



AMEU Strategic Adviser's Presentation

AMEU Goodhope Branch Meeting

presented by

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AMEU Strategic Adviser

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SALGA ESKOM TASK TEAM DISCUSSIONS (1)

Just to recap – focus of the discussions are on the following aspects:

1. Eskom – munic SDA
2. **Credit Control**
3. Debt Management (incl. Revenue and Debt Management & Payment of Current Accounts by Municipalities)
4. Revenue Collection (incl. Revenue and Debt Management)
5. **Surcharges Control**
6. Capacitation
7. Tariffs
8. Relationship between Eskom and Municipalities
9. Integrated Planning and Reporting e.g. Eskom's participation in the IDP processes with a view to align future master plans which go beyond electrifications
10. Notified Maximum Demand
11. Billing Systems
12. Technical and Non-Technical Loss Reduction
13. **Public Lighting**

SALGA ESKOM TASK TEAM DISCUSSIONS (2)

The following is the latest wrt the task team discussions:

1. Eskom in principle does not have an issue in eventually signing an SDA subject to certain conditions especially legal related being addressed by government
2. Convergence and/or consensus has NOT been reached on the following:
 - a) **Credit Control**
 - b) **Surcharges Control**
 - c) **Public Lighting**
3. The IMTT then requested National Treasury (“NT”) to come on board as an independent arbiter and make a recommendation on the resolution of the aforementioned three (3) aspects
4. In this respect NT met with members of the SALGA Eskom Task Team recently and heard views, arguments from both sides focusing on the above three aspects

SALGA ENERGY REFERENCE GROUP (1)

- Given the challenges surfaced from the SALGA Energy Summit and the proposed Eskom reform, which is silent on the approach to holistic review of the industry, SALGA is planning to continue as per the 2018 Energy Summit Declaration and appoint a panel of experts (SALGA Energy Reform Reference Group) who will assess:
 - **the decision on the unbundling of Eskom**
 - **how it affects the municipalities**
 - **how the municipalities must respond to it**
- The reference group could further investigate all the challenges municipalities have encountered over the years.
- The work of the reference group will include recommendations to national government for further reform proposals or options as well as any policy and regulation reforms to ensure successful implementation.

SALGA ENERGY REFERENCE GROUP (2)

Functions of the SALGA Energy Reference Group are at this stage envisaged as follows (1);

1. Assess, critique and respond to the work of the Eskom Energy Reform Panel appointed by the President regarding Eskom unbundling.
2. Assess the meaning of the Eskom Unbundling for municipalities, including risks and opportunities to municipalities.
3. Analyse how Eskom unbundling end state affects the constitutional powers of municipalities in the future and how can this be responded to.
4. Develop a roadmap with institutional arrangements as well as strategy for municipalities to position themselves in response to Eskom unbundling
5. Develop technical and policy proposals for local government in response to the Eskom unbundling with regards to their new business models

SALGA ENERGY REFERENCE GROUP (3)

Functions of the SALGA Energy Reference group are envisaged as follows (2);

6. Develop proposals with recommendations to government on appropriate reform options for the entire Electricity Distribution Industry.
7. Develop proposals on the role municipalities should play regarding integrated resource planning and municipal generation.
8. Develop proposals to the regulatory and financial frameworks governing municipalities in order for them to achieve the above proposals.
9. Develop recommendations on capacity building requirements needed to fulfil the above proposals and propose strategies in which this can be done.
10. Where necessary, formulate workstreams to undertake work on different areas of this assignment (e.g. Distribution, Energy Planning, Generation, Policy and Regulation) and act as a steering committee where all workstreams report and present their work

IRP 2019 released by DOE in Oct 2019 -summary

The IRP 2019

Recommended Plan IRP 2019	Coal	Coal (Decommissioning)	Nuclear	Hydro	Storage	PV	Wind	CSP	Gas & Diesel	Other (Distributed Generation, CoGen,Biomass,Landfill)
Current Base	37149		1860	2100	2912	1474	1980	300	3830	499
2019	2155	-2373					244	300		Allocation to the extent of the short term capacity and energy gap
2020	1433	-557				114	300			
2021	1433	-1403				300	818			
2022	711	-844			513	400	1000	1600		
2023	750	-555				1000	1600			500
2024			1860				1600		1000	500
2025						1000	1600			500
2026		-1219					1600			500
2027	750	-847					1600		2000	500
2028		-475				1000	1600			500
2029		-1694			1575	1000	1600			500
2030		-1050		2500		1000	1600			500
TOTAL INSTALLED CAPACITY by 2030 (MW)	33364		1860	4600	5000	8288	17742	600	6380	
% Total Installed Capacity (% of MW)	43		2.36	5.84	6.35	10.52	22.53	0.76	8.1	
% Annual Energy Contribution (% of MWh)	58.8		4.5	8.4	1.2	6.3	17.8	0.6	1.3	
	Installed Capacity									
	Committed/ Already Contracted Capacity									
	Capacity Decommissioned									
	New Additional Capacity									
	Extension of Koeberg Plant life									
	Distributed Generation Capacity for own use									

Roadmap for Eskom Restructuring – Extract from DPE Special Paper (released 29 Oct 19)[1]

“The Eskom that must emerge from these reforms must be capable, transparent, accountable, competitive and world class. Government has a responsibility to mitigate the systemic risk that Eskom has become to the country. This will start by making the organisation responsible in how it allocates resources to its operational activities, and that it is answerable for its performance at all levels.

The special paper therefore:

1. Outlines actions to overcome the current crisis at Eskom and set it onto a new path of sustainability that will benefit all South Africans for generations to come;
2. Defines the key steps in transforming the electricity supply system that are required, including the energy sources proposed by the 2019 Integrated Resource Plan (IRP);
3. Addresses steps to restore Eskom’s finances, including government support;
4. Identifies measures to reduce the cost structure of Eskom to enable provision of affordable electricity; and
5. Details the process through which the restructuring of Eskom will take place, including the process through which a new transmission entity will be established.”

Roadmap for Eskom Restructuring – Extract from DPE Special Paper (released 29 Oct 19)[2]

“The current domestic and global conjunctures are the drivers for change in the energy sector and will shape the future of electricity delivery in South Africa, these drivers for change include:

- Transition from the existing dependence on fossil fuels to the mix of electricity energy sources reflected in the IRP 2019;
- The restructuring of Eskom into Eskom Holdings with three new subsidiaries: Generation, Transmission and Distribution;
- ☐An intensive focus on radically improving the current operations and eliminating inefficiencies in generation;
- ☐A greater requirement for transparency in the governance of both Eskom Holdings and the subsidiaries;
- ☐A rigorous approach to cutting wasteful costs, optimising revenue and resolving the debt burden; and
- ☐A Just Transition involving all stakeholders to ensure sustainable livelihoods for workers and communities.
- The formation of a Transmission Entity (TE) under Eskom Holdings will foster a competitive market and will encourage the use of diverse sources of energy.”

Roadmap for Eskom Restructuring – Extract from DPE Presentation (released 29 Oct 19)[3]

The burning platform for Restructuring Eskom

1. A single entity creates large risk: all eggs in one basket – no diversification
2. Inability to ensure electricity supply security at an efficient cost
3. Eskom poses a great risk to the national fiscus through inefficient operations and other factors
4. Business model is outdated and based on the era of excess electricity supply and captive customers
5. Eskom is too large to manage, and systemically too important which incentivizes management not to change (moral hazard)
6. Lack of transparency, agility, operational excellence, wide spread inefficiencies and lack of accountability and consequence management
7. R440 bn debt (15% of SA GDP with high default risk)
8. Moral hazard: 2007, 2015 and 2019 bailouts, no fundamental operational changes
9. Loss of management and engineering skills
10. Monopolistic nature has prevented innovation and ability to deal with sector disruptions

Roadmap for Eskom Restructuring – Extract from DPE Presentation (released 29 Oct 19)[4]

Eskom of the future

- The Eskom of the Future will have 3 subsidiaries, Generation, Transmission, Distribution. Including the rationalisation of irrelevant subsidiaries (Eskom Finance Company and Enterprises)
- Initiate the restructuring process with the creation of the transmission subsidiary
- Do more detailed planning on creating competitive clusters of power stations within Eskom generation
- Continue efforts to substantially upgrade generation operations and available megawatts
- Implement the cost saving measures with greater urgency
- A concomitant resolution of the Eskom debt
- The distribution function requires further discussion given municipalities reliance on electricity sales
- Reconfigure the board of Eskom Holdings with skilled individuals appropriate to the tasks ahead; and
- appoint a new CEO
- Appoint an interim board for the Transmission Entity

AMEU CONVENTION 2019 (1)

Was very successful - held in Cape Town at CTICC in October 2019

AMEU CONVENTION 2019 BEST PAPERS AWARDS

Academic Professional Category

- a. There was no paper presented from this category

Experienced Professional Category

- a. **Winner - Paul Vermeulen**, Chief Engineer, Renewable Energy, Technology Department, City Power Johannesburg
- b. Paper delivered – ***“Energy Storage on Municipal Grids: Why this makes sense***

Emerging Professional Category

- a. **Winner – Ms Samantha Chimunda**, Design Engineer , City Power Johannesburg
- b. Paper delivered – ***“Early Detection of Impending Failure in HV Cable Terminations – An Intelligent Asset Management Necessity”***

CIGRE BEST PAPER AWARD (*only one category*)

Experienced Professional Category

- a. **Winner - Ms Poonam Lutchman**, Design Engineer, Schneider Electric
- b. Paper delivered - ***“Incorporating Embedded Generation onto Municipal Networks”***

AMEU PRESIDENT'S LEGACY AWARDS PROGRAMME 2019

AMEU PRESIDENT'S LEGACY AWARDS 2019:

1. Best performing metropolitan municipality electricity utility 2019

- a. Winner – eThekweni Metropolitan Electricity
- b. Nominee – City of Ekurhuleni, Energy Department

2. Best performing Affiliate (greater than ZAR50 million turnover)

- a. Winner – Schneider Electric
- b. Nominee – Aberdare Cables

3. Top performing woman in electricity (only in municipal electricity utilities)

- a. Winner – Ms Jayshree Pershad, eThekweni Metropolitan Electricity
- b. Nominee – Ms Punkie Majola, City of Ekurhuleni, Energy Department

DIRECTIVE BY THE DOL

- INSPECTION BY SUPPLIER OF NEW ELECTRICAL INSTALLATION (1)

1. The said **Dol Directive No OHS-EIMeD 1/19** has now been signed by both the Chief inspector and Inspector General

See next 2 slides for copy of DoL directive no OHS-EIMeD 1/19

DIRECTIVE BY THE DOL

- INSPECTION BY SUPPLIER OF NEW ELECTRICAL INSTALLATION (2)

DEPARTMENT OF EMPLOYMENT AND LABOUR

CHIEF DIRECTORATE: OCCUPATIONAL HEALTH AND SAFETY

PRETORIA

OHS DIRECTIVE NO: OHS-EIMeD 1/19

The Chief Director: Provincial Operations

Gauteng, Mpumalanga, Western Cape, Limpopo, North-West, Free-State, Eastern Cape, Western Cape, Northern Cape and KwaZulu-Natal

ATTENTION: PROVINCIAL CHIEF INSPECTOR:
INSPECTION AND ENFORCEMENT SERVICES

OCCUPATIONAL HEALTH AND SAFETY ACT, ACT 85 OF 1993

INSPECTION BY SUPPLIER OF A NEW ELECTRICAL INSTALLATION

A) INTRODUCTION

1. More users and lessors of electricity are installing alternative electrical supplies with the main electrical supply from the Supplier. This alternative supply may have an effect on the Supplier's network infrastructure and/or physical assets.
2. This alternative supply shall comply with Clause 7.12 of SANS 10142-1. An alternative supply may include low-voltage generating sets, photovoltaic (PV) installations, gas generators, diesel generators, wind turbines and hydropower plant.
3. The requirements for the integration and synchronising equipment shall be provided by the Supplier where the alternative supply is connected to the existing electrical installation.

B) INSPECTION BY SUPPLIER

1. The user or lessor shall notify the Supplier promptly in the form of Annexure 4 of a new supply requirement or an increase in electricity supply capacity before commencement of electrical installation work in terms of Regulation 8(1) of Electrical Installation Regulations.

DIRECTIVE BY THE DOL

- INSPECTION BY SUPPLIER OF NEW ELECTRICAL INSTALLATION (3)

2. The Supplier may not connect or permit the connection of any completed or partially completed electrical installation to the electricity supply unless a certificate of compliance for that electrical installation has been issued and confirmed.
3. The Supplier may choose to inspect and test all new electrical installations and electrical installations where increase in electricity supply capacity has been requested.
4. Special emphasis shall be placed on the alternative supply where applicable to ensure that the integration or synchronising equipment complies with the Supplier's requirements.
5. The Supplier may require an electrical contractor, user or lessor to obtain a report from an approved inspection authority as an alternative to the Supplier's inspection and test.
6. The Supplier may charge the user or lessor a reasonable fee for the said inspection and test.
7. The Supplier may only use persons who are registered as registered persons in terms of Regulation 11 of the Electrical Installation Regulations.

C) ANNUAL REPORTING REQUIRED

Taking into consideration and noting B) 3. above, the Supplier shall submit a report to the Chief Inspector before the 30th of April every year for the preceding period from April to March on the following:

- a) number of new installations that were inspected and tested;
- b) number of new installations that were connected;
- c) number of installations that were provided with an alternative power supply;
- d) number of installations with alternative power supply that were connected to the main power supply;
- e) number of installations that were not complying with the first inspection and test;
- f) number of registered persons that were reported to the Chief Inspector in terms of Regulation 7(7) of Electrical Installation Regulations;
- g) number of inspections and tests that were carried out by an approved inspection authority;
- h) number of fatal incidents in proclaimed areas indicating whether it is an employee or a member of the public; and
- i) number of fatal incidents in unproclaimed areas


INSPECTOR GENERAL: A. MOILOA

DATE: 29 AUGUST 2019


CHIEF INSPECTOR: T. SZANA

DATE: 29 AUGUST 2019

TID 2024 ROLLOVER CHALLENGES (1)

1. All municipalities informed of challenges and recommended remedial action
2. Based on action items arising from AMEU Committee meeting in Durban in November 2018 SALGA was requested by the AMEU (per the Strategic Adviser) to setup a meeting with National Treasury (“NT”) to discuss inter alia:
 - a) The need for NT to provide additional budgetary funds to municipalities to address the said TID 2024 rollover challenges
 - b) To address the sole supplier status of PRISM iro the security module provision – how should the munics treat this situation from a SCM perspective
3. Meeting was held with NT at SALGA head office a few weeks ago – AMEU and STSA was also present.

TID 2024 ROLLOVER CHALLENGES (2)

4. Given the importance of the meeting and the impact of the outcomes of the meeting on especially the municipalities (and Eskom) National Treasury recommended that a follow up meeting be held soonest.
5. The follow up meeting was held at SALGA Pta on 11 June 2019 - also included reps from some of the metros and Eskom. NT still working on the way forward wrt to provision of additional budgets
6. At the July 2019 AMEU Tech Committee meeting in Durban NT indicated that there was no extra money available for budgets - munics had to budget for this internally
7. At the above AMEU Durban meeting it was decided that the AMEU, Eskom, SALGA and the STSA will as a collective take the process forward in respect of inter alia ensuring that the rollover change over challenge is addressed smoothly

TID rollover event -What needs to be done

- Upgrade all token vending systems to STS Edition 2
- Upgrade all security modules to STS Edition 2
- Visit each meter, reset it to base date 2014 and update the security to STS Edition 2 level by entering two special tokens
 - Option 1: hand the two special tokens to the consumer to enter
 - Option2: use a dedicated team to enter the two special tokens



Simple ▶ Trusted ▶ Secure



TID rollover event - constraints

- Budget for the vending systems upgrade
- Budget for security modules upgrade
- Budget for meter visits and resets
- 5 year window to do 9 million meters (7000 meters per day)
- ***Process should start now to meet the timeline***



Simple ▶ Trusted ▶ Secure



ID rollover event - assumptions

- **9 million meter points in country**
 - 6 million (ESKOM)
 - 3 million (Metros)
- Customer enters the two special tokens into the meter
- 10% exception rate (requires a meter visit by technical staff)



Simple ▶ Trusted ▶ Secure



MIGRATION OF INEP FUNDING TO USDG (1)

1. Matter was discussed at length at both the DOE AMEU Metro Forum on 19 Feb 19 and the DOE NEAC meeting on 21 Feb 19.
2. The migration to USDG is a fait-accompli, done & dusted.
3. It was reported at the NEAC meeting that Cabinet approved the migration in +-Nov 2018 and to be managed by the Dept of Human Settlements.
4. National Treasury also reported at the NEAC meeting that all metros were informed of the migration to USDG at the City Budgetary Forum before Cabinet had taken the decision.

MIGRATION OF INEP FUNDING TO USDG (2)

5. It must be noted that this migration only affects METROS (Cat A municipalities) and does not affect other MUNICIPALITIES
6. Other municipalities will still benefit from the INEP funding
7. Eskom will also still benefit from the INEP funding even wrt electrification by Eskom within metros
8. Given(6) to (8) above DOE will still be involved in electrification projects
9. A further clarification meeting was held with the DoHS on 17 July 2017 in JHB. The DDG (DoHS) chaired this mtg

TARIFFS (1)

1. The following presentations were done at the AMEU Dbn Tariffs Comm meeting in July 2019:
2. **“Energy master planning for municipalities by Jarrad Wright, CSIR.** Municipalities were invited by the CSIR to participate in an energy master planning exercise sponsored by the CSIR
3. **“Wheeling of electricity over Eskom networks by Shirley Salvodi, Eskom** using a case study from the City of Ekurhuleni. In essence the case study and methodology showed that a municipal could still benefit from a revenue perspective in such a situation
4. **“Eskom load-to-load wheeling through municipal networks by Lola Buys”** wherein Eskom clarified their position wrt remunerating participating municipalities in this situation

TARIFFS (2)

5. **“Cost of Supply Study methodology by SALGA”** – in this respect a CoS workshop was held at SALGA Pretoria on 3 or 4 September with municipalities and other stakeholders to take the process forward.
6. In the light of the above the meeting also agreed that a further **one day masterclass related to tariff setting** in the context of the new operating landscape includes renewables, third party wheeling, cost reflectivity, etc beheld for municipal members. In this respect subject matter expert(s) to conduct this master class

AMEU Technical (5)

Grid Code Advisory Committee ("GCAC") feedback

1. The GCAC is concerned that the majority of municipalities are not undertaking grid code compliance self assessments.
2. These self assessments would reveal gaps (if any) in the compliance requirements.
3. If there are gaps then municipalities are required to apply to NERSA for exemption(s)
4. This far only eThekweni Metro and CoCTN had applied for such exemption
5. AMEU is also giving favourable to exploring ways as to how to assist municipalities to comply with the grid code
6. Eskom is also concerned because some of their infrastructure is installed in munic areas for which grid code compliance is required
7. A meeting was held on 25 Oct 2018 with NERSA by both SALGA/AMEU. Some key decisions where taken at the meeting.

ESKOM TARIFFS (1)

Various MYPD processes & RCAs



- **Review of decisions:**
 - **Price Increase application for 2018/19**
 - Expected hearing date: January 2020
 - **RCAs Year 2, 3 and 4 of MYPD 3 period**
 - NERSA made a R32,69bn RCA balance decision in response to revised R67bn application
 - Reasons for decision were published by NERSA and following detailed analysis of the RfD the Eskom Board filed a review at high court in accordance with ERA and NERA – due to calculating errors and application of the methodology
 - Expected hearing date: February 2020
 - **RCA Year 5 of MYPD 3 period (not yet filed an application)**

The Energy Regulator approved as follows:

 - An RCA balance of R3,869bn in response to the R21,625bn application.
 - R 3,752bn will be recovered equally over 2 years starting 1 April 2020
 - No RfD for liquidation decision yet
 - **Price increase application for MYPD4 – R23bn government support**
 - Reason for Decisions (RfD) received
 - Urgent hearing on 4 December 2019 re. way dealt with R23bn Government support
- **RCA application for 2018/9 financial year**
 - Was submitted in August 2019 in accordance with MYPD methodology – not published yet

ESKOM TARIFFS (2)

Current NERSA approved price increases & RCAs



		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Standard tariffs: Nersa Decision	MYPD4 Revenue	176 409	190 939	205 107	214 598	229 620	245 693
	Eskom % revenue increase assumption for FY23 & 24					7%	7%
	MYPD3 RCA Year 2-4		7 776	7 776	7 776	7 776	0
		176 409	198 715	212 883	222 374	237 396	245 693
	MYPD3 RCA Year 5			1 876	1 876	0	0
	2018/19 RCA decision				?	?	?
	MYPD4 RCAs				?	?	?
	Other (i.e. MYPD4 review)			?	?	?	?
	Total revenues	176 409	198 715	214 759	224 250	237 396	245 693
	Sales volumes	188 082	186 064	184 898	183 856	183 856	183 856
	Avg price before RCA (pure MYPD4)	93,79	102,62	110,93	116,72	124,89	133,63
		5,23%	9,41%	8,10%	5,22%	7,00%	7,00%
	Avg price after RCA Yr 2-4		106,80	115,14	120,95	129,12	133,63
			13,87%	7,81%	5,05%	6,76%	3,50%
	Avg price after RCA Yr 5			116,15	121,97	129,12	133,63
	Effective increases (at this stage!)		13,87%	8,76%	5,01%	5,86%	3,50%

ESKOM TARIFFS (4)

Update on the latest developments regarding the Municipal Tariff rationalisation

Eskom had made an application for the rationalisation of Municipal tariffs on 6 November 2017. NERSA undertook a public participation process during 2018 and a decision was made on 28 November 2018. This decision was communicated to Eskom on 7 February 2019 that NERSA has not approved the rationalisation of Municipal tariffs. It was requested that an updated cost of supply study needs to be undertaken before it will be considered again. Eskom is in the process of finalising the updated cost of supply study. Eskom has also requested a further engagement with NERSA to understand the NERSA requirements as no reasons for the decision were given.

AMEU (LEGAL AND STATUTORY)(1)

1. ELECTRICITY REGULATION ACT (“ERA”) 2006 - SCHEDULE 2, LICENCING EXEMPTION & REGISTRATION NOTICE was initially gazetted on **Fri, 10 November 2017**
2. In this regard NERSA issued set of rules for implementing these rules for public on 26 April 2018
3. However NERSA withdrew these rules after the DOE re-gazetted a revised SCHEDULE 2, LICENCING EXEMPTION & REGISTRATION NOTICE on 8 June 2018
4. NERSA will be conducting public hearings on the matter. A date still to be agreed with the Regulator Support Unit.

AMEU (Legal & Statutory)(7)

Proposed amendment of the designation of power Gx, Tx and Dx as an essential service

1. As reported previously and at the request of NUMSA the Essential Services Committee (“ESC”) is in the process of either amending or cancelling the said designation making power generation, transmission and distribution as an essential service
2. The AMEU together with SALGA has objected in writing to the ESC in respect to the aforementioned proposal by NUMSA
3. The AMEU made oral submissions in at ESC hearings in Witbank, Durban and JHB. AMEU represented at ESC mtg on 1 Nov 2018 in JHB
4. The ESC process is still ongoing

Framework Contracts

- MISA is setting up of framework contracts which municipalities could place orders for municipal infrastructure goods and services in line with Infrastructure Delivery Management System (IDMS) and Standard on Infrastructure Procurement and Delivery Management (SIPDM) issued by National Treasury. Subsequently SIPDM has been repealed and replaced by Framework for Infrastructure Procurement and Delivery Management (FIPDM) in April 2019. FIPDM will take effect on 1 October 2019.
- In DORA 2018/19 and 2019/20 FYs under MIG Allocation Framework, there is provision for municipalities to first consider using framework contracts set-up at National level before using their procurement processes for water and sanitation projects. DCOG is encouraging municipalities to take this route.
- Framework contracts allow municipalities to acquire infrastructure goods and services faster and efficiently and are regulated through section 32 of MFMA regulations and clause 16A6.6 of the PFMA.
- Municipalities are reluctant to use framework contracts due to challenges and abuse associated with section 32 of MFMA regulations.

Framework Contracts

cont...

- MISA has developed eight (8) framework contracts:
 - 1 for supply and delivery of electrical transformers and
 - 7 for water and sanitation infrastructure related services (*circulars 1 and 2 issued to notify municipalities*).
- All framework contracts are valid for a 3 year period
- Since October 2018, 17 consent letters have been issued both to provincial departments and local municipalities (Limpopo & Gauteng CHOGSTAs, DWS, 1 Metro, 1 SOE, 2DMs, 10 LMs) and there is lack of feedback.
- KZN Provincial Treasury has reviewed the procurement process for the 8 established framework contracts and conceded that they complied with SCM regulations and prescripts.
- Internal Audit and Auditor-General have audited the 8 established framework contracts and found them to have complied with PFMA Regulations and SCM prescripts.
- Presentations and training sessions have been made between July and September to Emalahleni LM, Moses Kotane LM, Ketleng Rivier LM, Western Cape Provincial MIG Forum and Northern Cape Mun-Mec,.
- Six (6) framework contracts has been advertised and others are to follow shortly. Out of the 6 framework contracts being established, 2 are for electrification support, namely:
 - ✓ Framework contract for provision of electrification professional services to support municipalities has been presented to BAC and awaiting for approval and issuing of appointment letters.
 - ✓ Framework contract for appointment of contractors for maintenance and construction of electrification projects has been evaluated and a report is to be presented to Bid Adjudication Committee.
 - ✓ Appointments will be finalized before the end of November 2019.

AMEU (ED & TRG)(1)

(extract from AMEU Electrical Training Comm feedback)

LG SETA Certification

- Munics encounter delays to obtain trade test certification from LG Seta
- Documents are submitted several times but certificates are not forthcoming
- Munics must ensure that scanned copies are kept
- Training Working Group will engage LG Seta to ascertain if the process can be fast-tracked

New Electrician Learning Material and New Electrical Curriculum Development

- Assistance on accreditation
- Trade Testing
- Invite GIZ

On the job training

- Assessors required
- Mentors required

LV/MV Cable Jointing Qualification

- In order to qualify as a LV jointer – 6 month training (POE to be submitted)
- In order to qualify as a HV jointer – 2 years training (POE to be submitted)
- RPL - skills assessment planned for internal semi-skilled staff

AMEU (ED &TRG)(2)

(extract from AMEU Electrical Training Comm feedback)

Registration of new Apprentices

- LG Seta will only fund the training if a signed contract is produced
- Contract to be available and filed in order for a learner to proceed to trade test
- Challenge: LG Seta is slow to providing contract numbers because the contract must be attached to the documents for trade test application
- LG Seta only registers an apprentice for 1 year, while an apprenticeship is 3 years

E-Learning

- E-learning is available in Cape Town where learners log into the system on their smart phones / laptops and register on-line for courses / modules. It also include the ARPL, Assessment and Homework tools.

ORHVS Training

- Extended to include protection training (basic) – 8 days
- Testing, switching, live, practical and theoretical assessment
- **Training material available for all Munics**

AMEU (ED &TRG)(3)

(extract from AMEU Electrical Training Comm feedback)

Trade Test (New)

- Tasks remain 7
- Mark sheets will be changed
- New Grade Test Training modules will be implemented after April 2019 – phased in over 3 years
- Last intake of learners for old Trade Test is 30 June 2019
- TVET Colleges – all funding is channelled to them. No funds available from Department of Education for upgrade Munics Training Centres and TVETs approach munics to assist with training
- Focus to be shifted to training artisans for municipal environments and not general electricians
- Training Group needs guidance in sourcing funding allocated to TVETs to upgrade Training Centres

AMEU (ED &TRG)(4)

(extract from AMEU Electrical Training Comm feedback)

QCTO Monitoring Visits

- QCTO will visit all Training Centres for quality vetting – Cape Town will be visited on 25 March 2019
- QCTO to be invited to next meeting for clarity on future involvement

PV Training (alternative energy training material)

- Cape Town training document for certification of existing artisan to be competent to inspect and certify PV Installations. Implementation date is June 2019 and the training material will be available to other municipalities to use.

ARPL process

- RPL is ongoing, tools are being finalised by QCTO

Date of Next Meeting of the AMEU Electrical Training Committee

- Took place on 17-18 July 2019 in East London

AMEU Technical (2)

DOE Solar Water Heating Programme (1)

The following is the latest feedback received from the DOE on 19 May 2019:

1. DOE Solar Water Heater Programme seem to be back on track

- Installation bid was released in the last quarter of the 2018/19 FY and currently under evaluation to appoint the Service Providers for installation in the 19 participating municipalities.
- Technical Feasibility Assessment (“TFA”) for the identified households will commence soon as appointment of the Service Providers is in the final stages of approval.
- It is expected that TFA will happen in June and July 2019 respectively.
- CEF has been appointed to facilitate the training of SWH installation assistants through accredited training institutions from which preparations have advanced to date.
- A tender to this effect will issued anytime soon.)

AMEU Technical (2)

DOE Solar Water Heating Programme (2)

The following is the latest feedback received from the DOE on 19 May 2019:

1. Twenty (20) municipalities were selected to participate in this programme

- Pilot project for 200 SWH Units in Nelson Mandela Bay municipality was completed in June 2018.
- The pilot areas are Walmer and Rosedale.
- 150 systems were also installed in Sol Plaatjie Municipality for repair and replaced in 2018 to address some of the dysfunctional systems from the previous phase.)

AMEU Technical (2)

DOE Solar Water Heating Programme (3)

The following is the latest feedback received from the DOE on 19 May 2019:

1. **A DOE inception meeting took place on 31 May 2018 regarding the roll out of this programme in the 20 selected municipalities**
 - A training phase workshop was held with participating municipalities on 28 August 2018 to update and assist the municipalities to be able to identify and select the trainees for the potential SWH Installers in their respective areas to later gain experience by work with the appointed installation companies after their training.
 - The purpose of the training s is to ensue transfer of skills and job creation opportunities with respect to operations and maintenance of systems by trained and qualified persons in their areas instead of awaiting people coming outside the area or even the province.
 - Most important is to indicate that this will also prepare the people in the municipalities to be ready to compete in future with all the necessary requirements.)

AMEU Technical (2)

DOE Solar Water Heating Programme (4)

The following is the latest feedback received from the DOE on 19 May 2019:

1. Since 2015/2016 FY about 87000 SWH units were purchased for rollout amongst these 20 munics

- As indicated, the pilot is already completed in Nelson Mandela Bay municipality at the end of June 2018 with 200 systems installed.
- Social Facilitation process has already commenced in municipalities will progress for a period of 6 months and as when community mobilisation and updates on the programme is needed.
- The objective of the social facilitation meeting is to make sure that community members in particular the end users / households beneficiaries are well aware of the project, the technology they will be using and how to take care of the assets and last, how to liaise with the municipality, department and the manufacturer in case of any problems with the geysers in line with operations and maintenance / warranty on the systems.)

AMEU Technical (2)

DOE Solar Water Heating Programme (5)

The following is the latest feedback received from the DOE on 19 May 2019:

1. A number of municipalities are wanting to know how were these 20 municipalities selected ?

- Municipalities that were selected are the ones that responded to the DoE's request for information and as a result submitted the signed Framework Agreement (FA) that are/were supported by council resolutions.
- Of the municipalities that submitted, none were rejected as they responded accordingly in terms of all that was required.)

AMEU Technical (2)

DOE Solar Water Heating Programme (6)

The following is the latest feedback received from the DOE on 19 May 2019:

1. What were the criteria utilised to select these 20 municipalities.

- Request for information to assess the state of readiness provides the information about what is required of the municipalities.
- The Framework Agreement that the Department enters into with municipalities outlines the role and responsibilities, the criteria on how to select the areas of installation and that formed the criteria of selecting municipalities.
- The FA should be supported by council resolutions including the identification of the installation areas as well as the trainees from their respective areas as supported by the training funding made available by the Department of Labour through the Unemployment Insurance Fund.
- In addition, it is important to indicate that the Department will issue another request for information before end of June 2019 to commence with the next round of assessing the state of readiness by municipalities in preparation for 2020/21 financial year.
- The municipalities that are interested should respond to that RFI.)

NOTIFIED MAXIMUM DEMAND

1. NERSA “Call for comment” notice issued on 08 February 2018
2. The closing date for comments was 28 February 2019
3. The AMEU will as a collective also submitted comments
4. The project should have been finalised in July as presented by the project leader. Project leader indicated that they have to consult with stakeholders and conduct a public hearing before the rules can be published. A new date has not been given.

THIRD PARTY WHEELING ON MUNICIPAL GRIDS

1. This project has not yet been started by NERSA.
2. NERSA had an informal meeting with the DoE to discuss it, included in the discussion was power trading including cross border trading.
3. The way to approach wheeling was not only to focus on transporting energy using third party network but also to look at energy trading and policy matters.
4. Direction is also sought from other stakeholders on the approach to energy trading and the future electricity market model.
5. After a workshop conducted by SALGA on Wheeling, NERSA and SALGA met on 11 October 2019 to discuss further on how to take the process forward. It was agreed that NERSA will work with SALGA and GIZ to develop a discussion document. The team will include personnel from DMRE

NERSA - REGISTRATION FEES FOR SMALL SSEG

INVITATION TO COMMENT ON THE REGISTRATION FEES FOR SMALL SCALE EMBEDDED GENERATORS

1. NERSA published call for comment on 16 December 2018
2. AMEU submitted comments on 24 Jan 2019
3. Some comments submitted by the AMEU:
 - a. It seems counter- intuitive to have a registration fee, when NERSA does not even have a registration process/rules in place.
 - b. The document states that NERSA has developed a registration procedure and registration application form but this is not included in the consultation paper for us to examine
 - c. The document is ambiguous because it talks of a R400 fee per site that is to be shared between the applicant and the distributor
4. SALGA recently wrote to NERSA Executive Manager to clarify other matters regarding registration process. This meeting has not taken place and no date has been scheduled.

NRS MATTERS (1)

The following specifications were published on the NRS website:

1. NRS 069 - Guidelines for distribution connection charges for loads;
2. NRS 082 - Recommended maintenance

Specifications due for publication

NRS 093 (Asset Management)

The following specifications were forwarded to NERSA for adoption

1. **NRS 047** - Electricity supply - Quality of service and reporting guidelines (08 Mar 2017);
2. **NRS 048-2** - Electricity supply - Quality of supply - Part 2: Voltage characteristics, system acceptability levels, compatibility levels, limits and assessment methods (01 Aug 2017); and
3. **NRS 048-4** - Electricity supply - Quality of supply - Part 4: Application guidelines for utilities

OTHER NERSA MATTERS(1)

1. NERSA rules wrt the Schedule 2 amended regulations as gazetted by the DOE

- DoE has issued a new notice in December 18 for NERSA to concur before it is gazetted.
- NERSA received a letter from DOE requesting concurrence on the new Notice.
- NERSA is processing the request and will be inviting stakeholders to comment on the Notice before responding to the request by DoE.

2. NRS048 Part 9

- A consultation paper was issued by NERSA on 15 Feb 2019.
- The public and other stakeholders commented.
- The document is in its final stages for approval by NERSA
- NRS048 Part 9 work group will also consider the said comments.



Thank you