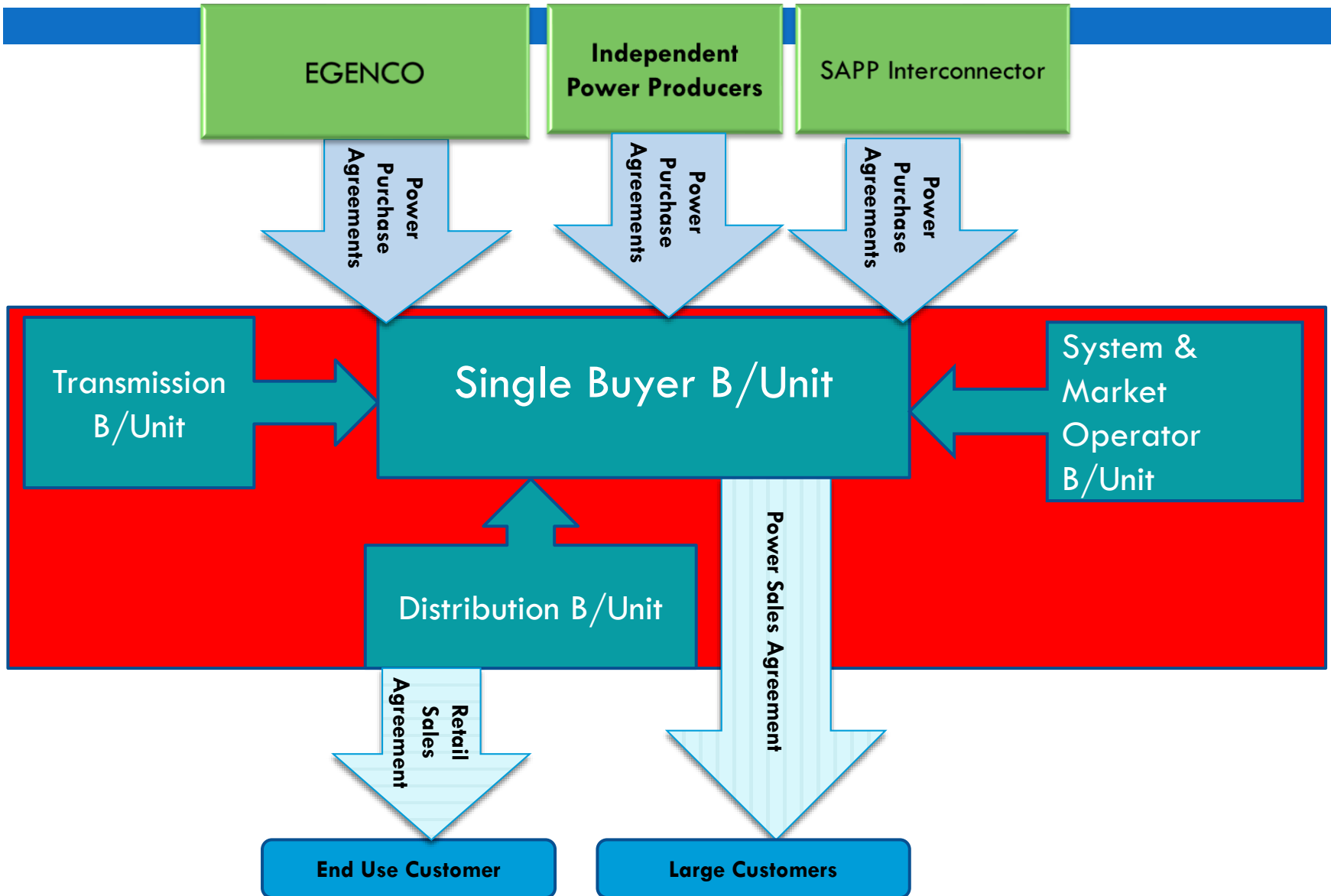
OLD POWER MARKET STRUCTURE

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NEW POWER MARKET STRUCTURE

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IMPACT OF POWER MARKET RESTRUCTURING

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- It will expand and revitalise the ESI and make it more efficient, effective and financially viable ,
- It will increase access to electricity,
- It has created investment opportunities in Malawi's revitalized power sector (*over 40MoUs signed with IPPs*), and
- It will enable the ESI effectively participate in the emerging regional electricity trading market through the SAPP.

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Thanks for your listening