

# SUCCESS STORY

## Plugging in the Power Producers

### With USAID's help, Swaziland Develops a National Electricity Grid Code



*A formal ceremony was held to mark the official handover of the National Electricity Grid Code. US Ambassador to Swaziland Makila James presented the Grid Code to Swaziland's Minister of Natural Resources and Energy, Jabulile Mashwama, heralding a new era in renewable energy regulation that will help increase the supply of electricity urgently needed in the country. As Ambassador James noted during the ceremony, "It was essential for the Grid Code to be objective, transparent, non-discriminatory, consistent with government policy, relevant, and well-defined. We are proud to say that the completed Grid Code meets these high standards, and we believe it will serve as an important part of Swaziland's renewable energy landscape for years to come."*

Swaziland, Africa faces the same energy challenges as many other countries in southern Africa: unreliable electricity supply and an increasing power deficit. Only 20 percent of Swaziland's maximum demand is met through the country's own hydro and biomass co-generation efforts. The remaining 80 percent must be imported from neighboring South Africa and Mozambique.

Yet Swaziland has abundant renewable energy potential including hydro, biomass, solar and wind. In order to unlock this potential and ensure security of energy supply, Swaziland needs to promote and facilitate the entry of Independent Power Producers into the sector: entities that can generate electricity and sell it into the system.

USAID's Southern Africa Trade Hub is working closely with the government of Swaziland to develop a Renewable Energy and Independent Power Producers Policy. During their collaboration, the development of a Grid Code was identified as a high priority. A Grid Code is essential to the generation of clean energy: it defines technical standards; connection, operation and maintenance rules; information exchange protocols; market relations; and much more.

Currently, Independent Power Producers wishing to sell to the grid must negotiate individual agreements with the Swaziland Electricity Company, a cumbersome process requiring significant time and effort from both parties. The Grid Code eliminates this barrier by laying down a transparent, consistent set of guidelines that can be used by all potential users of the energy system, increasing access and shortening the application process. This is critical to attract the investment of independent power producers in the sector and open the door for more competition.

The Trade Hub provided technical assistance and resources to help complete the Grid Code and is working closely with the government of the Kingdom of Swaziland to help regulate the country's clean energy sector. Swaziland's electricity supply industry is undergoing major reforms to liberalize the sector and allow for more effective private sector participation. With the development of a transparent, robust, and predictable clean energy regulatory regime, USAID's Trade Hub is helping Swaziland make progress towards its goal of generating as much power as the country needs.