

# DRME 1MW TO 10MW

12 May 2021



**BUFFALO**CITY**METROPOLITAN**MUNICIPALITY

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# Risks

1. Overloading of network which will increase network technical losses if energy is purchased direct from SSEG exporters, this would need to be controlled by the municipality to ensure network stability
2. Wheeling tariffs set too low and municipalities not being in position to make a profit from these sales, wheeling tariff would need to take into account network maintenance costs
3. Possible Loss of municipal electricity income if unlimited large SSEG licences are allowed. (Notified maximum demand)
4. Any licence issue within a municipal jurisdiction would need to be discussed with the municipality to confirm impact on the network
5. Incorrect tariff structure not taking in consumer notified maximum demand



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# Benefits

1. Green energy sales will comply with International contracts compliance standards
2. Less carbon footprint
3. Reduction of bulk energy purchases from Eskom
4. Job creation in the SSEG market place
5. Municipalities can off-set ESKOM energy purchases if they venture into the SSEG generation market at local level



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# Constraints

1. Would require an extensive network impact study
2. Limited resources of municipalities.
3. MFMA and agreements extending beyond 5 years



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## Support needed

1. Financial injection needed from National Treasury for municipalities for both green energy partnerships
2. Partnerships between SSEG production and municipalities need to be legislated to off-set risk and to increase job creation in provinces
3. Assistance in conducting a network impact study and any other study requirement such as environmental studies



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THE END

Thank  
you



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