



MANAGEMENT COMMITTEE MEETING

MINUTES

Date: 20 November 2017

Time: 14:30 to 16:00

Venue: SAIPPA Offices, Bryanston

MEMBERS:

Mr Thomas Garner	Chairman	Exxaro Resources	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	Apology
Mr Wayne Glossop	Member	Wärtsilä South Africa	Apology
Mr Kheepe Moremi	Member	Sebenzana Consulting	Apology
Mr Brian Day	Member	Clean Energy Africa	Present
Mr Yousuf Haffeejee	Member	Associate Member	Apology
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 4 September 2017 were confirmed.

5. ERA SCHEDULE 2 AMENDMENTS

Members debated the implications and apparent scope of the amendments on the industry. BUSA published a legal opinion on the amendments, which Mr Long will circulate to members. It appears that co-generation are mostly exempt from licencing as is embedded generation plants below 1 MVA. There was some uncertainty if energy sales to third parties are included or excluded

from licencing, as the text is contradictory. NERSA is preparing implementation rules and local government is adopting standardised forms for registration of embedded plant, developed with assistance from SALGA.

The committee was generally pleased with the exemptions and the positive impact that it will have on the industry. It was understood that owners of small plants will need to register the plant administratively with local government who will then submit the data to a central database held by NERSA.

The NERSA draft rules and the municipal submission forms are aligned, but the rules are not formalised yet and the national database will take some time to establish. Municipalities can already adopt the forms provided by SALGA. SALGA are also drafting sample bylaw text that municipalities may adopt to regulate embedded generation safety and grid connection aspects. It appears that it would be legal for exempt generators to sell their energy to local government.

AGREED to host a SAIPPA members workshop event on the SSEG exemptions and its implications, with Ms Sue Rohrs as facilitator or contributor.

[Dave Long]

6. WORKING GROUPS

The COAL and CO-GEN working group was convened but the turnout was disappointing. The lack of government commercial movement in these spaces was noted as a reason for the lack of interest. Gas workgroup was in a similar situation for the same reasons.

The SSEG and GRID working group reported that the Grid Code committee structures has agreed to consider complex requirements that generators including Eskom are finding impossible to meet.

At the WHEELING working group Paul Vermeulen of City Power presented useful views on wheeling and third-party rules and the positive approach that the city is showing towards electricity trading between generators and their clients.

AGREED that the secretary circulate links to video recordings of presentations at the most recent AMEU convention on municipal alignments to deal with embedded generation to the committee.

7. USAID AND SAEP PROGRAMME

Mr Long advised that he has had meetings with USAID SAEP on their programmes and funding options. The committee supported that Mr Long may do some matchmaking between members and these bodies to get administrative assistance to navigate red tape in our region.

8. SAWEA

Mr Long attended the SAWEA AGM in terms of the MOU between SAIPPA and that organisation. He distributed his notes on the meeting. Mention was made of SAWEA intentions to try and incorporate all renewable energy associations into its structures. Past experience seems to indicate that such an aggregation of institutions is unlikely to be popular.

AGREED that the chairman will contact Mr Levington to get his views on the plans of SAWEA.

[Chairman]

9. SAIPPA STRATEGY GOING FORWARD

Mr Long tabled a long list of practical preconditions that government would need to meet before the local market regains attraction for independent power producers. The proposition was to focus more on particular industry enabling steps rather than on government programmes that appears to have stalled.

AGREED

- a. To call a member meeting early in 2018 to reassess the industry and SAIPPA actions.
- b. To suggest a focus on SSEG, Grid Code and wheeling arrangements.
- c. To provide practical advice to members on government investment obstacles.

[Dave Long]

10. FINANCIAL STATEMENTS AND MEMBERSHIP

NOTED unaudited financial statements for the period ended October 2017, as well as a membership register. Funding of the organisation is generally acceptable. A few members still need to settle their memberships.

11. UPCOMING EVENTS AND MEETINGS

Mr Long advised of

- a. A meeting at Wits on the financial viability of Eskom.
- b. Upcoming Parliamentary Portfolio Committee on Energy hearings.
- c. BUSA is putting together a task team with Eskom on electricity demand and costs.

- d. SAIPPA Xmas Dinner event on 30th at 7:30 – members pay their own costs.

12. DATES OF NEXT MEETING

15 February 2018 - Exco & Members Meeting

13. CLOSURE

The chairman thanked members and closed the meeting.

Thus, signed on behalf of the committee

Chairman

Date