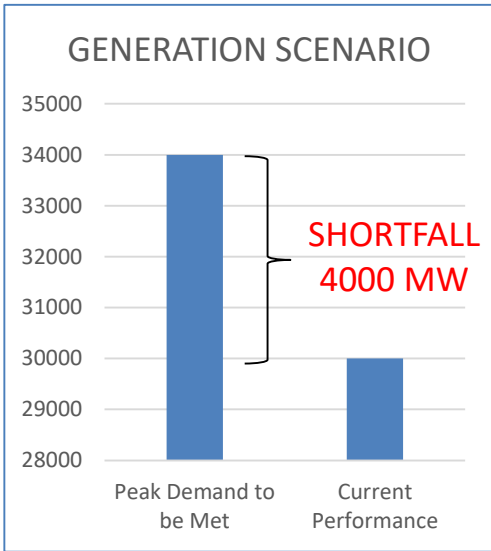


# THE POTENTIAL RISKS

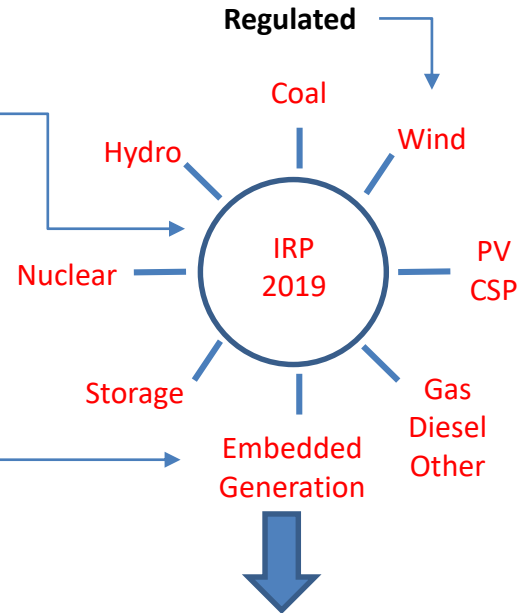


530 HOURS OF LOAD SHEDDING

HOW SHOULD WE GENERATE

ECONOMIC COST : R 60 – R 120 BN

HOW FAST CAN WE GENERATE



## LICENSING EXEMPTION AND REGISTRATION NOTICE



**DO MUNICIPALITIES HAVE THE NECESSARY TOOLS TO DEAL WITH THE OUTCOMES OF ALLOWING FOR AN INCREASED GENERATION THRESHOLD ?**

“Distributed generation” refers to small-scale technologies to produce electricity close to the end users of power.

“This is intended to allow for power generation embedded within municipal distribution networks”



MUNICIPALITIES MUST REACT

MUNICIPALITIES ARE NOW DIRECTLY IMPACTED / INVOLVED BY THE IRP 2019

“OPERATIONAL PARTY”

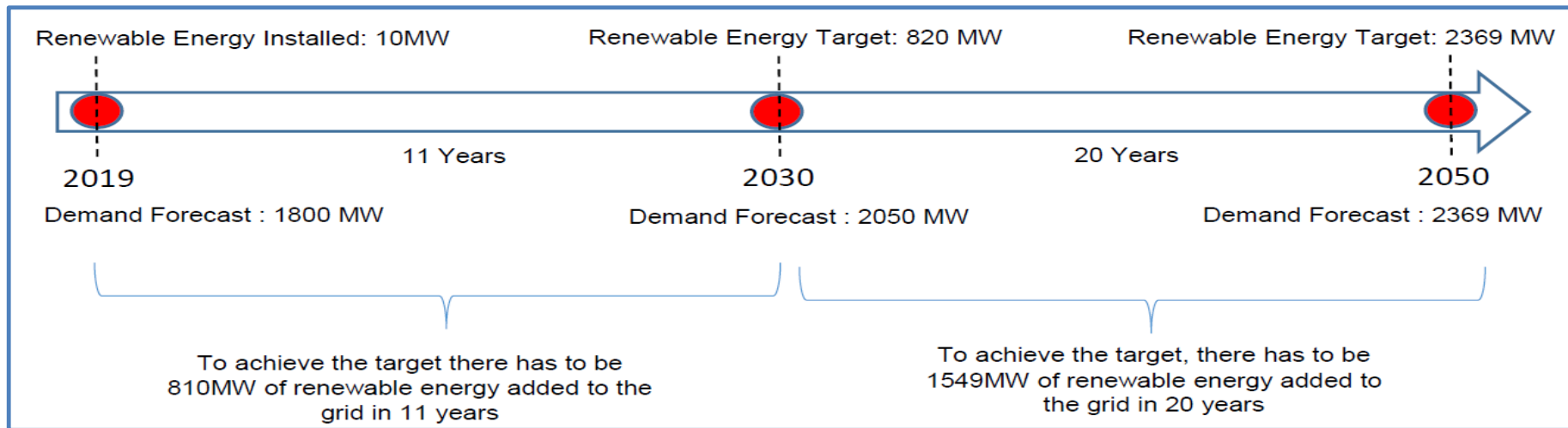
This is a means for allowing for a quicker turnaround time with respect to the licencing aspect of generation. This is in accordance with the President’s SONA. The principle is supported in the view of accelerating generation build, however the “threshold” of generation must be coordinated with the readiness of the “Operational Party”

Proposed Threshold : Amendment to Schedule 2 of ERA (MW)



# OVERALL BENEFITS / RISKS

- Any attempt to unlock the potential for RE is beneficial in promoting the RE targets and carbon reduction targets.



- The generation market in SA has matured tremendously. Its time we started to allow for larger scale projects to be implemented by cutting out the “red tape” – Less red tape, More RE market activity...

- RE **Generated** must be **Distributed** and **Consumed**. No point in unlocking the generation space ONLY. There has to be a corresponding “unlocking” in the Distribution and Consumption space. → Next Slide .....

Skills for technical network analysis

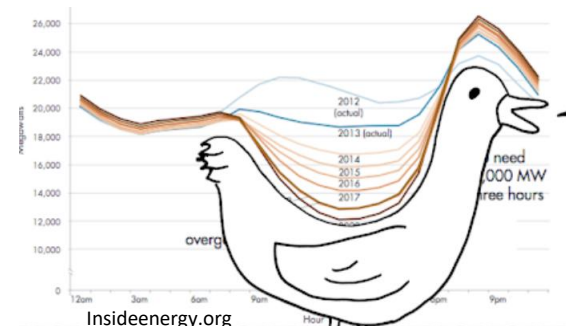
Readiness of the Grid / Prep for Future

Preparing for the “Duck Curve”

1MW



10MW

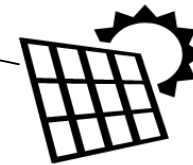


# SUPPORTING THE PROCESSES

Municipalities must have clear programs in place to accommodate RE



- The 10MW threshold is supported.
- It will place greater pressure on Municipalities to facilitate the movement of this energy.



Generation  
Up to 100 KW



The sector has worked hard in creating a framework for implementation  
  
However the readiness of all municipalities must be evaluated

Potential Generation Procurement Options

Financial Sustainability  
Process is Unclear

Is the MFMA appropriate for the procurement of electricity ?

Does the MFMA need to be amended ?

Section 34 Determination Process

Wheeling framework

Long Term Contracting

Battery Deployment and Integration

- The higher the generation capacity threshold, the higher the likelihood that there would be a need for a wheeling framework and a battery integration framework.
- Role Players :  
•NT, NERSA, DMRE