

BRIEFING TO THE SASA RENEWABLE ENERGY DEVELOPMENT COMMITTEE

From January to August 2015

Presentation by Sisa Njikelana
SAIPPA Chairperson and Acting Secretary General
8th September 2015
iKhwezi Room 1 - Kwa Shukela
170 Flanders Drive; Mount Edgecombe
eThekweni Metro

BACKGROUND TO THE BRIEFING

- The essence of a members-based and members-driven organisation
- Significance and vitality of members such as SASA
- Managing dual membership
- The need for a paradigm shift in engaging with members
- Discussions with Dr Marilyn Govender

THE IPP SCENARIO CURRENTLY

- THE MARKET – INVESTMENT - THE PLAYERS
- Sub-Saharan Africa a new frontier for investment and expansion
- McKinsey's: "Other nations are also studying South Africa's Renewable Energy Independent Power Producer Procurement Program."
- **SADC to "create"/reinforce a power pool**
- Draft Regulations - Registration, Reporting on Energy Management and Submission of Energy Management Plans
- Finalisation GUMP & amendments to the
- Electricity Regulations on New Generation Capacity

THE IPP SCENARIO CURRENTLY

- Pronouncements by the Minister, on the 16th of April 2015
- DoE has invited interested parties in Gas to Power RFI
- Invitation for public comments on Eskom's Selective Reopener of MYPD3
- Embedded generation is becoming a reality for either businesses and households
- Facility for Investment in Renewable Small Transactions (FIRST) Programme for Small IPP's
- UKZN Graduate School of Business and Leadership Breakfast: suggestion to engage the key players for a similar session elsewhere even if it is a roundtable on this initiative

UPDATE ON SAIPPA ACTIVITIES

WORKING GROUPS SYSTEM

- **WORKING GROUPS SYSTEM PROVEN TO BE THE ENGINE OF SAIPPA**
 1. Grid and Embedded Access Workgroup
 2. Wheeling Working Group
 3. Cogeneration Working Group
 4. Gas Working Group
 5. BBC-BUSA Working Group???
 6. Coal-based Load Working Group???
- **ALL MEMBERS MUST PARTICIPATE IN WORKING GROUPS**
- LATEST - ManCom Meeting 3rd August 2015
 1. To pursue updating section 12L Tax Act generation incentives in parliament.
 2. To take up progress with the wheeling framework with NERSA at the upcoming meeting.

UPDATE ON SAIPPA ACTIVITIES

- The General Members Meeting 24th of June informal NO quorum by 3 members[53 members]
- Decisions circulated to all members for ratification
- Concern is the high number of apologies by members in their own meeting
- High level apathy reinforces resolve to conduct a needs survey amongst all members

UPDATE ON SAIPPA ACTIVITIES

MEMBERS ONLY FACILITY

- ☐ Policy, legislation (bills), regulations,
- ☐ Reports, minutes, agenda package, report back on events,
- ☐ Chairperson's inputs
- ☐ Working Groups Progress Reports
- ☐ Projects – reputation survey, needs survey, strategic reviewal of SAIPPA
- ☐ Stakeholder engagement
- ☐ IPP Platform
- ☐ Internal policy guidelines
- ☐ Membership Services
- ☐ Membership Development
- ☐ Introduction of new members and induction facility

UPDATE ON SAIPPA ACTIVITIES

- **INFORMATION 4 PUBLIC DOMAIN**

- Events
- Press statements
- Specific policy guidelines - advertising and marketing, attending events, sponsorship, affiliation, etc.
- Links e.g. DoE, SAREC and affiliates, IPP Office, IPP Platform, LinkedIn, Twitter,

- **STRATEGY FOR THE PILOT PROJECT**

- Awareness drive plus member needs survey
- Facilitate feedback from members and users on the pilot project
- Monitor implementation of the pilot project
- Evaluate and review progress of the pilot project in December 2015

UPDATE ON SAIPPA ACTIVITIES

SAIPPA INFORMATION HUB

- **An integrated information hub for the association**
- **Focus on using the website as a tool for communication & information sharing**
- **ManCom requests monitor progress and give feedback on this effort**

UPDATE ON SAIPPA ACTIVITIES

SAIPPA INFORMATION HUB PILOT PROJECT

- **CONTENT FOR MEMBERS ONLY FACILITY - INFORMATION ON:**
 - Policy, legislation (bills), regulations,
 - Reports, minutes, agenda package, report back on events,
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 - Working Groups Progress Reports
 - Projects – reputation survey, needs survey, strategic reviewal of SAIPPA
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UPDATE ON SAIPPA ACTIVITIES

- Social media creates a platform to engage peers, other stakeholders - to debate on topical issues viz. - Twitter account (@saippa_ipp and a LinkedIn Group Page - Facebook “page” and YouTube “page” in due course.
- SAIPPA REPUTATION SURVEY
- The Department of Energy has made a proposal to SAIPPA to facilitate an enquiry and assessment of failures and shortcomings regarding compliance to socio-economic development, youth and community involvement requirements, localisation as raised by DoE

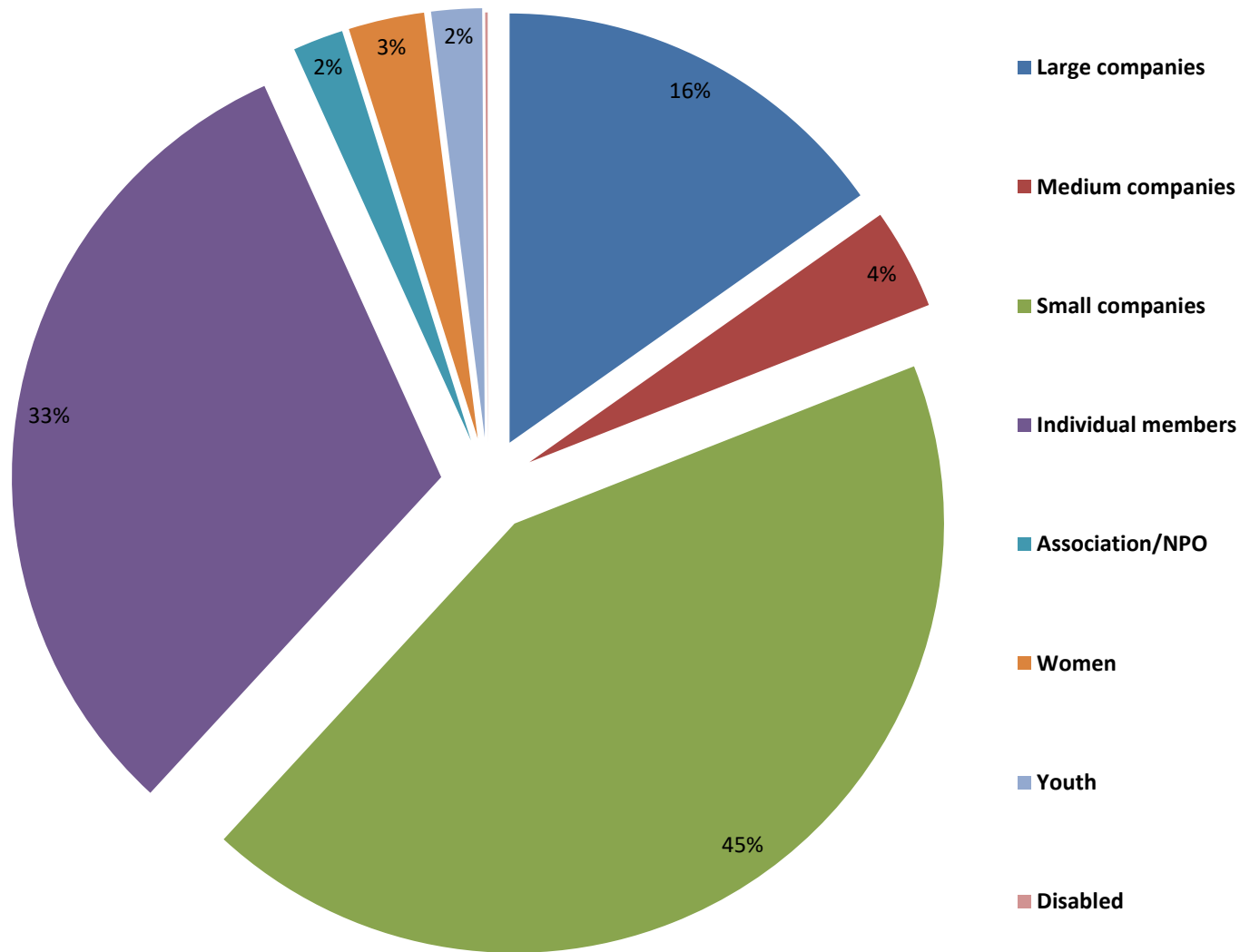
UPDATE ON SAIPPA ACTIVITIES

DEVELOPMENT OF POLICIES

- Guidelines for development of policies are quite essential given the escalation of SAIPPA activities which have to be guided by policies notwithstanding.
- 1. ENGAGEMENT WITH FOREIGN COMPANIES, LOCAL, REGIONAL, CONTINENTAL AND GLOBAL BODIES INCLUDING AFFILIATION TO LOCAL, REGIONAL, CONTINENTAL AND GLOBAL BODIES
- 2. AFFILIATION OF FOREIGN COMPANIES TO SAIPPA
- 3. MARKETING OF PRODUCTS, SERVICES OR TECHNOLOGIES TO MEMBERS THROUGH SAIPPA INCLUDING CONFERENCE OFFERS
- 4. ATTENDANCE TO EVENTS - CONFERENCES, SYMPOSIA, ROUNDTABLES, WORKSHOPS, ETC.
- The importance of generation of policies to guide the above activities of the association and conduct of leadership as well as the very process and procedure of formulating the policies are fairly evident.

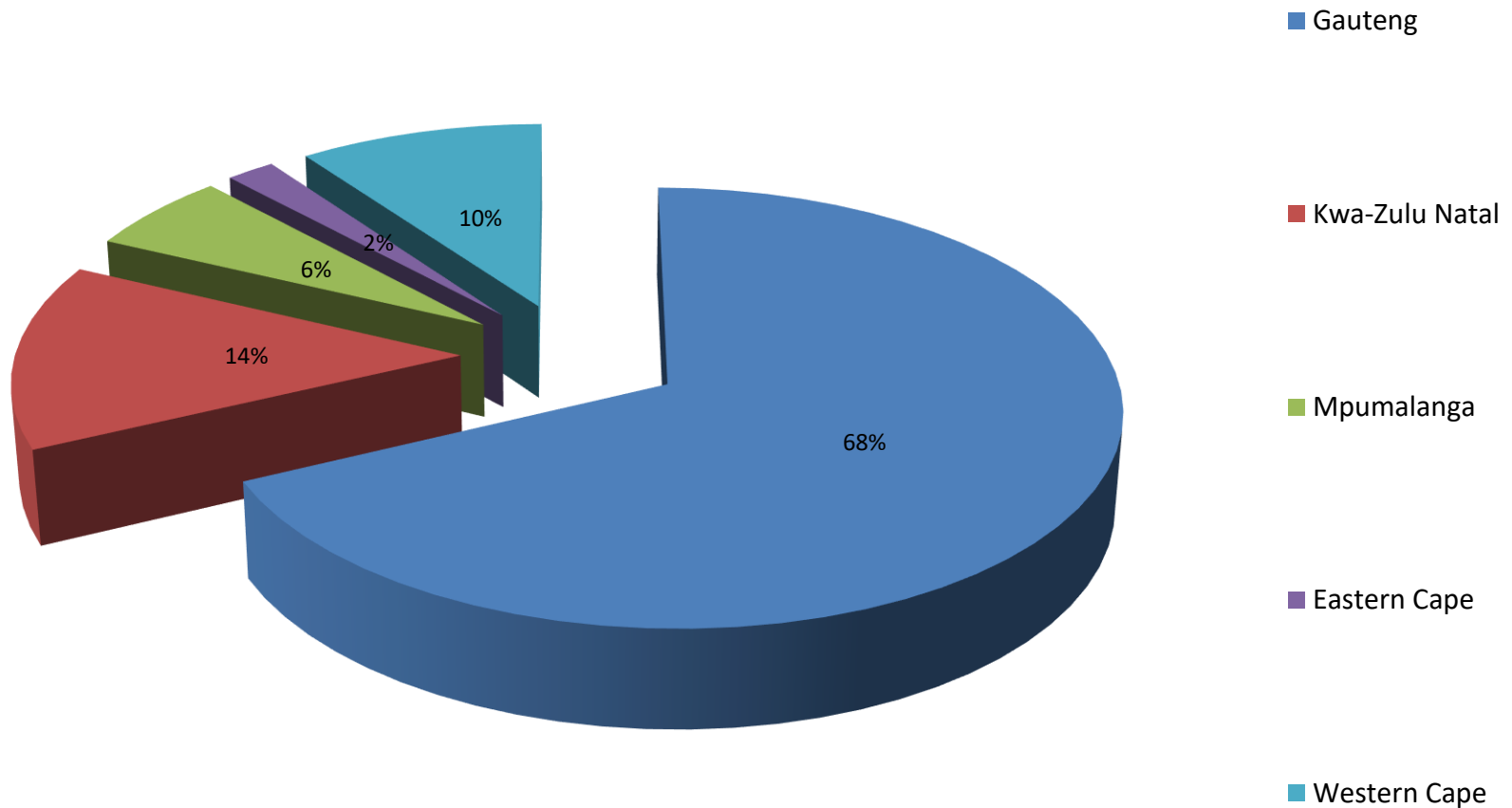
UPDATE ON SAIPPA ACTIVITIES

CATEGORISATION ACCORDING TO TYPE OF MEMBERSHIP



UPDATE ON SAIPPA ACTIVITIES

CATEGORISATION ACCORDING TO PROVINCE



STAKEHOLDER ENGAGEMENTS

IPP PLATFORM

(SAIPPA, SASA, SAREC, SAPVIA, SASTELA, IEUG, PAMSA, SANEA, FFF, UCGA, and SABIA) to:

- Galvanise common approach for development of the IPP industry
- Wield a unified industry stance on key electrical energy policies
- Crafting a common approach to the current electricity crisis

FOCAL AREAS:

1. Updating the IRP and finalisation of the IEP
2. Finalisation of the reviewal of regulatory framework wheeling of electricity
3. Improvement of grid access
4. Establishment of structured relations and engagements with government and other peer formations
5. Addressing policy, legislative and regulatory reform etc

STAKEHOLDER ENGAGEMENTS

MEETING WITH ESKOM - SINGLE BUYER OFFICE - 15TH MAY 2015

- The Single Buyer Office is willing engage with SAIPPA as well as the IPP Platform to address issues of common interest and concern.

PART OF BUILDING OUR REGULAR ENGAGEMENTS:

- Arrange updates on SBO role and function in all IPP programmes (historical, formal and unsolicited)
- Brainstorm how to engage on the formulation of a framework and process to address policy vacuum that currently exists in respect of unsolicited offers.
- Managing the balance between embedded generation and small renewable IPP (SRIPP) programme
- Focus on municipality generation and short term contracts for security of supply
- Managing embedded generation as a disruptive technology - a collaborative approach.

STAKEHOLDER ENGAGEMENTS

TWO ENGAGEMENTS WITH ESKOM-GRID ACCESS UNIT:

MEETING: 3RD OF AUGUST - FOCAL AREAS FOR ENGAGEMENT

1. Technical standards – codes of good practice e.g. SSREG installations
especially small and micro installations;
2. Tariffs for SSREG
3. Grid access
4. Infrastructure target for 2030 [NOTE: GAU needs support from SAIPPA in this regard!!!]
5. Sharing of distributable information i.e. information that ESKOM-GAU is in a position to share with SAIPPA
6. Collaboration on the IPP INDABA as an annual event

PRESENTATION - SAIPPA BREAKFAST SESSION: 27TH AUGUST 2015

Generation Connection Capacity Assessment of the 2022
Transmission Network (GCCA 2022)

STAKEHOLDER ENGAGEMENTS

MEETING WITH IPP OFFICE – 27TH JULY 2015

IPP OFFICE OVERVIEW OF THE COGENERATION RFB PROCESS:

- Current RFB emphasis on “brownfield” sites as compared to “greenfield” sites
- Current RFB is mostly focused on load relief as compared to new capacity
- Debate on allocations for cogen to be referred to the IRP
- Brownfield Bid Window targeting existing and readily available electricity
- Greenfield Cogeneration Programme to be issued in the last quarter of 2015
- Development of the Cogen to be based on the responses DoE received
- More MW to be allocated gradually along the development of the Cogeneration Programme

SAIPPA INPUT:

- 5GW potential should be the starting point;
- Longer term view is still yet to come
- Confidence on Cogen RFB still low
- Opportunity for engagement was almost absent due to arms length engagement and opaqueness e.g. there were no public hearings.

STAKEHOLDER ENGAGEMENTS

MEETING WITH IPP OFFICE – 27TH JULY 2015

IPP OFFICE:

- The IPP Office keen to engage with stakeholders but prefers to engage with developers vs advisors or consultants
- Reason for absence of public hearings was the urgency of the situation
- Current 800MW should be taken up so that 1000MW to issued soon!
- Government os committed to grow cogeneration organically
- Viability of projects questionable but affordability is an issue
- Possibility for longer term in big investments i.e. the greenfields
- Cogeneration's PPA to be addressed by the Briefing Note
- STPPP projects to be migrated to the Cogeneration Programme

AS A CONCLUSION:

- The IPP Office is open engagements with the IPP's , i.e. developers in particular, about their projects individually;
- Group meetings will be held to discuss general issues;
- IPP Office to furnish list of issues for individual/one-on-one engagements vs group engagements
- Progress on:
 1. Engagements between SAIPPA and the IPP Office
 2. Evolution of the cogeneration market to be monitored closely
- Emphasis on creation of common understanding of cogeneration

STAKEHOLDER ENGAGEMENTS

MEETING WITH DEPUTY PRESIDENT'S ENERGY ADVISORY PANEL 31ST JULY 2015

SAIPPA INPUTS, PROPOSALS AND RECOMMENDATIONS:

- Co-generation
- STPPP
- IRP 2015
- Gas Power
- War Room
- SAIPPA Submission of the December 2014 SAIPPA INPUT TO THE ELECTRICITY CRISIS WAR ROOM
- Licensing
- Bilateral PPA's and Wheeling
- Regulations for Small Scale Embedded Generation - SSEG

STAKEHOLDER ENGAGEMENTS

MEETING WITH DEPUTY PRESIDENT'S ENERGY ADVISORY PANEL CONCLUSION AND WAY FORWARD

- SAIPPA to submit the DFIC-GIZ Cogeneration Review Study to EAP
- A public debate with relevant stakeholders on the DFIC-GIZ Cogeneration Review Study – to be hosted by SAIPPA
- SAIPPA to submit brief papers on
 - Proposed amendments Section 12L tax incentive
- December 2014 SAIPPA INPUT TO THE ELECTRICITY CRISIS WAR ROOM to the EAP
- New Generation Regulations and licensing for consideration by the EAP
- Bilateral PPA's and Wheeling for consideration by the EAP
- SAIPPA to facilitate an introductory meeting between the EAP and IPP Platform

STAKEHOLDER ENGAGEMENTS

SAIPPA BREAKFASTS – 2015 TOPICS

17th of March

- Briefing from Presidency on Stabilisation Plan and War Room
- Briefing on launch of Bronkhorstspuit Waste-to-Energy project.
- Presentation of proposal on the IPP Platform

STAKEHOLDER ENGAGEMENTS

27TH OF AUGUST:

- Presentation of the Generation Connection Capacity Assessment of the 2022 Transmission Network (GCCA-2022) by ESKOM Grid Access Unit [GAU]
- Update on exploring working relations between SAIPPA and ESKOM GAU and SBU
- Role and contribution of DBSA on IPP initiatives

STAKEHOLDER ENGAGEMENTS

21ST OCTOBER:

- Energy modelling in South Africa for electricity generation
- Mini-Workshop on competition issues
- Facility for Investment in Renewable Small Transactions (FIRST) Programme for Small IPP's

☐ Minister of Energy Policy and Budget Speech briefing referred to IPP Office

STAKEHOLDER ENGAGEMENTS

EVENTS – CONFERENCES, SYMPOSIA, ROUNDTABLES, WORKSHOPS: **SAMPLE**

- ✓ The Directors Event taking place on 23rd June by Sunday Times Top 100 Companies and in association with MMI Holdings and the Institute of Directors – Chairperson invited to a panel discussion
- ✓ Sustainability Week 2015, Sustainable Energy Seminar, scheduled for 24-25 June 2015 at the CSIR International Convention Centre – Chairperson invited
- ✓ FFF Conference Workshop on **INDEPENDENT POWER GENERATION IN SOUTHERN AFRICA** – 29th to 30th July 2015
- ✓ 7th August SAIPPA (Ms Angel Myeza) addressed a women's gathering regarding women in the independent power production sector in Alexander - JHB
- ✓ Africa Oil & Gas Expo 2015, on the 8th & 9th September – Chairperson invited to a panel discussion
- ✓ SA International Renewable Energy Conference 2015 (SAIREC) from 4 to 7 October in CITCC, Cape Town – Chairperson invited
- SAIPPA affiliated to Worldwide Alliance for Distributed Energy (WADE)

SAIPPA FUTURE PLANS AND PRIORITIES

- GENERAL MEMBERS MEETING in November be converted to a FULL DAY INDABA
- Furthermore such be followed by special meetings of the:
 - ✓ Management Committee and
 - ✓ General Members Meeting on the same day.
- CONTRIBUTION IN KIND should be requested from sustaining and large companies to:
 - ☐ Provide personnel and any other for requisite activities that need specific skills i.e.
 - ☐ Building internal capacity of SAIPPA
 - ☐ Development of policy guidelines and systems
 - ☐ Adopt SAIPPA personnel

SAIPPA FUTURE PLANS AND PRIORITIES

FINANCE SUB-COMMITTEE should also address appropriate budgeting and related activities PLUS expenditure projections on the following areas at least until end of the year:

- Attending events
- November Indaba/Strategic Session
- Needs survey
- Marketing: recruitment drive, publicity and communication
- Stakeholder engagement
- SAIPPA events – August and October 2015
- Affiliation fees to other bodies
- Consultancy and allowance – reviewal is proposed
- Internet and web support – reviewal is proposed.

SAIPPA FUTURE PLANS AND PRIORITIES

SAIPPA NEEDS SURVEY FOR MEMBERS

- Initially this will be a once off survey to existing members
- Thereafter every member to fill the survey during affiliation.
- Survey to be done every 3 years to all members.

SURVEY FOR SAIPPA SUPPORTERS/NON MEMBERS

- SAIPPA wishes to engage its supporters who are non-members in a more active manner in order to become a more effective and influential industry body promoting the needs of IPP's as well as the industry itself in South Africa and the SADC region.

SAIPPA FUTURE PLANS AND PRIORITIES

MEMBERSHIP DEVELOPMENT to be explored viz.:

- **Knowledge Sharing and technical lectures** – explore a programme through partnerships (peer organisations, universities, government programmes, etc)
- **A Continued Professional Development** programme that may include Continuing Professional Development (CPD) or Continuing Professional Education (CPE) as a service that has to be explored if it is not available for the IPP industry.

SAIPPA FUTURE PLANS AND PRIORITIES

- ❖ RECRUITMENT OF NEW MEMBERS is vital for strengthening SAIPPA
- ❖ Role of members in recruiting already emphasised in the past
- ✓ PROPOSED STRATEGY ON MEMBERSHIP RECRUITMENT DRIVE FOR SAIPPA
 - MEDIA RELATIONS AND COMMUNICATION – STRATEGY AND PROGRAMME through a workshop in future.
 - Programme on INTRODUCTION AND INDUCTION OF NEW MEMBERS
 - SAIPPA to prepare for an intensive public debate on electricity market vis-a-vis ISMO
 - A 3/5 person Task Team to draft a position paper for SAIPPA

CONCLUSION

- EVOLUTION & GROWTH OF SAIPPA!!!
- IMPACT OF ITS ACTIVITIES
- ✓ WORKING GROUPS
- ✓ STAKEHOLDER ENGAGEMENT & LOBBY
- ✓ SAIPPA INFORMATION HUB
- BENEFITS COUPLED TO PROMOTION OF THE IPP INDUSTRY
- RESOURCES A CHALLENGE
- NEW SAIPPA IDENTITY AND PROFILE

**NGIYABONGA
NANRI
NAMASTE
NAMASKARE
ENKOSI
THANK YOU**

QUESTIONS AND SUGGESTIONS