

The response to the impact of the SA
electricity crisis on sustaining an effective
service delivery by municipal utilities to its
end customers

3 October 2022



How can IPPs assist the utilities (and Eskom)
in quickly accessing the much needed
'mega electrons'?

What can the utilities (and Eskom) do to support the IPPs in effectively enabling the above during this electricity crisis period?

How can IPPs assist?

energy; capacity; grid services; grid strengthening

- Many IPP projects including solar, wind, hydro and battery storage projects are ready for construction;
- Wind and solar tariffs are below Eskom WEPS tariff which would result in savings for municipal utilities;
- Battery storage has become economically viable to supply during peak times;
- Prosumer IPPs are the quickest way of adding energy (kWhs) and capacity (KWs) to the system;
- IPPs could install distributed battery storage supplying capacity and grid services;
- IPPs could support utilities and Eskom with grid expansion and grid strengthening;

What can utilities (and Eskom) do to support IPPs?

access to grid; access to customers; re-structured tariff;

- Use the IPP Office to procure 'mega electrons' on behalf on utilities;
 - Wheeling via Eskom grid into utility grid to end customer;
- Allow prosumers to install rooftop solar AND battery storage behind the meter and to sell back into the utility grid at tariffs that makes sense;
 - Wheeling within the utility grid;
- Allow IPPs to install distributed solar facilities within utility's grid;
- Allow IPPs to install distributed storage facilities within utility's grid;
- Allow IPPs to build new grid infrastructure and strengthen existing grid infrastructure in PPP model

What do utilities need to **stop doing** to enable this support?
access to grid; access to customers; re-structured tariff;

- Stop being obstacles to change;
- Stop trying to use policy and regulatory barriers to keep the status quo;

What do utilities need to change to enable this support? access to grid; access to customers; re-structured tariff;

- Accept we are in a crisis;
- Define its business model clearly: Supplier of **electrons** versus Supplier of **reliable grid** ?
 - Treat customers like customers;
 - What do customers want? (Choice of type of electricity, choice of supplier; net zero, etc.);
- Restructure the tariff structure to impact customer/consumer behaviour positively;
 - Higher fixed charge ensuring the value of being grid connected is reflected;
 - TOU tariff;
- Re-train its political and civil servants in the energy systems of the future (e.g. Wits Business School's Energy Leadership Programme);
 - Impact of EV's in future;
 - Integration of public transport of the future into the business model;
- Create a culture of paying for services;
 - Incentives like Stokvel, funeral policies, insurance against damages to equipment as a result of spikes;
 - Pay for electricity from Eskom and IPPs;