

Increasing of Licensing Threshold From 1MW – 10MW By DMRE

CoE Perspective – Alternative & Renewable Energy
Division

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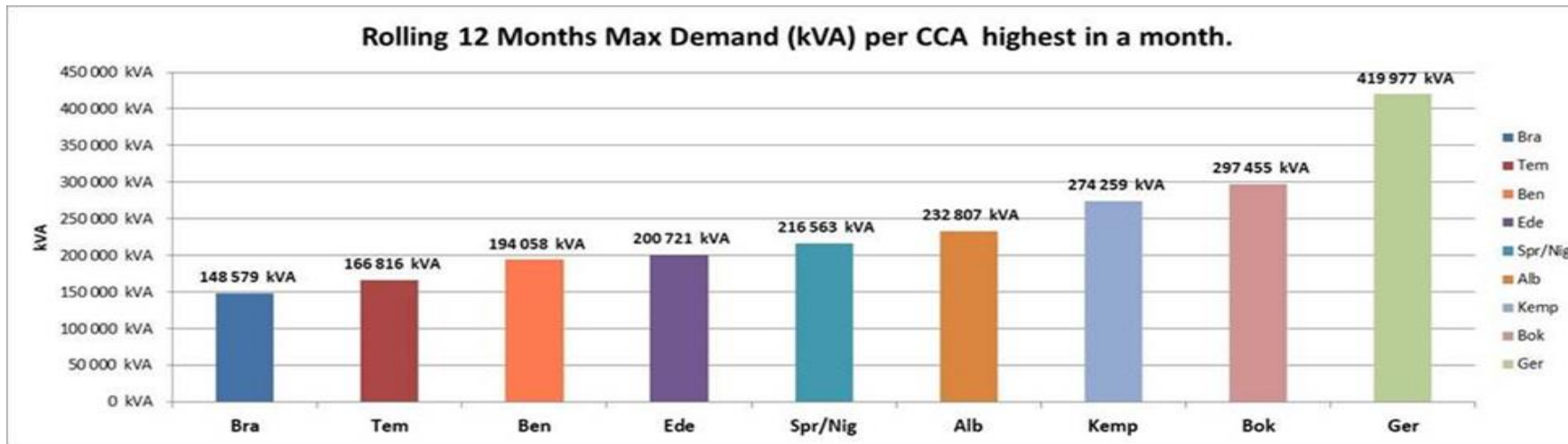
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1. Introduction

- ❖ City of Ekurhuleni (CoE) provides electricity to approximately 432,663 customers (as of January 2021) in a supply area of 1,975km². This reflects an electrification rate of close to 85%
- ❖ CoE is made up for nine (9) major towns or service delivery areas, namely, Brakpan, Tembisa, Benoni, Edenvale, Springs/Nigel, Alberton, Kempton Park, Boksburg and Germiston. The picture below indicates average annual energy demand (KVA) forecast per town. Total CoE average annual demand forecast is roughly **2500 MVA**:



2. Risks to CoE should the Licensing Threshold increased to 10MW

- CoE Welcomes this progressive move.
- Customer self generation may negatively impact municipal revenue.
- Effect on cross-subsidization.
- Network stability issues due to increased distributed generation.
- Power Quality issues
- Infrastructure strengthening/expansion.
- Network protection.

3. Potential Benefits to CoE should the Licensing Threshold increased to 10MW

- There is huge potential for Municipalities to self-generate from different renewable energy sources such as Solar PV, Energy generation from Municipal solid waste landfill sites (Biomass, Biogas), generation from waste sludge, Hydro and some other renewable sources.
- Increasing the licensing threshold for embedded generation will unlock this potential and projects will be implemented speedily without the delay caused by rigorous licensing conditions
- Municipalities can play a major role in limiting the threat of load shedding and capacity constraints.
- There is also a huge potential for Public Private Partnerships were the public sector brings much needed infrastructure development quicker and creation of jobs.
- This approach attracts investments to local Government.
- Potential savings to be realized from bulk purchases of electricity.

4. Constraints that could potentially prevent CoE from realizing full benefits of the intent by DMRE

- Currently no embedded generation tariffs - to protect the revenue of the Council and at the same time considering the business case of the customers (Suitable embedded generation tariffs to be developed).
- Lack of skills and knowledge of Embedded Generation by staff.

5. Support needed by CoE to realize the benefits of the intent



- Support is needed on the development of suitable embedded generation tariffs.
- Upskilling of Municipal staff.

Thank You

