

CENTLEC (SOC) Ltd: THE PROPOSED INTENT BY THE DMRE TO INCREASE THE LICENSED THRESHOLD FROM 1 MW TO 10 MW

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Potential risks to Mangaung Metro Municipality if this intent by the DMRE to increase the licensed threshold from 1MW to 10MW eventually gets implemented

- 1. The Demand will reduce drastically that will result in reduction in revenue.
- 2. This will initiate the installation of multiple plants that will have an impact on safety of people and equipment.
- 3. The management and control of installation will be a tedious task.
- 4. The synchronization of the electrical infrastructure with the installed plant (on high voltage) when private producers are feeding back onto the system will be problematic, due to the number of plants that will be installed / established and the operational philosophy of our system.

Potential overall benefits to Mangaung Metro Municipality if this intent by the DMRE gets implemented

1. Utilities can obtain energy at competitive tariffs from private producers.
2. Private producers can assist with load shedding loss of revenue.
3. Reduction of Technical losses on Utility's low voltage systems.

Constraints specific to Margaung Metro Municipality that may/will prevent/restrict Margaung Metro Municipality realizing the potential benefits as reflected in Slide 2

- 1. The age and technology used on the Margaung Metro Infrastructure will be a constraint.
- 2. Major Capital investment on existing infrastructure to accommodate the advance Smart Technology of SSEG installations.

Type of support (both internal/external to your entity) that Mangaung Metro Municipality will need/require to potentially realize the benefits as per Slide 2

1. Funding to upgrade existing infrastructure to meet the requirements of the new smart systems.
2. Skills development with regards to Technology, innovation and the business model.
3. The Limitation with regards to the allowable feedback on to the system must be regulated.

Thank you!!