Vol. 002 Wednesday, October 22, 2025 www.zambiandigest.net Zambian Digest

POWER DIGEST

A CURATION OF TOP ENERGY SECTOR STORIES

MANSA SOLAR PLANT ALMOST READY

The 'Journey to 1000MW of Solar Power' is slowly becoming a reality each day as Luapula province prepares for its largest single power generation site, the Mansa 50MW Solar PV Power Plant. Construction of the solar farm has reached 75% completion, with civil works, mounting structures and electrical balance-of-plant visibly advanced on site. Originally scheduled for completion in December, 2025, the ZESCO Limited wholly owned facility will support the economic development of Mansa District and Luapula province.

For Luapula province specifically, current electricity demand stands around 27 MW so a 50 MW solar plant is material at provincial scale, especially in daytime peak.

Once synchronized, it will underpin clinics, schools, small industries and new connections, while cutting diesel reliance and cushioning future dry-season deficits.

The project's progress also means jobs now and technical skills for local youths—benefits that endure well beyond first power.

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IS ZESCO WINNING?

ZESCO and winning are probably two words that Zambians wouldn't currently use in the same sentence, but pretend for a moment that you have 24 hours of electricity, ok maybe let's say 15 hours, because you live in Chawama.

For years, Zambia's electricity sector has had one big problem: the country's main buyer of power, ZESCO, has been in shaky financial shape. When your biggest customer pays late and sells power below cost, banks and developers take one look and say, "Not today." That's why so many new projects stalled. Under the old "single-buyer" setup, nearly every producer depended on ZESCO to buy their power. A weak ZESCO balance sheet meant the risk of not getting paid spread to everyone. Result: higher borrowing costs, fewer plants built, and slower progress just when the country needed more reliable power.

The turnaround started when new laws and regulations reformed the market, so that ZESCO must no longer carry everyone on its back, even when it's buckling under the weight of being the single buyer of electricity. ZESCO faced the numbers and began to fix the basics: moving tariffs closer to real costs, tightening collections, cleaning up contracts, and crucially paying down arrears.

In the last four years, the utility has reported a dramatic drop in its debt burden ($1.8 billion to about $200 million in 4 years!!!!). That sends a simple, powerful signal to financiers: cash discipline is back. Think of it like a shop that used to dodge its invoices; once it starts paying suppliers on time, wholesalers are suddenly willing to extend credit again.

At the same time, the rules of the game have changed. The new open access framework means producers and large users (like the mines and industrial parks) can use the national grid on fair terms, and multiple traders can buy and sell power, not just ZESCO. In everyday terms, we've gone from a one-till store to a proper supermarket, maybe even a hypermarket! For developers, that reduces dependence on a single customer and spreads risk across several buyers; banks love that. For consumers, it encourages more projects to reach financial close faster, adding megawatts that help buffer drought seasons and drastically cut the chance of load- shedding.

Imagine you're a tomato farmer who, for years, was allowed to sell only to one supermarket that paid late and below your costs. Would you plant more? Probably not. Now picture a whole market where restaurants, small shops, delivery apps, and yes, that same supermarket that's finally paying its bills can all buy from you.

Suddenly, investing in more greenhouses makes sense. That's Zambia's power sector today: a cleaner ZESCO balance sheet plus rules that welcome more buyers and sellers.

Keep those two ingredients - financial discipline and open access - and investment follows. More investment brings more reliable power. And more reliable power? That's factories running, Ba Moze's barbershop doing its thing, and never having to plan your life around an unreliable load-shedding schedule.

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WHAT ZESCO IS NOT TELLING YOU

PART ONE

Zambia (through ZESCO and other licensed power sector players) is part of the Southern African Power Pool (SAPP), a regional marketplace where countries buy and sell electricity hour-by-hour, day-ahead, and month-ahead. Think of it like City Market, but for electricity: you can do bulk orders (month/week ahead), tomorrow's shopping (day-ahead), or dash back when the pot is burning (intra-day/balancing).

Since April 2022, SAPP even runs a Balancing Market—the emergency lane that corrects last-minute mismatches to keep the grid steady. (It's the "call a friend with a car" option.)

First, the drought-sized elephant: less water, less hydro, more juggling Zambia relies heavily on power from water - hydropower. When Kafue, Victoria Falls, Kariba, and friends run low (hello, climate change and El Niño), generation drops and load-shedding rises. In 2024–2025, weak water levels hammered output, and ZESCO rolled out formal rationing schedules while also seeking imports to shield the economy. In short: the rivers and lakes shrank, the spreadsheet groaned. "So how can Zambia export to Namibia/Botswana if we're load-shedding?" Great question. Three very practical reasons—none of them mystical:

1) Firm contracts are promises with penalties

ZESCO has long-term Power Supply Agreements to deliver set amounts to neighbors—famously, Namibia's NamPower has had 100 MW (10-year) and 80 MW (5-year) deals on its books. These are dollar-denominated and legally binding; walking away can trigger penalties, lawsuits, and reputational damage that make future imports more expensive when we need help. (NamPower's own reports list those ZESCO contracts explicitly.)

Reality check: in 2024, some contracted supply to Namibia was reduced for a period—evidence that, when constrained, parties renegotiate rather than simply default. But it's a negotiation, not a light switch.

2) Time-of-day and location matter

Power shortages bite hardest at evening peaks. There can still be off-peak surplus (e.g., at night) or generation in one corridor that can be exported while a different part of Zambia remains constrained by transmission limits. In market terms: if we can sell 50 MW at 2 a.m. along an open corridor, that trade can fund more imports (or fuel purchases) when our 7–9 p.m. peak hits. SAPP's hourly markets exist precisely to exploit these differences.

3) Exports can pay the bills that stabilize tomorrow

Hard-currency export revenue helps cover Independent Power Producer (IPP) invoices, maintenance, and (ironically) imports during crunch hours. Botswana, for instance, often boosts imports in tight seasons; a chunk has come from ZESCO in recent years via SAPP/bilateral deals. Trading cuts both ways across the calendar.

Bottom line: You can be load-shedding at 7 p.m. and still be obligated (or economically rational) to export megawatts at 2 a.m. under specific contracts or along available corridors. That's not betrayal; it's grid physics plus contract law plus cash-flow reality.

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RENEWABLE ENERGY INITIATIVES BENEFIT 239,000 ZAMBIAN HOUSEHOLDS

The Ministry of Energy has reported significant advancements in Zambia's renewable energy sector, positively impacting around 239,000 households, businesses, and institutions in the past four years.

Principal Public Relations Officer Bob Sianjalika highlighted the Ministry's Demand Stimulation Incentive Programme, which has enhanced the livelihoods of over 30,000 rural Zambians. He noted that the Beyond the Grid Fund for Zambia has provided clean energy solutions to 119,000 households, businesses, and institutions.

Additionally, Sianjalika mentioned that the Ministry's empowerment initiatives have aided more than 90,000 Small and Medium Enterprises (SMEs) nationwide. He also announced that Growth Investment Partners Zambia is expected to assist an additional 150 SMEs over the next 15 years, further bolstering the country's energy security and economic growth.