

STAKEHOLDERS BULLETIN

Eneo Cameroon quarterly newsletter on the situation of Electrical Service

2022 First Quarter

Patrick Eeckelers, Eneo's new GM People, customers and stakeholders at the heart of his priorities



Mr. Patrick Eeckelers was appointed General Manager of Eneo Cameroon S.A, during the Board of Directors meeting of Eneo held on 30 March 2022 in Yaounde,

One week later, during his installation in the presence of staff, he outlined his priorities, which are generally in line with the actions taken.

"Employees are the first and most important asset of our company. We will expedite the signing of the new collective bargaining agreement, for which work has already begun. [...]", the General Manager said.

Another top priority is to continue the mobilisation of more than 300 million euros on the international markets in 2022 for the continuation of Eneo's investments in the segments for which it is responsible (Generation, Distribution and Sales of electricity). **Our customers are at the heart of the targeted improvement in service quality, which will only be sustainable if all the stakeholders in the sector invest massively in their respective segments.**

Negotiations with the World Bank (IFC), the lead lender, are possible because of the visibility created by the ongoing financial restructuring of the sector, in collaboration with the Government. In this regard, the General Manager intends to continue talks with the Cameroonian administration and other major stakeholders, with a view to achieving a sustainable financial balance in the electricity sector.

- Other important projects to be carried out in the short or medium term were announced by the new manager:
- Operational actions to promote a **safety culture**;
- **Completion of the implementation of an ERP**, a solution integrator to simplify the deployment of workers and improve productivity;
- **Acceleration of the installation process of a SCADA**, a solution for automating the management of distribution networks to improve response times and shorten the duration of incidents;
- **Finalization of the "Made in Cameroon" project for some essential equipments for the operation of electricity distribution**. In line with the President of the Republic's call for increased industrialization in Cameroon in a context dominated by the consequences of the Covid and post-Covid pandemic, as well as those linked to international conflicts, Eneo launched two invitations to tender in 2021 aimed at encouraging the production in Cameroon of 8 essential fast-turnaround materials. After the success of the creation of production units for concrete electricity poles, this approach will reinforce Eneo's position as a catalyst for the industrialization of the electricity sector.
- **Fight against fraud and improve collection performance** to guarantee investments and support routine operations;
- **Continued popularization of the prepaid solution** for customer empowerment;
- **Working with the government and other stakeholders to find solutions to meet the huge**

industrial demand for energy; in particular helping the government to take the option of investing massively in the transmission segment in order to allow the whole sector to benefit from this opportunity (more than 380 MW expected to date);

- **Complete the solar and thermal projects under development in the Far North**, in order to address the persistent hydrological crisis

The new Eneo boss previously spent 30 years working for the Engie group, one of the world's leading electricity suppliers.

Patrick Eeckelers has expertise in several areas, including general management, business transformation, project management, business development, project finance, mergers and acquisitions, and the energy value chain.

In addition to several board positions, as CEO he led industrial companies, both joint ventures and listed companies, with a focus on growth or crisis management, in competitive and changing environments.

His most recent experience includes managing a multi-sector portfolio in Hungary, including 1700 MW of gas, 800 000 distribution customers, among others, with a turnover of more than USD 1 billion and 1 400 employees.

Mr. Eeckelers holds an Executive MBA from INSEAD in Fontainebleau and a Master's degree in Electro-mechanical Engineering.

CONTENTS

Pg. 1 Patrick Eeckelers, Eneo's new GM :
People, customers and stakeholders at the heart of his priorities

Pg. 2 Improving the sector's finances,
investments, improving service on Eneo's side

Pg. 3 Quality of technical service: :
Rationing in the major grids but fewer and fewer power cuts due to Eneo Cameroon's facilities

Pg. 4 Solar/thermal power plant under construction in Guider already generating its first megawatt hours in test mode

More and more households and businesses connected to the network

Pg. 5 Distribution efficiency keeps improving

Eneo metres reliable,
Consumer organisations state

Prepaid solution : Eneo provides even more support to its customers

Pg. 6 Eneo has identified an industrial demand of 380 MW over 2022-2024, an opportunity for the sector



More than 350,000 customers are already enjoying the benefits of prepaid



Field inspection operation

Improving the sector's finances investments, improving service on Eneo's side

The report on the financial clean-up of the electricity sector reveals that the 118 billion promised by the State has been fully paid up (with the last instalment paid to ENEO in March 2022). And following the Protocol signed with the State on the justification and allocation of these funds, the amounts have been allocated to the various beneficiaries as agreed (KPDC, DPDC, SONATREL, EDC). See table below

A factoring operation for CFAF 38.9 billion was completed in February 2022. The money thus allocated to ENEO were used to manage the sector's financial needs during the AFCON period.

During the last Board of Directors meeting, these positive steps were commended by the body, which maintains that the sector's clean-up operations should continue, especially in the following areas

- The validation and payment of the outstanding public lighting bills for 2020 and 2021
- The resolution of the problem of financial clearance operations cost in the sector, which have been fully borne by ENEO to date
- The problem of interest on arrears in the sector.

Beneficiaries	Phase 01 (XAF bn)	Phase 02 (XAF bn)	Total (XAF bn)
KPDC	50	03	53
DPDC	08	07	15
ENEO	03	17	20 (I)*
SONATREL	05	08	13
EDC	04	13	17
TOTAL	70	48	118

* Of the CFAF 20 billion, Eneo received only CFAF 10 billion (excluding transaction costs)

Quality of technical service

Rationing in the major networks but fewer and fewer outages due to Eneo Cameroon's facilities

During the first quarter of 2022, despite an improvement in the rate of coverage of demand compared to last year (98% in the Far South), Eneo Cameroon supported its customers who experienced difficult times due to rationing, especially in February and March 2022. Such as in the Far-North, due to hydrology; or in the Southern Interconnected Grid due to a set of structural causes shared with other stakeholders in the electricity sector.

In order to cope with the constraints and to eliminate or reduce, depending on the location, the effects of load shedding, it was necessary, at the request of the government, to proceed with regular load shedding of large customers (industrial, medium-sized companies or large businesses). This made it possible to supply households a little better, but on the other hand led to a drop in turnover for these customers, and even Eneo.

In the Southern Interconnected Grid mainly, these load-shedding events are caused by deficits in the different segments of the system. These are generation, transmission and distribution.

In Generation

All stakeholders, ENEO, EDC, KPDC, DPDC, which share the Generation segment, have experienced severe constraints.

With the low-water period in the Ntem basin, the level of water supply observed at the MEMVE'ELE hydroelectric plant did not always allow this facility to generate the 90 MW already available, leading de facto to a significant generation gap for the entire system. To this must be added occasional shortfalls in fuel supplies to thermal power plants,

the unavailability of units in certain power plants (for scheduled or emergency maintenance), as well as unforeseen events in certain generation facilities on the electricity system.

On the Transmission System (SONATREL)

There are numerous congestion constraints (overloads) on the transmission system, which, in addition to causing excessive stress on certain generation facilities, also limit the capacity of the electricity system to supply some localities. These mainly concern:

- Congestion on the Logbaba and Bekoko transformers, with an impact on the Littoral, West, North-West and South-West regions;
- Congestion on the Oyomabang-Ngouso line, with an impact on the Centre;
- Operation of the Bafoussam main line in downgraded mode (30kV instead of 90kV), with an impact on voltage quality in the West and North-West regions.

In addition to these constraints, scheduled works and incidents on the transmission network also contribute to disruption.

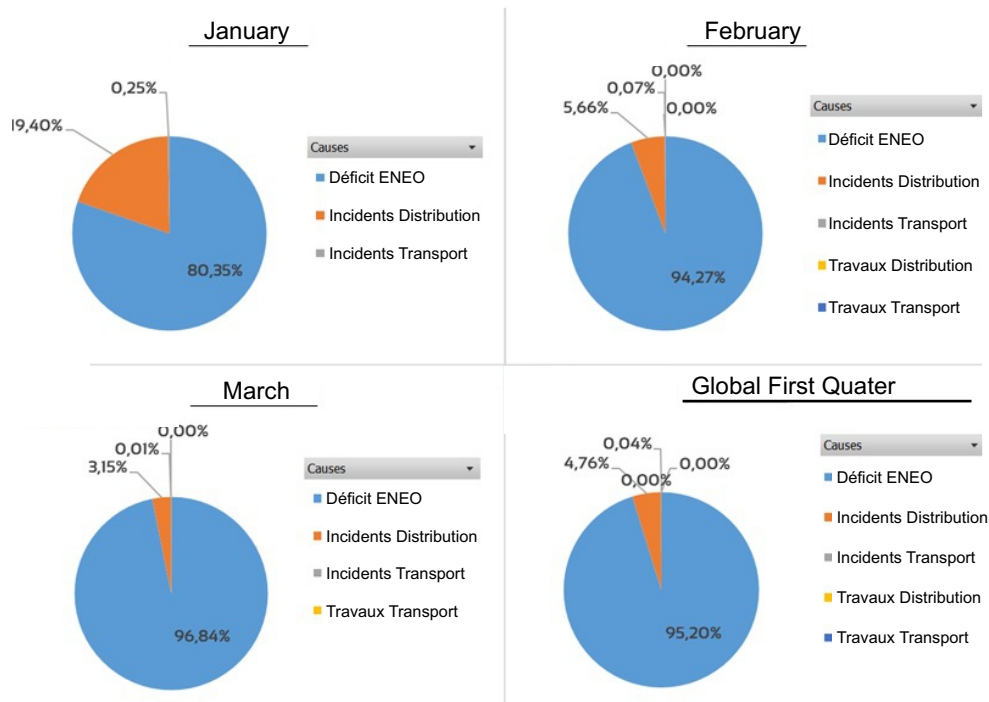
On the Distribution Network (Eneo)

The contribution of the distribution network to unserved energy to customers is only 2% against 20% in 2021. The duration and frequency of outages due to the distribution network is down by around 60% compared to the same period in 2021.

The acceleration by Eneo, in 2020 and 2021, of its investment programme aimed at improving the stability of this network has reduced the contribution of the distribution network to the disruptions recorded.



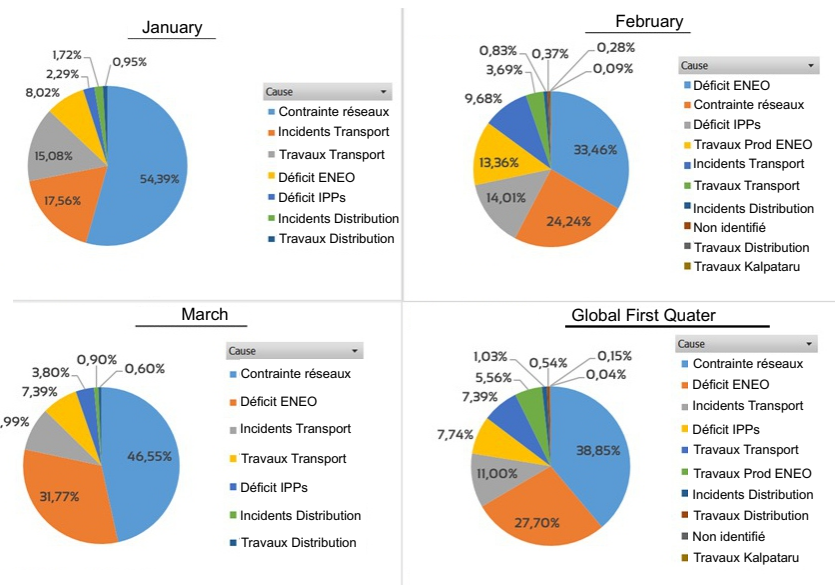
The massive concrete pole installation programme is helping to stabilise the network and improve service.



Source of outages and performance of facilities in the Northern Interconnected Grid (NIG)

In summary in the North Interconnected Grid

- For the period, the **hydrological shortfall** was the cause of more than 95% of the interruptions;
- There were a few sporadic distribution incidents that caused **5% of interruptions**.



Sources of outages and performance of facilities in the Southern Interconnected Grid (SIG)

- Overall for the period of the first quarter of 2022, the hydroelectric facilities had an excellent availability;
- During the month of January (**CAN**), network constraints, transmission incidents and transmission works accounted for almost **87% of the interruptions**;
- During the months of February and March, scheduled maintenance and various fuel rationing operations at thermal power plants (Bamenda, Logbaba, Limbé, etc.) caused **31% and 24% of interruptions respectively**.
- In addition, the month of February was also marked by the drop in **flows in the NTEM Basin (low-water period)**; this led to a hydrological shortfall at the M'EMVELLE power plant and caused about **14% of the interruptions recorded**.
- Finally, for the first three months (Q1), incidents on the transmission network and network constraints were responsible for 50% of the interruptions observed

Solar/thermal power plant under construction in Guider already generating its first megawatt hours in test mode

Solar : The first solar panels (about 400 modules) have been installed on the site and are already injecting 1.5 MW into the Northern Interconnected Grid. By early April 2022, this solar capacity injected from Guider had risen to 6.5 MW. According to the coordination team led by Eneo, "Subject to the finalisation of the procedures for obtaining permits and other administrative documents, the Eneo teams supervising the sites expect to have all 15 MW installed by September 2022, excluding cases of force majeure. This roll-out speed is unprecedented; given that it takes an average of five years to complete similar projects in countries with similar levels of development.



This modular facility is being commissioned progressively, with a view to contributing to the improvement of generation capacity in the North.

		Monthly performance			Actual performance (Q1)		
		2021	2022	2022 vs 2021	2021	2022	2022 vs 2021
SAIDI	Average duration of interruptions seen by the customer	18,37	16,13	(12%)	53,13	32,97	(38%)
SAIFI	Average frequency of interruptions seen by the customer	4,40	4,20	(5%)	12,80	9,41	(27%)
Number of interruptions		915	742	(19%)	2583	1783	(31%)
Numbre of incidents		804	532	(34%)	2172	532	(76%)

More and more households and businesses connected to the network

The number of active Eneo customers at the end of March 2022 was 1,761,393. This translates into 68,255 new customers since the beginning of the year. Of the 68,255 new customers, 24,000 are from new connections. The rest came from the conversion of illegal consumers into legal customers.

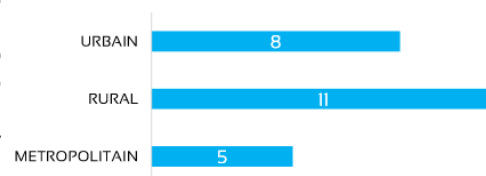
The number of new connections executed is up by 9% compared to the same period in

2021, from 22,000 to 24,000.

The average execution time of connections is relatively stable and in line with the objectives set by the government.

- Metropolitan: the average time taken to complete a connection has been in line with the regulatory deadline since January;
- Urban: 03 days later than the regulatory deadline;
- Rural: 04 days of improvement compared to the regulatory deadline.

The average time (day) YTD taken to complete a connexion per zone



Distribution efficiency keeps improving

At 75.73 % at the end of the first quarter for 2022, Eneo's distribution efficiency witnessed a 3-point increase when compared to the same period in 2021. This upward trend is the result of combined actions:

- Continuation of the fight against fraud: not less than 11, 000 metre inspections performed every month, the conversion of 36, 000 illegal consumers into standard customers during the first quarter, the arrest of fraudsters both within and outside the company;
- Improvement of the stability of the distribution network : there has been an improvement in service continuity on this network with a drop in the number of incidents and the duration of power supply disruptions caused by this network.



Eneo metres reliable, Consumer organisations state

During the commemoration of the World Consumer Rights Day, thirty consumer organisations inspected Eneo metres during a visit to its laboratory. This visit was similar to one of those the General Manager of Arsel and a team from the Ministry of Trade recently paid to Eneo. Tests performed at the request of these institutions showed that these measuring instruments were reliable.

Managed by sworn personnel, the metre testing laboratory is the body tasked with approving metres Eneo buys. It is also tasked with settling any dispute between a customer and Eneo sales personnel should any misunderstanding arise.

Eneo oversees the reliability of its metres through several processes:

- Consistency between technical specifications and international standards;
- Standardised sampling of new batches of metres;
- Certification of sample metres;
- Review of personnel skill.

Impartiality and transparency are one of the major points of the ISO/CEI 17025 v2015 standard that the Eneo laboratory seeks to comply with.

As such, laboratory staff were court sworn to enable them perform their daily tasks impartially.



Eneo Stakeholder Bulletin

Prepaid solution : Eneo provides even more support to its customers

Eneo's prepaid solution was introduced in Cameroon only recently. Early feedback from user customers has been largely positive. In fact, these customers often express their satisfaction, confirming as such the results of a satisfaction survey carried out on sampled customers.

This survey revealed that prepaying customers were over 20 times more satisfied with the electricity service, when compared to their post-paying days. They state that this solution has modernised the service delivered to them and has made them more autonomous.

Furthermore, prepayment vulgarisation is one of the commitments Eneo made to the government.

However, it is quite understandable that as a new solution it triggers questions and apprehensions. Eneo is committed to helping customers every step of way by providing answers as necessary. This accounts for the

FAQs section on www.eneocameron.cm where customers can get clarifications and information. Furthermore, the teams of the online agency are available - via live chat or at 8010 (calls)- to provide around -the -clock support to customers.

Similarly, special units have been created in the various regions to provide special support to prepaid customers. These units handle requests for connection or conversion to prepaid metering. They also advise customers and perform field operations.

With the creation of these units, deployment of the prepaid solution is evolving progressively, from a head office -centralised project to a routine activity in agencies and other operational units. The increase in the number of prepaying customers testifies to this fact. Ending March 2021, over 350,000 Eneo customers had migrated to prepaid metering.





Eneo has identified an industrial demand of 380 MW over 2022-2024, an opportunity for the sector

With the good prospects for generation availability with Nachtigal and the development of some projects in the Northern Region, **the big challenge for meeting this demand is the development of substantial infrastructure for the electricity transmission network.** Eneo has already informed the government and the transmission system operator, SONATREL, of these opportunities. The urgency of meeting this demand is clear, as it is these industries that directly finance the sector.

Five main sectors of activity guide this demand: Metallurgy, Agro-food, Cement, Real Estate and Services. The areas in question in the country are mainly:

High growth area in the Sanaga Ocean

Just over **138 MW** of potential short-term industrial demand.

Bonabéri Industrial Zone, Douala East and South-West

Douala West / South West - Just over 104 MW of potential short-term industrial demand, specifically in the industrial zones, Bomono and Bekoko;

Douala East - Just over 53 MW of short-term industrial demand potential, specifically in the Bassa, Dibamba and Ngodi Bakoko industrial zones

Nsimalen development zone in Yaoundé

Just over 10 MW of potential short-term industrial demand.

Surroundings of Yaoundé (Mbandjock, Mbankomo, Nkoabang...)

Just over 20 MW of potential short-term industrial demand

Adamawa region

A little over 4 MW (02 already available) of potential short-term industrial demand, more precisely in the Magzi industrial zone.

North Region

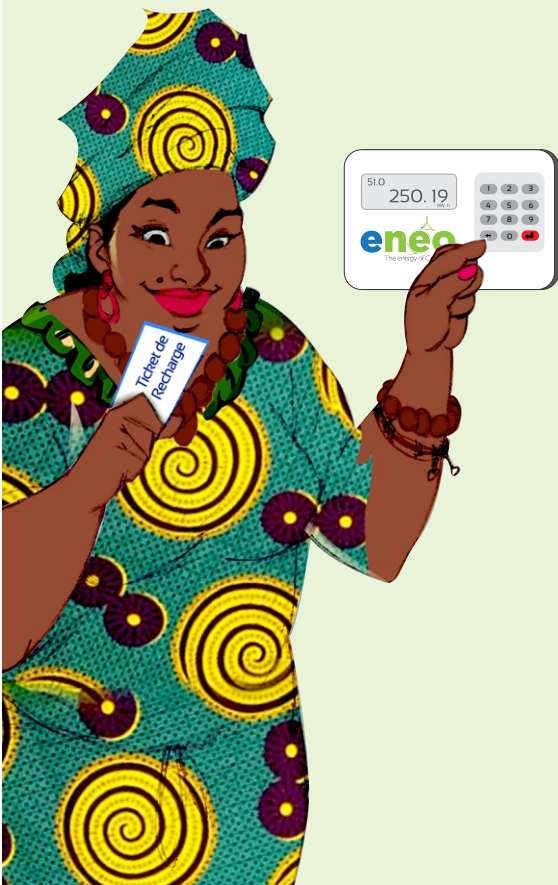
Just over 38 MW of potential short-term industrial demand

Localité		Horizon				Observations
		2022	2023	2024	TOTAL	
Réseau interconnecté Sud (RIS)						
		80.11	37	37.3	174.36	
Directions Régionales de Douala et Sud-Ouest / Moungo	Bekoko - Mudeka	24.4	10	19	53.4	Investissement Transport nécessaire
	Bonabéri et environs (Douala Ouest)	33.41	7	1.3	50.66	Investissement Transport nécessaire
	Koumassi	4.7	0	12	17.7	Investissement Transport nécessaire
	Z.I Bassa	0	15	0	24	Investissement Transport nécessaire
	Ngodi Bakoko	0	0	5	5	Investissement Transport nécessaire
	Zone économique de Dibamba	17.6	5	0	23.6	Investissement Transport nécessaire
		86	52.6	0	138.6	
Direction Régionale Sanaga Océan	Edea	36	0	0	36	Investissement Transport nécessaire
	Kribi	50	52.6	0	102.6	
		3	30	4	37	
Direction Régionale du Centre	Centre - Sud	3	10	4	17	Investissement Transport nécessaire
	Mbandjock	0	20	0	20	
		10	0	0	10	
Direction Régionale de Yaoundé	Nsimalen	10	0	0	10	Investissement Transport nécessaire
Réseau interconnecté Nord (RIN)						
		25	0	15	40	
Direction Régionale Nord, Extrême-Nord et Adamaoua	Figuil	18	0	15	33	Investissement Transport nécessaire
	Garoua	5	0	0	5	Investissement Transport nécessaire
	Ngaoundéré	2	0	0	2	
TOTAL		204.11	119.6	56.3	380.01	


This assessment does not take into account the +18MW already met in 2021 by Eneo.

Take control of your consumptions.

*Ask for your Eneo prepaid meter
at the nearest agency or through our digital platforms.*



 **Live Chat**

 **Connections 695 511 111**

 **connection.eneoapps.com**

- ▶ I only consume what I can pay
- ▶ I anticipate my consumption
- ▶ No meter reading, no bills
- ▶ No surprises

Do you need a new connection ?
For quick and direct online assistance



Login to our  **Live Chat** on :
www.eneocameroon.cm
from Monday to Friday: 8am to 4pm