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LEWANEWS

The newsletter of the Lesotho Electricity and Water Authority

COVER STORY

Lesotho must Increase electrification rates, ensure security of supply of petroleum fuels – Prime Minister

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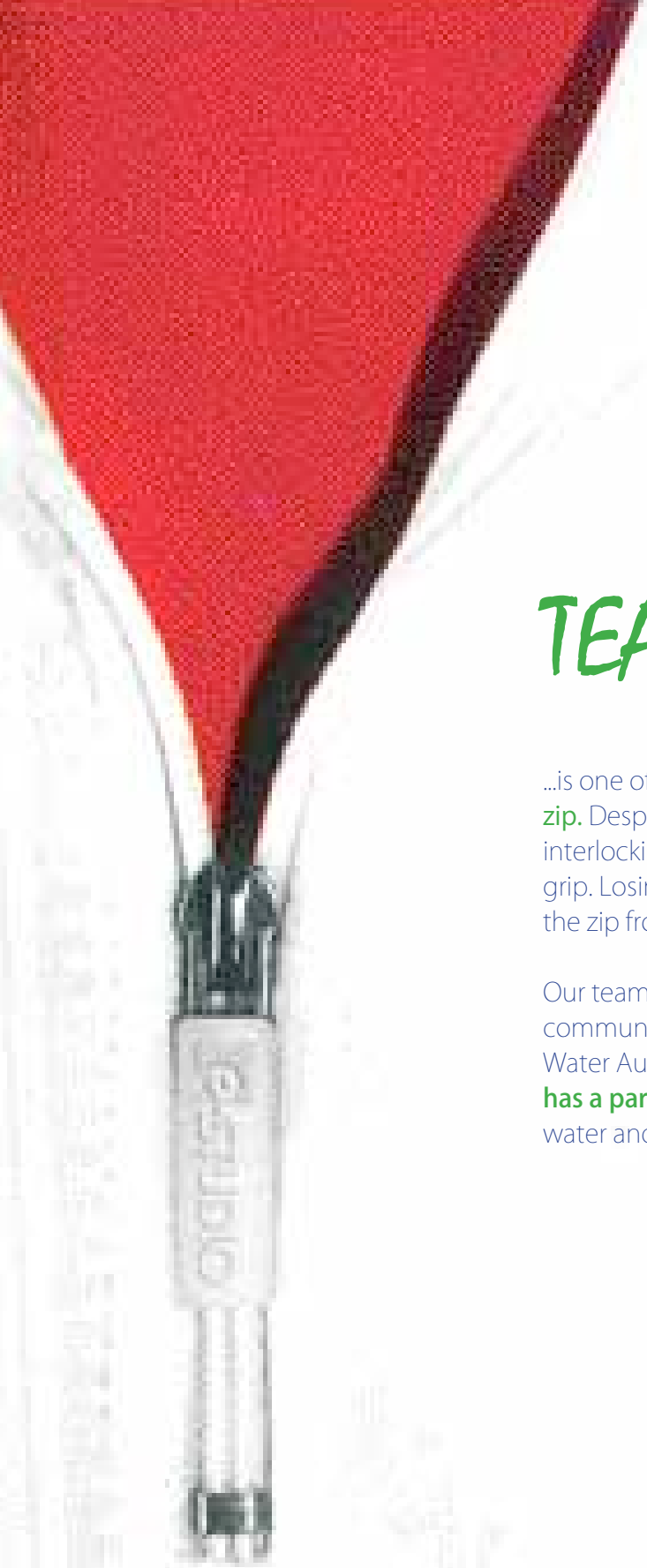

TEAMWORK...

...is one of the essence in the humble zip. Despite its small size, it has many interlocking teeth that provide a secure grip. Losing any of its teeth would prevent the zip from functioning properly.

Our team cannot do without you - the communities. At Lesotho Electricity and Water Authority, we belief that **everyone has a part to play** in electricity and urban water and sewerage services regulation!

Electricity regulation. **Water** regulation. LEWA regulates electricity and urban water and sewerage services.

Lesotho Electricity & Water Authority

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Stakeholders' workshop for regulatory frameworks for renewable energy held

We welcome you to another edition of the Lesotho Electricity and Water Authority's (LEWA) quarterly newsletter which, as is the norm, is on some of the highlights that took place during the period July to September 2015.

The date July 17 was the birthday of King Letsie III and this year marked his 52nd birthday. At LEWA this joyous day was marked by events aimed at consolidating team building spirit amongst LEWA employees based on traditional celebrations.

One of the most encouraging development to have occurred in this period was the official launch of the National Energy Policy for Lesotho. The policy clearly stipulates the role of various stakeholders in the provision of energy services and the related principles thereof. The official launch was done by the Right Honourable, the Prime Minister Dr. Pakalitha Mosisili.

Still on this issue the detailed aspects of the policy are spelled out in the issue for the benefit of all. However, it should be noted that the policy is accessible from the Ministry of Energy and Meteorology (MEM).

As a member of the Regional Electricity Regulators Association of Southern Africa (RERA) the Authority took part in RERA's Subcommittee and Portfolio Committees meetings that were held in Blantyre, Malawi from 7 to 19 September 2015. In this regard the issues that pertain to customer protection are highlighted.

In September, the last stakeholder workshop for development of regulatory frameworks for renewable energy was held. This stakeholder event also served as a last platform to exchange ideas on how best to harness renewables in the Electricity Supply Industry (ESI) ❑

Ntoi Rapapa
Chief Executive

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Lesotho must increase electrification rates, ensure security of supply of petroleum fuels - Prime Minister

The National Energy Policy for the country was officially launched at an occasion held at Avani Lesotho on 03 September 2015.

Delivering the keynote on the occasion, the Prime Minister Dr. Pakalitha Mosisili noted that the Energy Policy was meant to address one of the Government's goals of attaining effective use of natural resources.

Dr. Mosisili added that the stated goal was brought up by Government's realisation that energy utilisation was vital for human development, as countries that had high energy consumption (4,000- 53,000 kWh per capita) enjoyed high indices (80% to 95%) of human development.

"In our case, Lesotho has a human development index of 48% associated with low human development, while the annual per capita electricity consumption was 330 kWh according to data from the Lesotho Electricity Company," Dr. Mosisili added.

He further observed that Government would team up with stakeholders such as private sector, cooperatives and civil society organisations to develop primary energy sources such as water, wind and sun to generate electricity to ensure availability of energy supply to different socio-economic sectors in Lesotho. Dr. Mosisili noted that the technical and financial support provided by Lesotho's development partners in the crafting of the Policy was commendable.

Coming to the regional electricity supply deficit situation, the Prime Minister noted that Lesotho spent over M260 million in electricity imports from Mozambique and South Africa, adding that such a scenario had made electrification rates in the country to be at low as 34%.

The Right Honourable, Prime Minister, Dr. Pakalitha Mosisili

"Government plans to increase the connection rate in order to achieve a minimum of 50% by the end of the five year term of this Parliament. Government has invited expressions of interest from potential private developers for the design and construction of a solar generation facility to the tune of 20 MW. This facility is expected to retain M55 million annually in money which would otherwise be used for electricity imports" the Prime Minister said.

"Lesotho spent over M260 million in electricity imports from Mozambique and South Africa."

With regard to petroleum fuels the Dr. Mosisili noted that the Government was concerned that the country did not have a strategy to ensure security of supply of petroleum products.

By the end of 2015, he added, Ministry of Energy and Meteorology (MEM) would commence the tendering process for the construction of strategic reserves for petroleum fuels reserves, namely LP

Gas, petrol, diesel and paraffin. "Strategic reserves should last up to a minimum of 30 days", he noted.

Dr. Mosisili pointed that it was imperative that local participation should increase in various segments of the petroleum industry, such as transportation and distribution, and he urged oil companies to seek partnerships with local entrepreneurs urgently.

In his welcome remarks, Mr. Selibe Mochoboroane, the Minister of Energy and Meteorology, pledged to ensure implementation of policy as envisioned by the Government. Government's vision was to ensure that energy was universally accessible and affordable in a sustainable manner, with minimal negative impact on the environment, Mr. Mochoboroane added.

The Energy Policy was approved by Cabinet on 16 June, 2015 and the energy stakeholders' forum was established on 21 July, 2015.

Several documents have influenced the formulation of the Energy Policy. These include National Vision 2020, National Strategic Development Plan, 2012/13-2016/17, Draft Energy Policy Framework, 2002, Draft Lesotho Renewable Energy Policy, 2012, Draft Electricity Blue Print, 2014, Lesotho Water Sector and Sanitation Policy, 2007 and Households Energy Access Strategy, 2008 ❑

"It is imperative that local participation should increase in various segments of the petroleum industry ."

National Energy Policy launched

The Ministry of Energy and Meteorology (MEM) in consultation with key stakeholders has finalised the National Energy Policy which was officially launched on 03 September, 2015 at Avani Lesotho Hotel.

Below are some of the policy aspects or issues that are contained in the document. Other policy issues will be included in the next edition of the newsletter. Each key policy issue area is briefly presented along with its key components shown in bullet format. A full document outlining the policy issues can be obtained from the Department of Energy.

1. Institutional and Regulatory Framework Area:

- Establish and sustain a platform for energy stakeholders coordination (Energy Stakeholder Forum);
- Set and ensure compliance to minimum safety, health, environmental, risks, quality (SHERQ) and service standards in the energy sector;
- Ensure adherence to the Transmission Grid Code as well as Quality of Supply and Service Standards to guarantee reliability of power supply;
- Develop standards, codes of practice and specifications for mini and off-grid solutions; and
- Establish technical standards and quality assurance for the purchase, installation.

2. Information Management and Outreach Area:

- Allocate resources for acquiring and increasing knowledge on energy carriers and technologies;
- Develop a database of local institutions and resources currently available to undertake energy-related research and analysis, and thereafter, assess skills and expertise thereof;
- Collate existing, and develop new information dissemination programmes and conduct awareness campaigns on energy use;
- Collaborate with relevant Government departments/institutions and non governmental organisations (NGOs) disseminating information on energy saving devices to ensure that correct advice is given to the public about products and services relevant to them; and
- Collaborate with local regional and

"A full document outlining the policy issues can be obtained from the Department of Energy."

Various types of fluorescent bulbs have proven to be a good investment as they are durable and consume less electricity than normal (incandescent) bulbs.

international energy related institutions for information exchange and sharing.

3. Bioenergy Issues

- Improve conservation measures, energy management as well as sustainable use of bioenergy resources;
- Reduce pressure on biomass energy resources through fuel substitution and application of energy efficient cook stoves; and
- Promote research and development in the field of bioenergy and associated technologies for power generation, heat and fuel production.

4. Renewable Energies Issues

- Phase out the use of electric geysers in all existing public buildings and introduce solar water heating systems and heat pump systems;
- Compel all new Public buildings which require hot water to install solar water heaters;
- Encourage the replacement of electric geysers with solar water heaters in industrial, commercial, residential and general purpose sectors;
- Facilitate the establishment of Rural Energy Service Companies (RESCOs);
- Promote the application of renewable energy technologies to income-generating activities;
- Promote passive solar design principles in buildings; and
- Develop a renewable energy programme to support fuel substitution in different demand sectors.

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Best performing students honoured in LP, NUL graduation ceremonies

In September the Lesotho Electricity and Water Authority (LEWA) presented certificates of appreciation and awards to best Performing students at the Lerotholi Polytechnic (LP) and National University of Lesotho (NUL) graduation ceremonies.

The LP graduation ceremony took place on 12 September, 2015 at the Institute's premises while that of NUL was held on 26 September, 2015 at Roma.

During NUL graduation ceremony 'Meko Lebohang, who was the best performer in Bachelor of Engineering, Physics and Electronics and Moleboheng Hloele, the best perfomer in Economics were presented certificates of appreciation.

In a key note address at the occasion Chancellor of NUL His Majesty King Letsie III noted that the most important function of education at any level is to develop the personality of the individual and the significance of his life to himself and to others.

At Lerotholi Polytechnic graduation ceremony, the LP students who were presented certificates of appreciation and awards were Teboho Maqalaka who was the best performer in diploma in water and environmental engineering, and Kamohelo Qhobela who obtained a diploma in electrical and electronic engineering.

The key note speaker for the day Deputy Minister of Education Mr. Thabang Khulumo challenged the students to raise to the challenge of youth unemployment and to stop the spread of HIV/AIDS amongst noting that the country had a very high prevalence of the disease.

Teboho Maqalaka (right) receives her certificate of appreciation from LEWA at LP graduation ceremony.

"Education at any level is to develop the personality of the individual and the significance of his life to himself and to others."

"Education is a human right and as a sign of having accomplished it, you should plough back into society. You are to at least build a house for one destitute Mosotho family before the end of November 2015 or repair furniture of one of the less privileged offices", Mr. Khulumo said.

The areas of education in which LEWA issue awards are of direct relevance to the Authority as they are on issues pertaining to the regulated electricity, water and sewerage services. They form part of the execution of social responsibility activities ❑

RERA meetings held in Blantyre, Malawi

The Lesotho Electricity and Water Authority (LEWA) participated in the Regional Electricity Regulators Association (RERA) of Southern Africa Subcommittee and Portfolio Committees meetings that were held in Blantyre, Malawi from 7 to 19 September 2015.

The meetings which were held in preparation for the review of the execution of RERA business served the important purpose of:

- Providing country updates on recent regulatory and other pertinent electricity supply industry. (Electricity Supply Industry (ESI) developments;
- Reviewing progress on the activities of the RERA structures planned for 2015;
- Preparing annual progress report for 2015;
- Preparing annual work plans and budgets for 2016.

In addition the meetings reviewed, the development and/or implementation of the following regional Initiatives/projects, which include:

- Independent Power Producer (IPP) Framework;
- Regulatory Empowerment Project;
- RERA Publications on Electricity Tariffs and Selected Performance Indicators 2014;
- Building of Regional Climate Resilience through Electricity Trading and Related Infrastructure by the Climate Resilience Infrastructure Development Facility (CRIDF).

The Authority participated in the Consumer Services and Communication, Legal, Economic Regulation, Technical Regulation and Human Resources Management Subcommittees and pertinent Portfolio Committees.

As a highlight the article briefly looks at the issues considered by the Consumer Services and Communication Subcommittee that deals mainly with consumer rights and protection measures.

As a way forward, member regulators were urged to develop a consumer protection model, and communication strategies.

It was recommended that, prior to developing the above instruments, the current customer protection mechanism within regulators should be reviewed and analysed in consideration with the international practices.

This would assist member regulators to improve consumer protection mechanisms in their different jurisdictions.

Furthermore, a survey from the International Council for Energy Regulators (ICER) , which required the regulators to respond the state of consumer protection measures within the energy regulation processes, was completed by RERA members.

There should be creation of consumer protection standards, improvement of consumer participation clear communication strategies with consumers and monitoring and enforcement of protection standards be prioritized, RERA Secretariat noted.

"As a highlight the article briefly looks at the issues considered by the Consumer Services and Communication Subcommittee that deals mainly with consumer rights and protection measures."

Final stakeholder workshop on renewable energy held

Some of the stakeholders attending the RES-E workshop.

The last stakeholder workshop for development of regulatory frameworks for renewable energy that was funded by African Development Bank (AfDB) was held on 2 September 2015 in the Lesotho Electricity and Water Authority's (LEWA) conference room.

In his opening remarks, the Chief Executive Assoc. Prof. Ntoi Rapapa reminded the stakeholders that some of the workshop recommendations would be included in National Energy Policy, which was going to be officially launched by the Government.

"You will recall that we shall be looking at the last deliverables from the Consultant which amongst others, are RES-E REFITs, licensing models, and guidelines for procurement of power. You may be free to meet with consultant Mercados provided prior arrangements are made to provide inputs and seek clarifications", the Chief Executive noted.

Various technical and economic aspects of development of RES-E were discussed and these included net metering (for individuals generating electricity of 50kW and below), FITs, unsolicited bids, tenders, off-grid concessions.

Equally important were the mechanisms to finance the potential extra cost of on-grid RES-E. The potential extra cost was defined as the amount, which shall be collected over and above the FIT, to finance the development of RES-E facilities.

In this regard, it was recommended that a uniform green levy or surcharge be applied to cover

"You will recall that we shall be looking at the last deliverables from the Consultant which amongst others, are RES-E REFITs, licensing models, and guidelines for procurement of power."

LEWA Chief Executive, Assoc. Prof. Ntoi Rapapa (standing), reminds the stakeholders that some of the workshop recommendations would be included in the National Encergy Policy.

potential extra costs of RES-E facilities. Other mechanisms include removal of levies and taxes on imported components of renewable energy systems or Government making disbursements of loans made on concessional terms and grants by multilateral and bilateral institutions.

According to one of the consultants' presenters, Leonardo Lupan, it was important for Lesotho to have a Renewable Feed-in Tariff (REFIT) mechanism and since RE was still expensive more than conventional energy, there should be incentive mechanisms so that investors may consider doing business in the subsector.

"The FIT for RES-E is necessary in the context of ensuring security of supply and tariffs should be based on market prices so as to offer benefits to investors and the consumers" Lupano added.

The five main deliverables of the assignment would be development of IPPs framework guidelines and legal instruments; principles of generation tariff determination and an economic-financial tariff model; standardised power purchase agreements (PPAs); licensing models; and guidelines for power procurement and implementation plan ❑

King Letsie III's 52nd birthday observed at LEWA

LEWA staff in the mood for celebrations to mark the King Letsie III's 52nd birthday in full traditional regalia.

On 16 July, 2015 the Lesotho Electricity and Water Authority (LEWA) employees celebrated King Letsie III 52nd's birthday. The occasion also served as one of the teambuilding session for the Authority as all members of the staff were engaged with the activities of the day with one spirit, cheering and cooperation, irrespective of the levels of employment for each one of them.

In his opening remarks the Chief Executive Associate Prof Ntoi Rapapa urged all employees to remember as to why the King's birthday has become an important event to the entire Basotho nation. Assoc. Prof. Rapapa indicated that these kinds of events reminded Basotho of their history as well connecting them to the future.

"Through our commemorative words we can bring history to life and understand that every day courage happen to build us into a better Basotho nation, all we need to do is to embrace it". The Chief Executive noted.

The Chief Executive expressed his appreciation to all staff members for making the King's birthday commemoration a success. He highlighted that the event had improved from last year's celebration saying the logistics demonstrated commitment and creativity from staff.

The event was celebrated with different kinds of traditional Basotho dishes such as maqebekoane, nyekoe, likhetšo, motoho, likahare, litlhakoana and many more. in addition, poems, songs about the King, traditional dances and performances such as mokhibo, mokopu, morabaraba, mohobelo and liphotha were performed ❑

Mohobelo dancers show the level of excitement that prevailed during the occassion.

The moraba-raba game where men slug it out.

Some of the ladies in their traditional wear and a "guardian".

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