

DRAFT MINUTES OF THE BUSA ENERGY SUB-COMMITTEE MEETING HELD ON 31 JULY 2018, 10:00 – 12:00 AT THE BUSA OFFICES

Key: Table = decision for follow-up:



1. OPENING AND WELCOME

Martin Kingston 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 6.7. Inclusion of the Nedlac process on the Gas Amendment Bill

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

The minutes were adopted with the following amendments:

8.2. ... there had **[for]** a South African BRICS Forum meeting for ...

5. MATTERS ARISING

There were no matters arising.

6. ENERGY POLICY AND PRICING

6.1.1. IEP / IRP Consultation Process

Jarredine Morris reported that the IRP and IEP had not been released for public comment yet and reported that the Minister of Energy intends to table them at the next Cabinet meeting in mid-August 2018.

Action (1): It was agreed that BUSA would raise the IRP and IEP at the Jobs and Investment Summit in September and October 2018 as a concern for business on policy uncertainty.

6.2. Mandatory Display and Submission of Energy Performance Certificates for Buildings

Jarredine Morris reported that the Mandatory Display and Submission of Energy Performance Certificates for Buildings had been published for public comment and the deadline for written comment was 6 September 2018.

Action (2): Following the report on the Mandatory Display and Submission of Energy Performance Certificates for Buildings, it was agreed that the members of the subcommittee submit their input/comment to BUSA by the end of August 2018.

BUSA to recirculate the Mandatory Display and Submission of Energy Performance Certificates for Buildings to the members of the sub-committee.

6.3. Eskom's MYPD3 RCA applications for 2014/15, 2015/16, 2016/17 NERSA Decision

6.3.1. Jarredine Morris reported the NERSA had granted Eskom R32billion out of R60billion of their application.

6.3.2. Jarredine Morris indicated that the reason for decision had not been published yet.

Action (3): It was agreed that once the reasons for decision had been published, BUSA would prepare a note to members outlining the comments which were taken into consideration by NERSA.

6.3.3. Jarredine Morris reported that the 2016/17 RCA application as well as the MYPD4 applications were still anticipated.

6.4. Nedlac Study on Eskom's Financial Sustainability

6.4.1. The Nedlac Study on Eskom's Financial Sustainability was circulated to the Energy Subcommittee members prior to the meeting as Annexure 3a, b.

6.4.2. Laurraine Lotter reported that the Nedlac task team on Ratings Downgrade had received the first report on Eskom's Electricity Supply Cost Drivers.

Action (4): Sub-committee members were requested to provide comment and/ or input to the Eskom's Electricity Supply Cost Drivers draft report within two weeks.

6.4.3. Laurraine Lotter indicated that Eskom had been instructed by the National Treasury to undertake their own independent study on its financial sustainability independently from the Nedlac study.

6.5. SSEG Draft Licensing and Exemption Notice

Jarredine Morris indicated that BUSA submitted comments on SSEG Draft Licensing and Exemption Notice and this submission had been circulated to members prior to the meeting.

Action (5): It was agreed that BUSA would submit its comment on SSEG Draft Licensing and Exemption Notice once NERSA had finalised and published the rules.

6.6. Rationalisation of Municipal Tariffs

6.6.1. BUSA comments on the Rationalisation of Municipal Tariffs were noted.

6.6.2. Jarredine Morris reported that the public hearing dates would be communicated once they had been made available.

6.7. NPA – Sublime Technologies

BUSA comments on the NPA – Sublime Technologies were noted.

Action (6): Xolani Mbanga undertook to follow up with DoE and DPE on the Framework Agreement criteria /documents and share them with the Energy Subcommittee members.

6.8. Eskom's MYPD4 Application

Jarredine Morris reported that the Eskom's MYPD4 application is expected to be published for public comment in August 2018.

6.9. Eskom's Financial Results

It was agreed that this agenda item would be discussed at the meeting with Eskom CEO on Monday, 6 August 2018.

6.10. Eskom / NERSA Court Case

6.10.1. It was agreed that this agenda item would be discussed at the meeting with Eskom CEO on Monday, 6 August 2018.

6.10.2. It was agreed that BUSA would raise its concerns regarding Eskom's decision to take NERSA to court to challenge the 5.2% increase granted for the 2018/19 application.

6.11. Gas Amendment Bill

6.11.1 Olivier Serrão reported that the Department of Energy had tabled the Draft Gas Amendment Bill at Nedlac Trade and Industry Chamber (TIC) for discussion.

6.11.2. Olivier Serrão further reported the Nedlac Trade and industry Chamber had agreed to establish a task team to engage on the Draft Gas Amendment Bill.

Action (7): BUSA to send a request for nomination to Energy Subcommittee to nominate representatives to serve on a Nedlac Gas Amendment Bill Task Team.

7. STATUS REPORTS FOR DISCUSSION

7.1. REIPP

Mike Levington reported that round 4 projects on REIPP were closing and round 5 projects would commence in November 2018 and public results would also be announced and released in November 2018.

7.2. Rooftop Solar

Mike Levington reported that there were discussions and bilaterals currently taking place on the imbedded generation and renewables.

Action (8): Mike Levington undertook to share a progress report on the Rooftop Solar.

7.3. REDZ

Mike Levington stated that the feasibility studies had been concluded and had identified new areas which including old mining areas.

8. STAKEHOLDER ENGAGEMENTS

8.1. NERSA – Municipal Indebtedness

It was agreed that this agenda item would be discussed at the meeting with the Eskom CEO with the following headings:

- Municipalities non-payment of electricity to Eskom;
- Businesses taking Eskom to court for cutting electricity supply (Court Interdicts /Orders);
- Load shedding and;
- SCOPA's recommendation on Eskom debt to be written off by the National Treasury.



8.2. BUSA / Eskom – Joint Task Teams

8.2.1. It was agreed that this would also be on the agenda for meeting with Eskom CEO,

8.2.2. It was agreed that BUSA would highlight its commitment to engaging the three existing workstreams (i.e. Workstream on Demand Stimulation, Workstream on Eskom’s Financial Stability and Workstream on Tariff Increase Methodology) and consider the extent of and/ or not proceeding with the workstreams since they had been dormant for almost four (4) months.

8.3. DoE – Energy Policy

Jarredine Morris stated that BUSA had requested a meeting with the Minister of Energy to discuss Energy Policy broadly and includes the IRP/IEP and NPA framework.

8.4. BRICS Energy Event

8.4.1. Mike Levington reported that the event took place on the 24th July 2018 and it was a successful event. The focus was the Energy Transition and Industrial Revolution 4.0.

8.4.2. Giles Douglas stated that the BRICS Business Council (BBC) had established nine (9) working groups which includes Energy and the Green Economy amongst others.

8.4.3. Mike Levington stressed out that there was an opportunity for BUSA to potentially play a bigger role in this regard.

8.4.4. Agreeing with Mike Levington’s sentiments, the Chair indicated that the BUSA Board had agreed that BUSA needs to play a bigger role in the BRICS Business Council and its task teams.

8.4.5. Laurraine Lotter reported that BUSA had appointed Busi Mabuza as the representative of organised business at the BRICS Business Council.

Action (9): Giles Douglas to send a brief report on the BRICS Business Council event and the names and purpose of the nine (9) BRICS Business Council Working Groups.

9. ANY OTHER BUSINESS

9.1. World Bank Group: Private Sector Outreach

Olivier Serrão reported that BUSA would be co-hosting an event with the World Bank on a theme “**Private Sector Outreach**”, on 13 August 2018 at the Capital Hotel in Sandton.

Action (10): BUSA to circulate details on the BUSA/ World Bank Private Sector Outreach Event to the sub-committee.

9. CLOSURE

The Chair indicated that the next meeting of the sub-committee was scheduled for 30 October 2018, 10:00 – 12:00 and adjourned the meeting.

ANNEXURE 1: ATTENDANCE AND APOLOGIES

Attendees:

Name	Organisation
Baart, Kevin	SAPIA
Bolt, Gerhard	DELOITTE
Buchholz, Michael	NEDBANK
Douglas, Giles	ROTHSCHILD
Dykes, Dennis	NEDBANK
Ganto, Mlu	CAIA
Kingston, Martin (Chair)	ROTHSCHILD
Levington, Mike	SAREC
Long, Dave	SAIPPA
Lotter, Laurraine	BLSA
Makhetha, Tebele	BLSA
Mbanga, Xolani	EIUG
Morris, Jarredine	BUSA
Pearson, Shevaughn	EIUG
Philipps, Xolisa	BUSA
Roytowski, Ralph	AMSA
Serrão, Olivier	BUSA
Sibanda, Tyson	BUSA
Teffo, Christian	MCSA
van Staden, Piet	SASOL

Apologies:

Name	Organisation
Corcoran, Marc	SAVRALA
Crawford, June	BARSA
Langenhoven, Henk	MCSA
Lawrence, Michael	NCRFSA
Macleod, Steve	SAEFA
Maloney, Jane	PAMSA
Naidoo, Sharmini	RFA
Nicolaou, Stavros	ASPEN
Ntuli, Ndiphiwe	BARSA
Nyatsumba, Kaizer	SEIFSA
Purchase, John	AGBIZ
Röhrs, Sue	PAMSA
Saayman, Gerhard	SASOL
Schoeman, Jan	RMI
Stott, Joan	SACCI
Theron, Paul	AMSA
Wait, Requier	AGRI SA
William, Ross	SAEFA
Yawitch, Joanne	NBI