Nelson Mandela Bay Metropolitan Municipality

Electricity & Energy

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

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INTRODUCTION

NMBM

Potential risks and benefits with 10MWatt installations.

Potential Risk

- Loss of revenue
- Quality of supply/grid could be compromised
- Safety risk
- Vandalising to our infrastructure is a risk to potential investors.
- NMBM core function is Distribution – not Generation
- Control Room, not equipped to handle both
- Modernizing of our Network
- More advanced monitoring/testing equipment needed
- More funding will be needed
- Business model is changing
- Penalties for down time
- Eskom could be out of business

Benefits to NMBM

- Better tariffs could be negotiated

- Most RE generation is cheaper than coal

- RE Tariffs could be better predicted with long term contracts

- Technical losses will decrease

- Decisions regarding type of energy, size, where and how will be implemented quicker on local as on a national basis.

- Electric vehicles / charging stations will become a reality sooner because it will be driven by all the metros and municipalities – compared to government and legislation.

Constraints to reap full benefits

- Policies not in place

- Infrastructure to be upgraded

- Skills and lack of experienced personnel wrt RE

- Most RE is not base load

- Lack of generation experience

- 10 MW – R160 million...big installation – huge investment therefor the risk is very high

What type of support internal / external is needed to reap potential benefits?

- **Internal support**
- ➤ Training of staff in various sections
- ➤ Dedicated SSEG section
- ➤ Proper policies and guidelines
- ➤ Advanced grid monitor and control systems

What type of support internal / external is needed to reap potential benefits?

- **External support**
- ➤ Training for Municipalities and metros wrt generation and grid stability
- ➤ Validation of Municipalities and metros
- ➤ Gen Licencing agreements to NMBM
- ➤ Guidelines to policy documents
- ➤ Wheeling and tariff guidance