

		MINUTES: POWER SUPPLY UPDATE FOR THE AGRICULTURAL SECTOR MEETING	
<i>Meeting Number</i>		01	
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<i>Compiled by</i>		C.K.Nashe	
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Agenda of Meeting

ITEM	ACTIVITY	FACILITATOR
1.	AGENDA	
	1. Chairman's Opening Remarks	ZETDC MD (A)
	2. Presentation on Power Supply Status and Outlook	ZETDC TDD (A)
	3. Progress in Winter Cropping	Agritex & Farmer Representative Organisations
	4. Feedback from Farmer Representative Organisations	ZETDC MD (A)
	5. Directory for Provincial Contact Persons	ZETDC PR Executive
	6. Any Other Business	ALL

1 ATTENDANCE REGISTER

Name		Present	Absent	Apologised	Comments
R.T.Katsande	Managing Director (A) - ZETDC	√			Chairing
J.Diya	Transmission & Distribution Director (A) TDD(A)	√			
S.Dadi	General Manager (Northern Region)	√			
O.Mavengere	Retail Manager (RM) and CSM(A)	√			
S.Mandizvidza	Public Relations Executive	√			
A.Chingwe	Commercial Farmers Union (CFU)	√			
B.Gilpin	Commercial Farmers Union (CFU)	√			
M.Jiti	Zimbabwe Commercial Farmers Union (ZCFU)	√			
R.Ambrose	Zimbabwe Tobacco Association (ZTA)	√			
R.Chihuma	AGRITEX	√			
R.Tapfuma	Zimbabwe National Farmers Union (ZNFU)	√			
R.R.Mariwa	Commercial Services Manager (CSM)			√	
C.K.Nashe	Demand Side Management Eng – Commercial	√			minuting

1.0 Opening Remarks

Following introductions from the delegates, the Chairman proceeded to welcoming the delegates to the important meeting at hand in which there would be discussions on the Electrical Power Supply situation with the Agricultural sector. He alluded to how power supply was critical to the agricultural sector as it was linked to food security of the country, which has an agro-based economy.

The chairman gave some ZETDC statistics for Agriculture regarding Power Supply in which he touched on client base (11 000), of which 3000 are on the prepayment meter platform. He added Agriculture accounted for 6% of electricity sales from 12% at the peak of production and that the sector currently owes approximately 120 million dollars.

The chairman alluded to challenges being faced by the power utility that include the current power supply deficit, vandalism of the ZETDC core infrastructure by organized criminal elements, a huge debtors book of about 1.1 billion dollars, an aged network resulting in high frequency of faults, an uneconomic tariff and this had led to a negative working capital position that is frustrating efforts to service delivery.

Despite the challenges, the chairman reiterated that through a multi stakeholder approach, the challenges can be resolved. He was hopeful that the meeting was to result in the sharing of ideas and how the agricultural sector and ZETDC can support each other in order to move the country forward.

The chairman then asked the Transmission and Distribution Director (A) to give an overview of the current Electrical Supply situation to the meeting.

2.0 Presentation on Power Supply Status and Outlook

Having greeted the delegates, the TDD(A) allude to what his presentation was to cover as listed below;

- i. The current Electricity Supply problem, how much power we have for the country
- ii. The consumption pattern for the country
- iii. Performance at Kariba South Power Station
- iv. Challenges regarding the power supply in the country
- v. Mitigation measures being done by the ZETDC

The TTD(A) having presented, the chairman opened the meeting to questions or clarifications from the presentation. Below are the questions from the agricultural sector and answers thereof from the ZETDC delegation;

3.0 Progress in Winter Cropping discussed in (4.11)

4.0 Feedback from Farmer Representative Organisations

No.	Question	Answer
4.1	<p>R. Ambrose; Zimbabwe Tobacco Association (ZTA)</p> <p>What is the outlook for Kariba South Power Station given that dwindling dam water levels will continue until early next year until water inflows come into the dam;</p> <p>At what point will Kariba South Power Station not be able to supply electricity.</p>	<p>Transmission & Distribution Director TDD(A)</p> <p>The allocation from Zambezi River Authority(ZRA) is meant to allow us to generate sparingly like we are doing so we can generate into the rainy season, so we are supposed to get to the end of the year and hoping by then, we will have reasonable inflows. The weather forecast as I have heard is saying we will get above normal rainy season.</p> <p>We can generate to make everyone happy but we will run out of water by August or September 2019 hence we need to continue to use water sparingly.</p>
4.2	<p>B. Gilpin: Commercial Farmers Union (CFU)</p> <p>We have great concern in that what has already been committed in the way of crop for the current winter season is not going to come to anything. We need guidance for the growers who have already committed, whether they are going to carry on and see these crops though. The wheat needs about 25ml of water a week at the early stages and up to 40ml a week in stage 2 before the needs fall. There is about 28 000 Hactares of wheat</p> <p>The 7-hour load shedding scheduling is difficult where farmers have sprinkler irrigation as we never know when power is back on so shifting of pipes is an issue.</p>	<p>Managing Director (A) – ZETDC & General Manager (Northern Region)</p> <p>We appreciate the concerns hence we have to save the wheat crop as there is no foreign currency to import wheat.</p> <p>From the load shedding stage 1 schedule, it was agreed that farmers wanted load shedding on alternate days and we agreed we would give them 4 days (3 days + Sunday) and we hoped we would not be shedding on Sundays as we thought the demand will be low but experience of the last 4 weeks have proved otherwise to the extent that we are shedding almost every day as we have been on stage 2 load shedding.</p> <p>As at yesterday, we resumed stage 1 load shedding and we are hoping to stick to the stage 1 load shedding of rationing power on alternate days for</p>

		farmers
4.3	<p>R. Ambrose; Zimbabwe Tobacco Association (ZTA) & B. Gilpin: Commercial Farmers Union (CFU)</p> <p>If the tariff was to be adjusted, what sort of tariff adjustment will be a viable in RTGS\$ terms?</p> <p>Regarding the tariff, if the tariff changes will it guarantee reliability and dependability of supply?</p>	<p><i>Managing Director (A) – ZETDC</i></p> <p>The tariff that was prevailing in February 2019 in USD\$ terms is the tariff that will make us to be able to survive. If we translate to RTGS\$ using the intermarket bank rate, that will be the level of tariff that we require.</p> <p>We are aware though that if the electricity tariff was to be adjusted, it will not make a lot of difference in relation to production costs. In addition, the way products are priced is based on the previous USD\$ prices. Currently, the shareholder is not keen on adjusting the prices as it would have a ripple effect on the economy. We are continually lobbying and hopefully sooner rather than later, we will get a positive response.</p>
4.4	<p>B. Gilpin: Commercial Farmers Union (CFU)</p> <p>Regarding the legacy debt and problems of disconnections, you are being told to collect the amount of money owed. There are a lot of farmers who have legacy debt on the farms they are currently renting, which they were not responsible for?</p>	<p><i>General Manager (Northern Region) Retail Manager (RM) and CSM(A)</i></p> <p>Most farmers have agreed on a payment plans and those who do not have payment plans or who are not honoring payment plans, face disconnections and litigation. We consider the electrical power point and the debt on it must be addressed by the farmer occupying the farm whether he or she owns it or is renting. There are no sacred cows anymore and this is clear from the media as we have moved a gear up and are litigating prominent members of society, all to try to reduce the debt owed to us.</p> <p>The debtors book is now around</p>

		1.1billion but this is now in RTGS\$ versus ZETDC debt, which is about 1 billion but most of which is in USD\$ terms. So we need to get to a stage where we can say what do we need to do to get the power utility to function well.
4.5	A. Chingwe: Commercial Farmers Union (CFU) Farmers are being paid in RTGS\$ so do not know how you will handle farmers paying half in RTGS\$ and half in USD\$?	Retail Manager (RM) and CSM(A) Being in a multicurrency economy, a farmer can pay half in RTGS\$ and half in USD\$. The USD\$ amount is being paid as the equivalent in RTGS\$ using the intermarket bank rate.
4.6	B. Gilpin: Commercial Farmers Union (CFU) We hear there is Power available in the region but we need to pay forex to get it.	Managing Director (A) – ZETDC There are 2 countries that have excess power in the region, that is, South Africa and Angola. Angola is just theoretical as it is not interconnected to the region hence we cannot access that power as yet. The project to interconnect Angola is underway. We owe Eskom US\$38m and we are working on a payment plan and the moment we raise enough foreign currency, we will be able to import the power.
4.7	B. Gilpin: Commercial Farmers Union (CFU) We also hear that Cabora Basa dam is overfilling and they need to empty the water and this is on social media and is creating false impression of the reality.	Managing Director (A) – ZETDC & Transmission & Distribution Director TDD(A) The cyclone Idai filled Cabora Basa so they are having to spill water to save the dam wall. And the next question will be why can they not generate more for us but this is not possible for them as they have 5 generators, which are being run at full throttle. The power plant was also constructed with South Africa being the major off taker and have an

		agreement of almost 100% of the capacity there. So there is no extra capacity that is being derived from the station.
4.8	<p>B. Gilpin: <i>Commercial Farmers Union (CFU)</i></p> <p>Importation of electricity being a low hanging fruit for ZETDC, what success are you having with government regarding foreign currency allocation?</p>	<p><i>Managing Director (A) – ZETDC</i></p> <p>If you recall the monetary policy statement, electricity and fuel was prioritized. Government is assisting but not to the extent that we require. We have had to turn to our exporting clients, especially the large mines to mobilise the foreign currency so we can unlock the power. We are asking our clients for a portion of the foreign currency they are retaining. Every USD\$ will count hence we would like all exporters to play a part.</p>
4.9	<p>R. Ambrose; <i>Zimbabwe Tobacco Association (ZTA)</i></p> <p>Regarding part payment of bills in USD\$, our tobacco farmers will not be able to do so but we propose that the USD\$ be multiplied by the intermarket bank rate. They will be happy for such an arrangement.</p>	<p>General Manager (Northern Region)</p> <p>It is a good proposal but unfortunately it would not work for ZETDC as all our costs are in USD\$ so that we get the power we need.</p> <p>Our thinking was ZESA in collaboration with its clients, we can see the capacity we have and how we can move forward. We are looking at all clients who are exporting, not just in the agriculture sector. I had a chance to talk to farmers who are exporting, if part of that income from crops exported would go towards purchasing electricity, then we would support the agriculture sector adequately.</p>
4.10	<p>R. Ambrose; <i>Zimbabwe Tobacco Association (ZTA)</i></p> <p>If some farmers pay in USD\$ and are given electricity, other farmers who are not paying in USD\$ but are connected to that farmer will enjoy the benefits and this will result in the farmer feeling he or she is paying for the benefit of all.</p>	<p>General Manager (Northern Region)</p> <p>It makes a moral argument in terms of fairness but if you are looking at the farmer as an individual, is it beneficial for his production to pay USD\$ or not. We are not looking at farmers only, we have small gold miners, industrialists, chrome miners, to name a few who</p>

		are getting foreign currency. If all get on board, we may have enough foreign currency to secure electricity and all will benefit individual, is he or she better off paying.
4.11	<p><i>Managing Director (A) – ZETDC</i></p> <p>May you explain regarding the wheat stages regarding the crop's need for water?</p>	<p>R. Chihuma: AGRITEX & B. Gilpin: <i>Commercial Farmers Union (CFU)</i></p> <p>The stages would have been easy to analyse if all the farmers had planted their wheat around the same time. The planting window this season was stretched from the start of 1 May 2019 and even now we have farmers that are still planting but it is tailing off. So, this has created different stages for wheat, with some requiring 25ml of water in May when the crop was germinating and emerging their crop and up to the tillering stages. The crop basically is in the early stages where the need for water is going up from 25ml to 40ml per week.</p> <p>To be able to achieve 40ml per week, we may need 4 to 5 days a week of electricity supply. The current agreement for 3,5 days a week may be enough for only the early stages of the wheat crop that is 25ml requirement.</p> <p>There is approximately 12000ha under private sector and about 16000ha under the Command Agriculture programme.</p>
4.12	<p>B. Gilpin: <i>Commercial Farmers Union (CFU)</i></p> <p>Agriculture only uses about 6% of power. Why can you not make electricity available for farmers since we do not consume a lot? We still consume a small portion of the electricity and the bulk of the arrears are from other client categories. Are you chasing debt to all clients as well apart</p>	<p>General Manager (Northern Region)</p> <p>If it was 6% supply for farmers in one area, we would exempt load shedding to farmers but unfortunately farmers are embedded in the whole network such that to take out the 6% then, we need to exempt many other clients.</p>

	from farmers?	We are looking to collect debt from all client categories. Either you are paid up or we have an agreed payment plan or you are off. If you are off, we would have handed you over to our legal team and you will be under litigation. Litigation is a last resort, which we do not want.
4.13	<p>B. Gilpin: Commercial Farmers Union (CFU)</p> <p>What proportion of electricity supplied is to prepayment metered clients?</p>	<p><i>Retail Manager (RM) and CSM(A)</i></p> <p>Prepayment meters are for small capacity clients and we have installed about 650 000 of them but this is less than 30% of the consumption of electricity supplied.</p> <p>We however have begun the smart metering project and we are at the pilot stage. These meters will cater for clients consuming 100A and above and in comparison, your home is 60A.</p> <p>95% of clients are now on prepayment meters. The issue is not on prepayment meters but rather the Tariff itself and the relevance to our cost structure, the only thing which is RTGS\$ is myself, otherwise everything else requires USD\$. If you lose your transformer or your line is stolen, you will need USD\$ to replace the infrastructure.</p>
4.14	<p>B. Gilpin: Commercial Farmers Union (CFU)</p> <p>Regarding transformers bought by the farmer, how they become ZESA property, maybe there are ways of addressing the cost of replacing the transformer by the farmer</p> <p>How long has the policy been running?</p>	<p><i>General Manager (Northern Region) & Retail Manager (RM) and CSM(A)</i></p> <p>We are offsetting with energy credits and the price is based on ZENT prices.</p> <p>The effective date for the policy items of the market value was January 2019 but the policy has been there in our commercial guidelines as the client</p>

		supplied material scheme offsetting with energy credits.
4.15	<i>B. Gilpin: Commercial Farmers Union (CFU)</i> May you please circulate contact details of contacts who we may contact regarding any issues, which may arise.	<i>Managing Director (A) – ZETDC</i> The Commercial Services and Public Relations teams carry out public awareness campaigns on safety, vandalism and efficient usage of electricity to manage costs. Hard copies of contact persons were issued to the agriculture delegates and a WhatsApp group was to be created by Public Relations in which updates on progress regarding power supply will be made
4.16	<i>R. Ambrose; Zimbabwe Tobacco Association (ZTA)</i> What happened to the Dema plant?	Transmission & Distribution Director TDD(A) We engaged the supplier to say can you generate power for us. The supplier's response was that the plant was available but they needed various guarantees from the government. The tariff for buying the electricity was in US\$ but also morally, fuel being not readily available, the plant requires 12.6M litres of diesel to generate 100MW per month.

5.0 Any Other Business

There being no other business the chairman closed the meeting at 1204hrs