

AMEU VIRTUAL WORKSHOP

ERA Schedule 2 Impacts

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10th December, 2021



INTRODUCTION

- Telephone poll of members engaged with municipalities
- Involves 16 CUOSA in progress in a variety of munics + Eskom
- Indicative rather than definitive
- Confidentiality assured
- Eskom wheeling structures mature

Q1: Affect Operations? Benefits?

- Creates opportunities
- Will install new TA
- Easier to deal with munics – more systems in place
- Reduce load shedding
- Traders not expecting much change except volume

Q2: Potential Risks and Mitigation

- No serious issues
- Bureaucracy & Lack of capacity in munics
- Turn-over of staff and acting positions
- Get better organised nationally with standards, Help Desk, local expertise and national pool of specialists

Q3: Threat to safety? Measures?

- Covered by technical standards, Grid Code etc
- Not an issue for traders (load and generator issue)

Q4: Network able to Connect?

- Not a problem. Current munic infrastructure could handle
- Would allow expanded developments
- “We only deal with Eskom for generation”

Q5: Upgrades to Network? VREs?

- Reliability of network in bad shape, primary protection is compromised by poor maintenance.
- Dips and outages currently affecting 24/7 operations
- Customer's asking "Who will invest in BESS?"
- 3 BESS national projects now. Coordinated?
- Balancing becomes more critical (CT RFI for balancing)

Q6: Standard CUOSA?

- Eskom pro-forma used extensively – why not a NERSA standard?
- Eskom takes too long
- 6 munic CUOSAs in place – all different

Q7: Application Process in Place?

- Metros – yes, munics – no.
- Not much evidence of GIZ initiatives. (< 20% coverage?)

Q8: Gaps in Regulatory Tools?

- GCAC meets 1/quarter. Slow and cumbersome.
- GC written by utilities engineers. Poor grasp of IPPs
- SAIPPA has raised money to make to design changes.
- Third Party Transportation – NERSA sitting for 6 years.
- Cost of Supply studies subject to assumptions
- Who is controlling wheeling tariffs? Standardise Cost of Supply studies
- 4 to 14 c/kWh wheeling charges?
- General philosophy of revenue neutrality - Savings?

Q9: Munic Adequately Resourced?

- Not enough structure and level of competence too low.
- No standardisation
- Some better than others
- Staff turn-over

Q10: Other Issues?

- Insufficient national standardisation:
 - Admin process
 - Technical standards
 - Cost of Supply studies
 - Munic revenue model
 - Tariff structures incl wheeling
- Free up the market
 - SAPP
 - Market place for buyers and sellers
- Mix messages from DMRE – IRP and Sect 34.
- Heavy regulatory burden for traders. For what?
- Thanks to AMEU and SALGA – generally supportive.

The Sky is the Limit!



Thank you !