



Increase the licensed threshold of embedded generation from  
1MW to 10MW

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# Potential Risks to Municipality

- Reduced income from electricity sales
- Large consumers can convert their supply to even larger renewable plants, leading to further reduction in sales
- Pressure to introduce wheeling tariffs
- Legal / contractual / procurement issues with IPP
- Increased technical losses if high capacity transformer now stands idle at the Eskom point of supply



# Potential benefits

- Municipality and / or their IPP can erect own bigger plant with reported less hassle
- Reduced bulk purchase cost, if the current discount structure is retained
- Increase of NMD at certain POS, as projected in masterplan, might be deferred by a couple of years.
- Increased development in the area, if the area can be marketed as energy secure
- Energy security at critical municipal plants, with reduced reliance on diesel standby



# Specific constraints

- Municipal area is a narrow coastal belt, with distributed points of supply
- Large injection points could require wheeling arrangements
- Previous round of tenders for 3 x 1MVA renewable energy plants was halted due to legal and PPP regulations.
  - Tenders were invited for the supply, delivery, installation, commissioning, operation and maintenance of any type of renewable energy plant, for a period of 25 years.

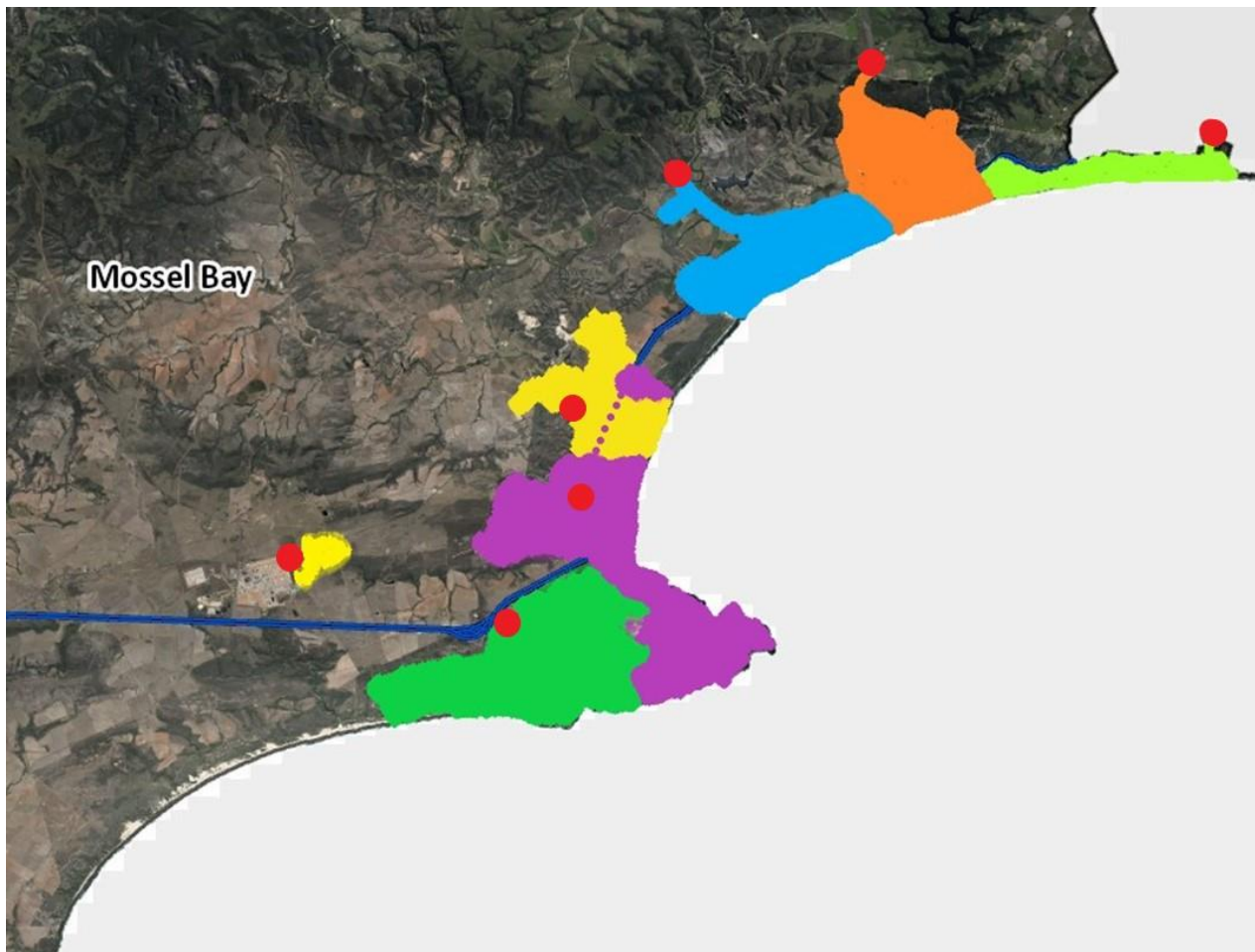


# Major substation locations





# Areas served by major substations





# Support required

- Feasibility studies
- Network studies
- A needs analysis
- Technical options to be considered
- Delivery mechanism internal/external
- Value for money assessment
- Execution Plan
- Evidence of alignment with the IRP & IDP
- Proof of compliance with MSA/MFMA, incl. PPP regulations & use of municipal land



Thank You

