

13 February 2017

MANANGEMENT MEETING

13h00-16h00

**Secretariat Offices, 4 Karen
Street Bryanston**

MANAGEMENT COMMITTEE AGENDA

Date: 13 February 2017 **Time:** 14:00 to 16:00 **Venue:** SAIPPA Offices, Bryanston

MEMBERS:

Mr Thomas Garner	Chairman	Exxaro Resources	To attend
Mr Andrew Carr	Member	Sebenzana Consulting	Tentative
Mr Dave Long	Member	Associate member	To attend
Mr Seelan Pillay	Member	Associate member	To confirm
Mr Ian Langridge	Member	Associate member	To confirm
Mr Wayne Glossop	Member	Wärtsilä South Africa	Apology
Mr Brian Day	Member	Clean Energy Africa	To attend
Mr Kheepe Moremi	Member	Sebenzana Consulting	To confirm
Mr Yousuf Haffejee	Member	Associate member	Apology
Mr Jean Venter	Corporate Secretary	Secretariat	To attend

1. WELCOME AND APOLOGIES

2. **QUORUM PRESENT** -fifty percent of the members plus one shall constitute a quorum.

3. READING AND CONFIRMATION OF THE AGENDA

4. COMPETITION ACT STATEMENT

The following competition law caution is to be read out at the start of each SAIPPA meeting. The competition law caution should also be recorded in the minutes of each meeting of SAIPPA.

"Competition law caution:

In terms of SAIPPA's Constitution, SAIPPA members are required, at all times, to ensure that they are fully compliant with the Competition Act. In this regard, SAIPPA and its members will not engage in any discussion, activity or conduct that may contravene any provisions of the Competition Act. In particular, members shall not discuss, communicate or exchange any commercially sensitive information, including non-public information relating to prices, marketing and advertisement strategy, costs and revenues, trading terms and conditions, purchasing strategies, terms of supply, or distribution strategies. This applies not only to interactions in the context of formal SAIPPA meetings but also to discussions, communications or exchanges between members before, during or after SAIPPA meetings."

5. READING AND CONFIRMATION OF PREVIOUS MINUTES

APPENDIX A

- 06 December 2016

6. MOU WITH SECRETARY GENERAL - JV

7. MOU WITH SALGA AND AMEU - JV

APPENDIX Bi, Bii

8. WORKING GROUPS: STATUS AND ISSUES FOR 2017

8.1 Working Group Conveners - **DL**

8.2 Cogeneration - **DL**

8.3 Gas -**WG**

8.4 Coal -**YH**

8.5 SSEG and Grid - **IL**

8.6 Wheeling - **SP**

APPENDIX C

9. NATIONAL IPP ISSUES

9.1 IRP 2016 - **DL**

9.2 Draft Licensing Exemption and Registration Notice - **IL**

9.3 Stranded assets- **DL**

9.4 Regular meetings with DOE, IPP Office and NERSA- **DL**

10. FINANCIAL, MEMBERSHIP REPORTS

APPENDIX D

11. BUSINESS PLAN for 2017 - JV

APPENDIX E

12. SAIPPA FUNCTIONS FOR 2017- ALL

13. MATTERS ARISING FROM PREVIOUS MINUTES

14. DATE OF NEXT MEETING

- 10 April 2017

15. CLOSURE



MANAGEMENT COMMITTEE MEETING

MINUTES

Date: 6 December 2016

Time: 14:00 to 17:00

Venue: SAIPPA Offices, Bryanston

MEMBERS:

Mr Sisa Njikelana	Chairman	Associate member	Present
Mr Andrew Carr	Member	Sebenzana Consulting	Present
Mr Dave Long	Member	Associate member	Present
Mr Seelan Pillay	Member	Associate member	Present
Mr Ian Langridge	Member	Associate member	Present
Mr Wayne Glossop	Member	Wärtsilä South Africa	Apology
Mr Kheepe Moremi	Member	Sebenzana Consulting	Present
Mr Brian Day	Member	Clean Energy Africa	Apology
Mr Yousuf Haffejee	Member	Associate member	Apology
Mr Thomas Garner	Member	Exxaro Resources	Present
Mr Jean Venter	Corporate Secretary	Secretariat	Present

1. WELCOME AND APOLOGIES

The chairman welcomed members present and **NOTED** the apologies above.

A quorum was present.

2. COMPETITION ACT NOTICE

Members **NOTED** the competition act cautionary notice tabled.

3. CONFIRMATION OF THE AGENDA

The agenda for the meeting was confirmed.

4. CONFIRMATION OF MINUTES

The minutes of the meeting that was held on 10 October 2016 were confirmed.

5. IRP 2016

Members debated the recently released draft integrated resources plan from the Department of Energy. Members supported a view that the report in its current form was not particularly useful, noting that it is a 28-page document, a fraction of previous editions with little detail backing up its positions. Views that SA has surplus generation capacity and that delaying new generation may be in the interest of the economy, was noted. The respective SAIPPA workgroups were preparing comments on the draft IRP document and the chairman agreed to present these views at a public hearing later in December. The tight timelines as well as brief nature of the document created challenges in terms of providing quality input to the hearings. The meeting then workshopped the draft slides that was to be used in the presentation. The rationale for excluding certain energy generation modalities was not well described in the document, neither was the anti-nuclear position motivated. Members noted that SAIPPA was technology agnostic.

WHEELING CHARGES

Members advised that NERSA was making no progress with the wheeling charges framework despite promises from NERSA to complete the framework by December 2016. The matter has been on the table for about fifteen years. The wheeling charges framework of the Southern Africa Power Pool was said to be simpler and less expensive than those envisaged by NERSA.

AGREED

- a. To write to NERSA to request that the wheeling charges framework be expedited. (Mr Pillay)
- b. To communicate with the IPP office to schedule meetings for 2017. (Sec Gen)
- c. To draft an MOU between SAIPPA and the AMEU and SALGA. (Mr Venter)
- d. That workgroups generate an annual work-plan for tabling at the next ManCom. (Chairs)
- e. To meet with SALGA in January 2017. (Sec Gen)

ELECTION OF OFFICE-BEARERS

The chairman confirmed that he was not available for re-election as chairman, nor for the role of secretary general. The committee thanked Mr Njikelana for serving as chairman and acting secretary general over the past two years.

AGREED

- a. To appoint Mr Garner as chairman of the committee.
- b. That Mr Long will consider the option to serve as secretary general of the association.

- c. That the secretary forward documentation on the secretary general position to Mr Long.

[Angela Davids, Dave Long]

DATE OF THE NEXT MEETING

13 February 2017

6. CLOSURE

The chairman thanked members and closed the meeting.

Thus signed on behalf of the committee

Chairman

Date

MEMORANDUM OF UNDERSTANDING
between the
SOUTH AFRICAN INDEPENDENT POWER PRODUCERS ASSOCIATION (SAIPPA)
and the
ASSOCIATION OF MUNICIPAL ELECTRICITY UTILITIES (SOUTHERN AFRICA) (AMEU)

The parties to this agreement, (the associations) respectively represent constituencies in the independent power production industry and local government electricity distribution, in Southern Africa. The purpose of this agreement is to establish a level and modality of cooperation between these two associations.

The associations identify that local government is a key role-player in the deployment and regulation of small scale embedded generation in urban areas, while independent power producers are often the contracting parties for the supply of such embedded generation plant.

It is therefore agreed –

- a. That the associations will cooperate into the future with the ongoing development of regulations and financial frameworks to enable embedded electricity generation plant proliferation in urban areas.
- a. That SAIPPA will provide the AMEU with technical and financial advice on regulatory and financial arrangements inductive to the proliferation of small scale embedded generation in urban areas.
- b. That the AMEU will consult SAIPPA on regulatory and financial arrangements regarding embedded electricity generation, if and when such matters are under consideration.

It is further agreed -

- c. That SAIPPA will from time to time advise SALGA on the evolution of independent power production and small scale embedded systems, as that art and technology evolves in the regulatory domain internationally.
- d. That the AMEU is afforded a permanent seat on the management committee of SAIPPA, and SAIPPA reciprocally a seat on the AMEU technical committee.

This cooperation agreement shall continue until cancelled in writing by either party.

Thus signed on this _____ day of _____ 2017 at _____

 For SALGA

 For SAIPPA

MEMORANDUM OF UNDERSTANDING
between the
SOUTH AFRICAN INDEPENDENT POWER PRODUCERS ASSOCIATION (SAIPPA)
and the
SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)

The parties to this agreement, (the associations) respectively represent constituencies in the independent power production industry and local government, in South Africa. The purpose of this agreement is to establish a level and modality of cooperation between these two associations.

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It is therefore agreed –

- a. That the associations will cooperate into the future with the ongoing development of regulations and financial frameworks to enable embedded electricity generation plant proliferation in urban areas.
- a. That SAIPPA will provide SALGA with technical and financial advice on regulatory and financial arrangements inductive to the proliferation of small scale embedded generation in urban areas.
- b. That SALGA will consult SAIPPA on regulatory and financial arrangements regarding embedded electricity generation, if and when such matters are under consideration.

It is further agreed -

- c. That SAIPPA will from time to time advise SALGA on the evolution of independent power production and small scale embedded systems, as that art and technology evolves in the regulatory domain internationally.
- d. That SALGA is afforded a permanent seat on the management committee of SAIPPA.

This cooperation agreement shall continue until cancelled in writing by either party.

Thus signed on this _____ day of _____ 2017 at _____

 For SALGA

 For SAIPPA

SAIPPA

COAL IPP Program

Program Feedback January 2017 from:

RE: Comments on the “Coal Baseload IPP Procurement Program”

SAIPPA welcomes the Department of Energy publishing, releasing the procurement documentation and the evaluation and announcement of two preferred bidders under Bid Window 1. Thabametsi IPP (Led by Marubeni) and Khanyisa IPP (Led by Acwa Power) were announced as the preferred bidders under bid window 1.

Salient Features of Procurement Program

Coal Bid Window 1 closed 2 November 2015

Evaluation Criteria is 90% Price, 10% Economic development

R150,000.00/MW Bid Bond required

1'000 MW allocated to South Africa IPP Program & 600 MW allocated to crossborder coal (procurement process has not commenced)

Local RSA Equity & BEE minimum of 51% requirement

BEE Equity minimum of 31% requirement

Ceiling Price of Bid R820.00 MW/h

Carbon Tax is pass-through cost based on bid information (Emissions, etc)

40% local content in construction phase

50% local content in operating phase

Decommission Provision must be made during operating phase

Environmental Authorization must be obtained

Water Use License and Allocation done post preferred bidder

EPC experience outside of home market

Need a Cost Estimate Letter from Eskom for Grid Connection

Incentive payment for early Energy Before December 2020

Government support for Eskom Payment Obligation

Penalty for late commissioning PPA term is reduced by 7 day for every 1 day late in terms of contracted COD

Following Comments on the COAL Bid Window 1 and Focal Areas for 2017

1) Qualifying Criteria for bidding

- Onerous requirement for participating in Bid (almost fully developed project to participate, development cost for each project in excess of R50 million rands)
- Requires full EIA and Environmental Authorization to participate
- Require fully funded bids
- 51% RSA Equity is onerous in sense of raising Equity and debt portion by RSA equity players
- Plant capacity at a maximum of 600MW is a concern, this maximum plant capacity could potentially impact projects that can bring economies of scale benefits, if an IPP can potentially do 1000MW plant why we capping the plant size to 600MW while Eskom Coal plant sizes on its new build is above 4000MW for each plant
- Above results in very few developer that are able to participate in bid program

2) Financing Mega Projects in South Africa

- Available Rand (ZAR) funding for Mega Projects is major concern (Limited ZAR funding institutions for coal)
- Lack of competition between ZAR funding institutions

3) BEE requirements & Social community empowerment

- 31% is welcomed but may be onerous (equity funding and debt funding) for smaller BEE entities, only certain major BEE players can participate
- Broad Based Empowerment should also be considered and potentially included as mandatory (at least 2.5 to 5%) in each project
- Community (within 50km radius of plant) Empowerment should also be considered (1-2.5% made mandatory)

4) Government Approvals, SOE Approvals, Permits and Authorizations

- These requirements can be streamlined within Government Entities (Lack of alignment, some approvals can take up to 2 years to obtain)
- Being recognized as a Government Strategic (SIP Project) does not add any value to project and its fast tracking process
- SOE not aligned with government initiatives and have potential off delaying and even derailing government led initiatives
- Government may need to assist in unblocking delays faced in investment decisions for infrastructure projects.



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FACTS SHEET

Bid Window 1: Coal Procurement Programme

1. Introduction

The purpose of this Note is to provide a short overview of the Coal Baseload IPP Programme ("the Coal Programme"). The Coal Programme was launched in December 2014 as the first baseload programme which allows the private sector to participate in the generation of capacity and energy through the utilisation of coal resources.

2. Background

2.1. On 15 December 2014, the Department issued the Request for Qualification and Proposals for New Generation Capacity under the Coal Programme ("**the RFP**");

2.2. The Coal Programme has been designed to consist of separate Bid Submission Phases. The RFP provides that 1 000 (one thousand) MW are available for allocation to Preferred Bidders under the First Bid Submission Phase, which bids were received on 02 November 2015;

2.3. Each Project must have a Contracted Capacity of not more than 600 (six hundred) MW;

2.4. Bidders are required, amongst other things, to have a minimum South African Entity Participation of 51 %, black ownership of 30 % and a weighted B-BBEE Contributor Status Level of 5 in respect of the South African Based Shareholders,

2.5. The Minister of Energy sought and obtained exemption from various requirements of the PPPFA and its Regulations to enable the Department to: (i) set forward looking commitments for B-BBEE and job creation (Economic Development); (ii) set thresholds for some of the Economic Development elements; and (iii) enable the sub-contracting of the project activities by the Project Company to its contractors who may be entities that have a B-BBEE status level that is not the same or better than that of the Project Company (in particular, foreign companies that would bring special skills, expertise and investment in the Projects). The required exemption from the relevant provisions of the PPPFA and its Regulations was granted by the Minister of Finance on 16 February 2016, in respect of the First and the Second Bid Submission Phases of the Coal Programme.



2.6. Projects submitted in the First Bid Submission Phase must be capable of beginning commercial operation before the end of December 2021.

3. Transfer of Risk under the Coal IPP Programme to the Private sector and Other Noteworthy Aspects

As part of the design of the Coal Programme key risk areas were identified and through the Power Purchase Agreement transferred to IPPs without affording the ability to seek tariff adjustment.

- 3.1. The tariff that is payable by the Buyer will be fixed on signature of the PPA for the duration of the PPA, and will escalate only at the Consumer Price Index in respect of all components other than the Fuel Charge Rate, and with reference to a basket of indices which are determinable (currently CPI plus 1%), in respect of the Fuel Charge Rate;
- 3.2. The risks of capital cost overruns or delays during construction, and operating costs overruns, including for coal, limestone and water after commercial operation, accordingly lie with the Seller, and the Seller is not entitled to adjust the tariff for any such overruns or delays;
- 3.3. The Seller assumes an ongoing obligation to maintain the Facility to ensure efficiency and compliance with the declared capacity, and in the event that the Facility is not maintained resulting in unscheduled outages, significant penalties are levied under the PPA;
- 3.4. The Seller's recourse to the Buyer for compensation for changes in law and other unforeseeable conduct during construction and operation is limited;
- 3.5. The Seller has full responsibility for the suitability of the Project Site, to discharge all environmental obligations in relation to the Facility and the Project Site and to discharge all obligations to decommission the Facility at the end of its life, pursuant to and in accordance with the applicable Consents and Environmental Laws;
- 3.6. With regard to decommissioning, the Seller is required to create a Decommissioning Reserve Account, which is insolvency remote for an amount which is sufficient to provide for the costs of decommissioning of the Facility and environmental liabilities;
- 3.7. The Coal and Limestone Supply Agreement/s are entered into between the Seller and its Coal and Limestone Supplier/s, and the Buyer has no exposure to ongoing mine operating costs and any residual environmental risks that arise in the mining of Coal and Limestone;



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3.8. The Seller is only entitled to recover from the Buyer any Carbon Tax that is levied on it in respect of CO₂ emissions to the extent stated in the PPA. Sellers are not able to recover, as a pass through, any additional costs associated with Carbon Tax incurred for emissions in excess of the contractually agreed emissions stated in the PPA;

3.9. In addition to the above, the following pertinent issues are noteworthy in respect of the First Bid Submission Phase of the Coal Programme:

- a) The two bids received are fully funded bids incorporating equity and debt sourced from a multiplicity of sources including the PIC, DBSA and IDC on favorable terms and conditions and debt funding tenors in excess of 18 years post COD;
- b) One of the proposed Preferred Bidders is in close proximity to the Medupi power station as a mouth of mine project. For this Project a new mine will be developed resulting in the further creation of jobs in addition to those created specifically by the Project;
- c) The Project to be undertaken by the proposed Preferred Bidder will provide further opportunity for the utilisation of the existing skills and industries developed as part of the construction of the nearby Eskom facilities;
- d) In the case of one of the Projects, the utilisation of discard Coal is proposed thus resulting in the reduction of emissions emanating from discard coal dumps; and
- e) The long term contractual arrangements dealing with the pricing and supply of Coal for the Projects presents a benchmark for similar arrangements in the industry.

4. Information In respect of the Recommended Preferred Bidders

Below we provide a summary of the pertinent information pertaining to the recommended Preferred Bidders.

4.1. The total Contracted Capacity of the recommended Preferred Bidders for the First Bid Submission Phase is 863.3 MW. The table below provides the breakdown of the proposed Contracted Capacity for each Preferred Bidder and the location of the respective Project.



Project Name	Province	Proposed Contracted Capacity (MW)
Project 1	Limpopo	557.3 MW
Project 2	Mpumalanga	306.0MW

4.2. Project 1 has a proposed Scheduled COD of March 2021 and Project 2 has a proposed Scheduled COD of December 2019.

4.3. The table below provides a breakdown of the Qualification Price and Evaluation Price that have been proposed by the recommended Preferred Bidders. The Qualification price was set at R 820 MW/h, which is the cap. The Qualification Price is adjusted with the cost of grid connection and Carbon Tax to get the Evaluation Price. As is evident from the table below both the recommended Preferred Bidders submitted prices below the Qualification Price stipulated in the RFP.

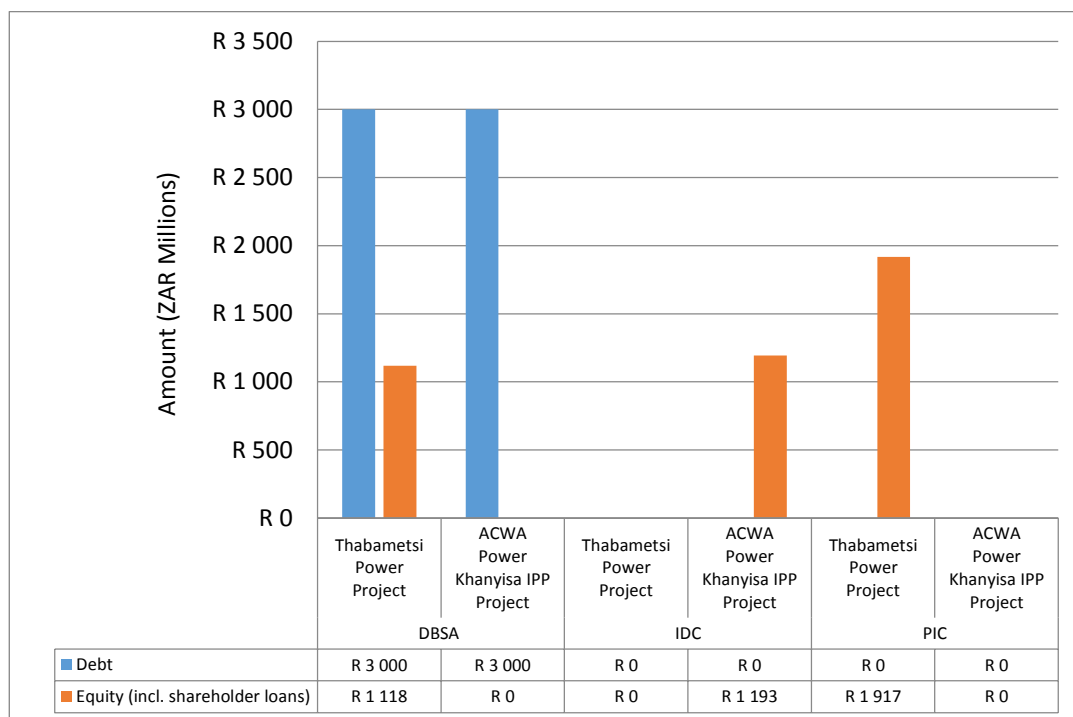
Project Name	Qualification Price (R/MWh)	Evaluation Price (R/MWh)
Project 1	R 809.55	R 1 015.23
Project 2	R 797.06	R 1 018.06

4.4. The DBSA and the PIC have committed to providing BBBEE funding of R 1 118 million and R 575 million, respectively, to the BBBEE equity members of Project 1. The PIC also has direct equity exposure of R 1 342 million to the Project 1. The IDC has committed to providing R 1 193 million to the BBBEE equity members of the Project 2. The DBSA has debt exposure of R 6 000 million in total for the two recommended Preferred Bidders of the First Bid Submission Phase. The BBBEE equity members participating in each Bid Response also contributed approximately R 348 million towards the Equity Finance required for the respective Projects from their own resources. In total the DBSA, IDC and PIC exposure in the First Bid Submission Phase is R 10 229 million, which represents 25.3 % of the Total Project Cost for the recommended Preferred Bidders.



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4.5. The table below provides a summary of the Total Project Costs indicating the debt and equity contributions including foreign equity.

	Total Funding* (ZAR Million)	Local Portion (ZAR Million)	Foreign Portion (ZAR Million)
Debt (incl. Mezz. Debt)	R 30 226	R 30 226	-
Equity	R 9 938	R 5 068	R 4 870
TOTAL	R 40 164	R 35 294	R 4 870

4.6. The table below provides a breakdown of the committed jobs for Citizens of South Africa during each of the Construction Period and the Operating Period for the recommended Preferred Bidders.



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Project Name	Jobs (Citizens) during Construction	Jobs (Citizens) during Operations	Total
Project 1	5 163	9 183	14 346
Project 2	1 450	4 341	13 098
Total	6 613	13 524	27 444

4.7. The table below provides a breakdown of the jobs created per Province in respect of each of the Projects during both the Construction and Operating Periods for each Preferred Bidder.

Province	Jobs* during Construction Period	Jobs* during Operations Period	Total
Limpopo	5 163	9 183	14 346
Mpumalanga	1 450	4 341	13 098
TOTAL	6 613	13 524	27 444



JEAN VENTER – VdW&Co
Professional Accountant SA Pr:3348

Revenue Statement year to date December 2016

	Last Year	March	April	May	June	July	August	September	October	November	December	YTD	Budget 2016	Budget 2017
Revenue														
Event Revenue	42 250	5 700	500	1 700	2 300	0	0	0	0	0	0	10 200	40 000	40 000
Interest Received	9 556	1 722	2 107	2 017	2 012	1 826	1 786	1 808	1 687	1 660	1 552	18 177	8 000	10 000
Membership Dues	508 288	453 175	20 625	0	1 100	0	51 930	5 260	0	0	0	532 090	450 000	600 000
Other Revenue	0	0	0	0	0	0	0	0	0	20 000	0	20 000	0	0
Unallocated	2 238	0	334	0	100	0	0	0	(1 000)	0	(20 000)	(20 566)	0	0
Total Revenue	562 331	460 597	23 566	3 717	5 512	1 826	53 716	7 068	687	21 660	(18 448)	559 901	498 000	650 000
Expenses														
Audit Fees	(9 120)	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Charges	(61)	0	0	(300)	0	0	0	(300)	0	0	0	(600)	0	0
Consultants	(165 000)	(17 000)	(17 000)	(17 000)	(17 000)	(17 000)	(17 000)	(17 000)	(17 000)	(17 000)	0	(153 000)	(204 000)	(240 000)
Event Costs	(54 290)	(50)	0	0	(16 457)	0	0	0	0	(3 509)	0	(20 016)	(50 000)	(40 000)
Internet & Email	(2 938)	(286)	(410)	(607)	(181)	0	0	0	0	0	(399)	(1 883)	(3 000)	(2 000)
It Costs	0	0	0	0	0	(231)	(289)	0	(155)	(164)	0	(839)	0	0
Marketing	(10 176)	(20 280)	(718)	0	0	0	0	0	0	0	0	(20 999)	(30 000)	0
Postage	(922)	0	0	0	0	0	0	0	0	0	0	0	0	0
Printing	(5 436)	0	0	0	0	0	(1 480)	0	(590)	0	0	(2 070)	(5 000)	(5 000)
Secretariat	(120 000)	(12 000)	(12 000)	(12 000)	(12 000)	(12 000)	(12 000)	(12 000)	(12 000)	(12 000)	(12 000)	(120 000)	(144 000)	(156 000)
Stationary	0	(798)	0	0	0	0	0	0	0	0	(1 113)	(1 911)	0	(2 000)
Travel Costs	(5 299)	0	(810)	(2 672)	0	(90)	0	0	(395)	0	(779)	(4 745)	(20 000)	(20 000)
Web Support	(426)	0	0	0	0	0	(150)	(113)	0	0	0	(263)	(1 000)	0
Total Expenses	(373 668)	(50 414)	(30 938)	(32 579)	(45 638)	(29 321)	(30 919)	(29 413)	(30 140)	(32 673)	(14 291)	(326 326)	(457 000)	(465 000)
Surplus/Loss	188 662	410 183	(7 372)	(28 861)	(40 126)	(27 495)	22 797	(22 345)	(29 453)	(11 013)	(32 739)	233 576	41 000	185 000
Surplus B/F	31 659	220 321	630 504	623 132	594 271	554 145	526 650	549 447	527 102	497 649	486 636	220 321	220 321	453 897
Retained Surplus	220 321	630 504	623 132	594 271	554 145	526 650	549 447	527 102	497 649	486 636	453 897	453 897	261 321	638 897

Assets and liabilities at December 2016

	Last Year	March	April	May	June	July	August	September	October	November	December	Budget
Assets												
Bank Balance 1	14 787	14 787	14 787	14 787	14 787	14 787	14 787	14 787	14 787	14 787	14 787	0
Bank Balance 2	600 304	619 887	612 815	583 954	544 278	516 783	530 460	508 115	478 662	467 648	536 610	0
Debtors	5 550	4 950	4 650	4 650	4 200	4 200	4 200	4 200	4 200	4 200	4 200	0
Total Assets	620 641	639 624	632 252	603 391	563 265	535 770	549 447	527 102	497 649	486 635	555 597	0
Liabilities												
Creditors	(400 320)	(9 120)	(9 120)	(9 120)	(9 120)	(9 120)	0	0	0	0	(101 700)	0
Total Liabilities	(400 320)	(9 120)	(9 120)	(9 120)	(9 120)	(9 120)	0	0	0	0	(101 700)	0
Grand Total	220 321	630 504	623 132	594 271	554 145	526 650	549 447	527 102	497 649	486 635	453 897	0

Membership Report - December 2016

Company Name	Membership Class	Fees Received			Fees Received 2017	Notes	Membership %	Female %	Disabled %
		2015	2016	2017					
Exaro Resources Ltd	Sustaining Membership	-	-	-	Re-joined membership in Nov 2016		2%		
Cennergi	Corporate Membership - Large Company	31 500,00	35 000,00						
Industrial Development Corporation	Corporate Membership - Large Company	21 000,00	35 000,00						
KPMG	Corporate Membership - Large Company	13 125,00	35 000,00						
Mondi	Corporate Membership - Large Company	44 000,00	35 000,00		** 2014 fees (R12 500) only rec'd in 2015				
Pretoria Portland Cement Co. Ltd	Corporate Membership - Large Company	31 500,00	35 000,00						
SAPPI Southern Africa Ltd	Corporate Membership - Large Company	31 500,00	35 000,00	37 300,00					
Tongaatt Hulett (Ltd)	Corporate Membership - Large Company	31 500,00	35 000,00						
RCL Foods Sugar & Milling (Pty) Ltd (prev. TSB Sugar)	Corporate Membership - Large Company	31 500,00	35 000,00				12%		
Bosch Projects (Pty) Ltd	Corporate Membership - Medium size Company	21 000,00	22 600,00	24 000,00			2%		
ADC Projects (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
African Carbon Energy (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00	12 000,00					
Authentic Oil & Gas Synergy Services Pty Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
Bio2Watt (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
Clarke Energy South Africa (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
Clean Energy Africa Investments	Corporate Membership - Small Company	7 000,00	11 300,00						
DSD Power Africa (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00		New member joined in Feb 2016				
FSLR Development South Africa	Corporate Membership - Small Company	10 500,00	11 300,00						
Gas2Power	Corporate Membership - Small Company	-	4 710,00		New member joined in Aug 2016				
Hamon SA (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
Itochu Corporation	Corporate Membership - Small Company	-	8 475,00		New member joined in Mar 2016				
Jeka Resources	Corporate Membership - Small Company	-	-						
Kgatelele Pele Energy Solutions (Pty) Ltd	Corporate Membership - Small Company	-	3 700,00		New member joined in Sept 2016				
Kigieni Energy (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
MBHE African Power Pty Ltd	Corporate Membership - Small Company	5 250,00	11 300,00						
N & M Technologies	Corporate Membership - Small Company	10 500,00	11 300,00						
PEC Engineers (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
Power Alt	Corporate Membership - Small Company	1 750,00	11 300,00						
Sebenzana Consulting (Pty) Ltd	Corporate Membership - Small Company	10 500,00	11 300,00						
Sembcorp Silulumanzi	Corporate Membership - Small Company	10 500,00	11 300,00						
Solek	Corporate Membership - Small Company	10 500,00	11 300,00	12 000,00					
Sunlex Energy	Corporate Membership - Small Company	-	-		New member joined in Jan 2016				
Vula Green Energy	Corporate Membership - Small Company	10 500,00	11 300,00				37%		
Wartsilä South Africa	Corporate Membership - Small Company	10 500,00	11 300,00						
South African Sugar Association	Associations/NPO's	12 000,00	12 000,00	12 800,00			2%		
Mr Dave Long	Individual Membership - Professional	1 050,00	1 100,00						
Mr Donald McGillivray	Individual Membership - Professional	175,00	1 100,00						
Mr Doug Kuni	Individual Membership - Professional	700,00	1 100,00						
Mr Edmund J.L. Cele	Individual Membership - Professional	1 050,00	1 100,00						
Mr Francois Retief	Individual Membership - Professional	1 050,00	1 100,00						
Mr Ian Langridge	Individual Membership - Professional	-	1 100,00						
Mr Ike Maboe	Individual Membership - Professional	1 050,00	1 100,00		New member joined in Mar 2016				
Mrs Jane Molony	Individual Membership - Professional	1 050,00	1 100,00	1 200,00					
Ms Ketso Mokoena	Individual Membership - Professional	-	825,00		New member joined in Mar 2016				
Ms Kholekile Mbanga	Individual Membership - Professional	525,00	1 100,00						

Mr Lester Kirk	Individual Membership - Professional	-	460,00	New member joined in Aug 2016			
Mr Letsitsi Machela	Individual Membership - Professional	262,50					
Mr Lulama Gaga	Individual Membership - Professional						
Mr Marshall Koopman	Individual Membership - Professional						
Mr Mohau Thage	Individual Membership - Professional	-		New member joined in Feb 2016			
Mr Oliver Barker	Individual Membership - Professional	-	1 100,00	New member joined in Feb 2016	1 200,00		
Mr Phumelele Madala	Individual Membership - Professional	-	1 100,00	New member joined in Feb 2016			
Mr Pieter Van Dam	Individual Membership - Professional	1 050,00	1 100,00				
Mr Seelan Pillay	Individual Membership - Professional	1 050,00	1 100,00				
Mr Sisa Njikelana	Individual Membership - Professional	1 050,00	1 100,00				
Ms Sue Rohrs	Individual Membership - Professional	1 050,00	1 100,00	New member joined in July 2016	1 200,00		
Mr Sydney Chimunda	Individual Membership - Professional	-					
Mr Sydney Zeederberg	Individual Membership - Professional	1 050,00	1 100,00				
Ms Thandazile Mazibuko	Individual Membership - Professional						
Ms Thokozile Zambane	Individual Membership - Professional	-	460,00	New member joined in Aug 2016			
Mr Yousuf Haffeejee	Individual Membership - Professional	1 050,00	1 100,00				
Ms Ziyanda Mpakama	Individual Membership - Professional	-	460,00	New member joined in Aug 2016		45%	33%

PROVINCE

Gauteng 76%

Kwa-Zulu Natal 12%

Western Cape 4%

Eastern Cape 2%

Mpumalanga 6%

TOTAL MEMBERS - 62

Barloworld Power	Corporate Membership - Large Company	-		Membership revoked by MANCOM - April 2016	
Abelesa Business Development (Abengoa)	Corporate Membership - Small Company	7 875,00	-	Cancelled membership - Apr 2016 (comp restructure)	
African Renewables (Pty) Ltd	Corporate Membership - Small Company	-	-	Cancelled membership - Sept 2015 (Financial constraints)	
Bergwind Energy (Pty) Ltd	Corporate Membership - Small Company	5 250,00	-	Cancelled membership - June 2015 (Comp is very small & cannot keep up with membership payments)	
Cresco Project Finance	Corporate Membership - Small Company	-	-	Cancelled membership - April 2015 (Financial constraints)	
Dr Danisa Eileen Baloyi	Individual Membership - Professional	525,00	-	Cancelled membership - Dec 2015 - no value received	
Exxaro Resources	Sustaining Membership	-	-	Cancelled membership - Sept 2015 (replaced by subsidiary, Cennergi)	
Mool Hydro (Pty) Ltd	Corporate Membership - Small Company	10 500,00	-	Cancelled membership Mar2016 - financial constraints	
Mr Brian Day	Individual Membership - Professional	350,00	-	Only required membership for Jan - Apr 2015	
Mr Julian Eslait	Individual Membership - Professional	-	-	Cancelled membership - Dec 2015 (moved to another BU, not involved in IPP)	
Mr Wieham van Zyl	Individual Membership - Professional	-	-	Cancelled individual membership, converted to small corporate for Solek	
Orion Engineered Carbons (Pty) Ltd	Corporate Membership - Medium size Company	21 000,00	-	Cancelled membership - Dec 2015 (Not required any longer)	
SUZLON Wind Energy South Africa (Pty) Ltd	Corporate Membership - Small Company	-	-	Cancelled membership - April 2015 (left South Africa)	
Umfolozo Sugar Mill (Pty) Ltd	Corporate Membership - Large Company	31 500,00	-	Cancelled membership in Dec 2015, drought caused cutback in expenditure	

Total Membership Fees received	508 287,50	532 090,00	101 700,00
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SAIPPA
Business Plan 2017
February 2017

The 2015/16 surplus of the association was in the order of R188 000, with the eventual surplus for 2016/17 being of similar order of magnitude, and similar or slightly better than the budget of R185 000.

The reserves are likely to be around R400 000 by year-end. I suggest that we continue generation surpluses until we reach a safe number of around 1.5x the annual turnover, to ensure that the association can take on sudden expensive processes in future, such as an own convention or complex litigation. This would bring the reserves to around R1m.

In addition, for my own company I am requesting that the fee be raised from R12 000 to R13 000 per month, and the secretary general from R17 000 to R20 000.

The turnover for this year is likely to be around R660 000. The budget is similar for this coming year, but we need to think of practical ways to bring new members into the organisation. In my experience the most effective way is for members to invite guests from other companies to attend events. I suggest that members should be allowed to bring guests to meetings at no charge and that for each meeting we encourage members to dig into their own networks to invite widely.

Operationally, the six days per month that the secretary general is committed to give to the association should be sufficient, in my view, provided that the organisation limits its programme scope to its essential three objectives; that of local and regional access to the grid for IPPs and representing member interests in the regulatory environment.

I also recommend that the association enriches the member meetings with external contributors, bringing strategic views and intelligence to members that are not readily available in the public domain. Allowing the secretariat to widely invite from other associations can also help bring new faces and diversity to your meetings, as happened in the early days of the association.

An analysis of the 2016 member meetings indicated that very few members attended more than one meeting during the year. This is a risk factor for the association going forward and may have related to the format that was followed.

Jean Venter

Corporate Secretary