

DRAFT MINUTES OF THE BUSA ENERGY SUB-COMMITTEE MEETING HELD ON 10 MAY 2018, 10:00 – 12:00 AT THE BUSA OFFICES

Key: Table = decision for follow-up:



1. OPENING AND WELCOME

Xolani Mbanga in the Chair opened the meeting and welcomed those present.

2. ATTENDANCE AND APOLOGIES

Attendance and apologies are captured under annexure 1 of the draft minutes.

3. ADOPTION OF THE AGENDA

The agenda was adopted with the following amendments:

Item 6.2. Parliament Portfolio Committee on Energy Engagement on 8 May 2018

Item 8.1. The Energy Sector Stakeholder Imbizo

Item 8.2. BRICS Summit

Item 8.3. Long-term Price Trajectory

4. ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 31 OCTOBER 2017

The minutes were adopted without amendment.

5. MATTERS ARISING

There were no matters arising.

6. ELECTRICITY SUPPLY POLICY

6.1.1. IEP / IRP Consultation Process

Laurraine Lotter reported that the Minister of Energy had indicated that the draft IRP would be taken to NEDLAC for consultation with Social Partners.

Action (1): It was agreed that there should be a BUSA core task team to engage at Nedlac on the draft IRP once published for comments.

6.1.2. Parliament Portfolio Committee on Energy Engagement on 8 May 2018

Action (2): BUSA to circulate the following three presentations made at the Parliament Portfolio Committee on Energy on 8 May 2018 to members of the BUSA Energy sub-committee:

- i. Presentation on the turnaround strategy of the Central Energy Fund (CEF) by Group of Companies;
- ii. Presentation by DoE on IPPs including signing of PPAs, IEP, IRP, Nuclear New Power Build Programme, and the Restructuring of CEF and its Subsidiaries and
- iii. Draft Solar Water Heater (SWH) Programme Implementation Plan for 2018/19 FY.

6.2. Eskom's MYPD3 RCA applications for year 2 (2014/15), year 3 (2015/16) and year 4 (2016/17)

6.2.1. Laurraine Lotter reported that the Chair of the Sub-committee Martin Kingston would be making a presentation on behalf of BUSA on 14 May 2018 at the NERSA public hearing on Eskom's third Multi-Year Price Determination (MYPD 3) Regulatory Clearing Account (RCA) Year 2 (2014/15), Year 3 (2015/16 and Year 4 (2016/17) applications.

6.2.2. Chamber of Mines and EIUG also indicated that they would be making presentations at the NERSA public hearing on Eskom's third Multi-Year Price Determination (MYPD 3) Regulatory Clearing Account (RCA) Year 2 (2014/15), Year 3 (2015/16 and Year 4 (2016/17) applications.

6.3. Nedlac Study on Eskom's Financial Sustainability

6.3.1. The Nedlac study on Eskom's financial sustainability was circulated to the Energy Sub-committee members prior to the meeting as Annexure 2.

6.3.2. Laurraine Lotter reported that the terms of reference (ToR) of the study was agreed on by all the Nedlac four constituencies, therefore business had to compromise on certain items to be included in the ToR of the study.

6.3.3. Laurraine Lotter further indicated that Treasury had requested Eskom to do their own independent study on its financial sustainability apart from the Nedlac study.

Action (3): Sub-committee members were requested to provide additional inputs and/ or comments to the Nedlac Inception Report on the Review of Eskom Business model within a week after the sub-committee meeting.

6.4. Rules for registration of small-scale embedded generation

Action (4): It was agreed that BUSA and its members should comment on the Rules for Registration of Small-Scale Embedded Generation even though the rules are an issue and problematic to business.

Action (5): Following the discussion on the Rules for registration of Small-Scale Embedded Generation, it was agreed that Sue Röhrs will send BUSA a pager highlighting the issues and challenges posed by the registration rules.

Action (6): Mike Levington undertook to share information on Rules for Registration of Small-Scale Embedded Generation with the members of the sub-committee.

Action (7): Jarredine Morris undertook to share EIUG comment on Rules for Registration of Small-Scale Embedded Generation with BUSA.

Action (8): Following concerns raised by the members of the Sub-committee on the registration rules, it was agreed that BUSA would raise Rules for Registration of small-scale embedded generation as a concern for business and policy hurdle for investment at the Job Summit.

7. STATUS REPORTS FOR DISCUSSION

7.1. Post-2015 National Energy Efficiency Strategy (NEES)

Laurraine Lotter reported that the NEES had been published and there was no further work in this regard.

7.2. REIPPP

Mike Levington reported that there had been progress on REIPPP, but it is likely that nothing much will happen until the IRP is finalised and gazetted.

7.3. Rooftop Solar

Action (9): Mike Levington to circulate documentation on the current status of the Rooftop Solar to the sub-committee.

7.4. REDZs

7.4.1. Mike Levington reported that the first REDZ had been published and gazetted and currently operational.

7.4.2. Mike Levington further indicated that the feasibility study for the second REDZ had been concluded and had identified two study areas; one in Gauteng and the other in the Eastern Cape. Mike Levington also indicated that the second REDZ would be gazetted late this year.

7.5. BUSA engagement(s) with Eskom

7.5.1. BUSA/ Eskom Workstream on Demand Stimulation

7.5.1.1. Laurraine Lotter reported that had been progress in the work of the workstream on Demand Stimulation following the previous BUSA sub-committee meeting.

7.5.1.2. Laurraine Lotter further reported that there was a meeting with Eskom on the Municipality Indebtedness and the outcomes of the meeting would be dealt with accordingly.

Action (10): Following the feedback by Laurraine Lotter, members of the subcommittee were requested to send BUSA information on the issues of load shedding and/ or electricity supply interruptions that affect business at different municipalities throughout the country.

Action (11): BUSA to circulate the Eskom presentation on Municipality indebtedness to the sub-committee.

7.5.2. BUSA/ Eskom Workstream on Eskom's Financial Stability

7.5.2.1. Olivier Serrão reported that there has been a significant improvement on the work of the Financial Sustainability Workstream.

7.5.2.2. Olivier Serrão further reported that the BUSA representatives on the workstream had put together a draft position BUSA paper on Eskom's financial sustainability.

7.5.3. BUSA/ Eskom Workstream on Tariff Increase Methodology

Olivier Serrão reported that there had been no meetings on the Tariff Increase Methodology Workstream following the previous Energy sub-committee meeting.

Action (12): It was agreed that BUSA would seek to meet with the new Eskom CEO once announced by the Minister of Public Enterprises highlighting its commitment to engage Eskom on various issues going forward.

8. ANY OTHER BUSINESS

8.1. Energy Sector Stakeholder Imbizo

Dave Long confirmed that the DoE had schedule the Energy Sector Stakeholder Imbizo to take place on 1 June 2018 and the venue would be confirmed in due course.

Action (13): BUSA to write a letter to the Minister of Energy expressing an interest in attending the Energy Sector Stakeholder Imbizo and requesting DoE for a formal invitation. It was agreed that the letter should also highlight BUSA's willingness to be invited to similar events going forward.

8.2. BRICS Business Council

Mike Levington reported that there had been for South African BRICS Forum meeting for organiser in preparation of the BRICS Summit taking place on 25-27 July 2018.

Action (14): Mike Levington to send a pager on the issues discussed at the BRICS Forum meeting for organisers held on 7 May 2018.

Action (15): It was agreed that the BUSA board will seek to have a meeting with the Minister of Trade and Industry (**Dti**) to discuss business concerns on the way BRICS Business Council is currently operating.

8.3. Long-Term Price Trajectory

Responding to Dave Long's question on the current status of the Long-term price trajectory, Lorraine Lotter indicated that there had been no work being done under this agenda item as there was a similar process or work being done by the Nedlac Ratings Downgrade Task Team.

Action (16): EIUG undertook to send its report on the Long-term price trajectory to BUSA once it has been signed-off by its council by the end of May 2018.

9. CLOSURE

The Chair indicated that the next meeting of the sub-committee was scheduled for 31 July 2018, 10:00 – 12:00 and adjourned the meeting.

ANNEXURE 1: ATTENDANCE AND APOLOGIES

Attendees:

Name	Organisation
Baard, Kevin	SAPIA
De Lange, Martin	NAACAM
Ganto, Mlu	CAIA
Langenhoven, Henk	CoM
Levington, Mike	SAREC
Long, Dave	SAIPPA
Lotter, Laurraine	BLSA
Maneschijn, Raynard	Deloitte
Mbanga, Xolani (Chair)	EIUG
Moothilal, Renai	NAACAM
Morris, Jarredine	EIUG
Mosiah, Lerato	HFA
Njikelana, Sisa	SAIPPA
Pretorius, Rudolf	Sasol
Pretorius, Rudolf	SASOL
Purchase, John	AGBIZ
Röhrs, Sue	PAMSA
Serrão, Olivier	BUSA
Sibanda, Tyson	BUSA
Teffo, Christian	CoM
Theron, Paul	AMSA
van Staden, Piet	Sasol
Wait, Requier	AGRISA
Yawitch, Joanne	NBI

Apologies:

Name	Organisation
Bangerezako, Portia	SANLAM
Corcoran, Marc	SAVRALA
Crawford, June	BARSA
Derby, Portia	NAACAM
Dykes, Dennis	Nedbank
Hlomendkini, Hamlet	AGRISA
Kingston, Martin	Rothschild
Lawrence, Michael	NCRFSA
Mitchelson, Marcel	Sasol
Molony, Jane	PAMSA
Nicolaou, Stavros	Aspen
Nyatsumba, Kaizer	SEIFSA
Roytowski, Ralph	AMSA
Saayman, Gerhard	SASOL
Steiner, Gavin	CGCSA
Steiner, Gavin	CGCSA
Theron, Paul	AMSA