

FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

(Incorporating Fish Hoek, Clovelly and Sun Valley)

Central Circle, Fish Hoek 7975

Web: <https://www.fhvrra.org.za/> Facebook: www.facebook.com/FHVRRA/

Heritage Western Cape: Conservation Body

**TO: PRESIDENT CYRIL RAMAPHOSA president@presidency.gov.za &
PUBLIC ENTERPRISES MINISTER PRAVIN GORDHAN
info@parliament.gov.za; georgina.sylvester@dpe.gov.za**

**SUBJECT: INDEPENDENT POWER PRODUCERS BE ALLOWED TO IMMEDIATELY
SUPPLY SOUTH AFRICA WITH ELECTRICITY**

The Fish Hoek Ratepayers and Residents Association (FHVRRA) understands that the Presidency and Public Enterprises Minister, Pravin Gordhan, are looking for emergency solutions to end the load shedding crisis with several groups having already put forward emergency plans. Such plans could suspend the Integrated Resource Plan (IRP) and expand private energy production massively. However, the IRP is not a short-term plan, which is needed now. Load shedding is killing our economy and thus, jobs. In the past two weeks, Stage 6 load-shedding with up to 12 hours a day without power, cost the national economy R4,2 billion per day. We stand to lose even more than the 125 000 jobs that load-shedding destroyed in 2019.

Legislation & Regulations

If legislation needs to be amended to allow our Independent Power Producers (IPP) to supply electricity now, then this needs to take place immediately.

There's something wrong with our legal system whereby a court challenge to the emergency power program can delay the provision of 2,000 megawatts of electricity to the national grid. We want swift justice (including against ex-President Zuma).

We request that current generation licence-exemption threshold be lifted for grid-connected projects and allowing IPP to sell power to multiple customers.

We want emissions target to be lowered in the updated Nationally Determined Contribution and revise the IRP to align with that target;

We'd like to see the 100MW licensing threshold be abolished for embedded generation and ensure that the registration period for IPPs does not exceed 14 days. Not only is this threshold arbitrary, but it makes little financial sense. Due to economies of scale, the optimal size for new energy projects is far larger than this and larger projects offer cheaper electricity per unit.

Exempt financially-healthy municipalities from all unnecessary legislation and regulations (including those governing municipal procurement) that will delay bringing new generation capacity online. A minimum-compliance approach must be allowed in respect of tenders for IPP procurement and the construction of municipal own-generation projects.

Declare in clear and unequivocal terms that municipalities do not require approval from Minister Mantashe for electricity procurement. Uncertainty in this regard is having a chilling

effect on municipalities' ability to procure new generation and introducing delays; there is no good reason for this to continue.

Waive the Department of Trade and Industry's local content requirements on solar photovoltaic (PV) modules until energy security is achieved.

Exempt electricity traders from onerous National Energy Regulator of South Africa (Nersa) licensing requirements, substituting a registration process in which traders are required to demonstrate compliance with a basic list of requirements only designed to protect public distribution networks.

Remove the substantial red tape on the establishment of natural gas imports and transport, especially in the Western Cape, unlocking the use of natural gas-powered turbines. These are cleaner and cheaper than the diesel and jet fuel turbines currently in use.

Supporting SOE

Another challenge that needs fixing is Home Affairs. For IPP to properly supply electricity, they will need a sufficient quantity of skills that don't exist within South Africa at present including management, engineering (electrical, mechanical and structural) skills, planners, quantity surveyors, health and safety officers, electricians with experience working on PV solar farms.¹

Alternative Solutions

We request that the South African Renewable Energy Master Plan be finalised to industrialise the renewable-energy sector and its value chain.

We want green transport and green-hydrogen strategies published to industries to support their transitions from carbon-intensive practices.

At this moment, solar (PV) is the cheapest source of electrical energy and the quickest to implement in bringing electricity to the grid. Eskom is still needed to transport and distribute, but not generate. Electricity from IPP using solar is sustainable and green. However, both are secondary considerations to our urgent need for affordable and reliable electricity.

Concentrated solar would allow for peak time generation of electricity, but these probably cost more and would take longer to build.

Somewhere in South Africa the wind is blowing. Widely distributed wind power would add to capacity.

Convert Eskom's Ankerlig plant in Atlantis, Cape Town to natural gas and run the plant on a mid-merit basis, with dynamic output adjusted according to fluctuations in demand.

Nuclear plants usually require ten years to build and the safety design has a lifespan of just 30 years, which is why we don't want Koeberg's life to be extended and don't want any new nuclear plants to be built.

We have coal, but the right quality has to be transported, stored dry and conveyed to the boilers efficiently, which seem impossible in South Africa. Due to the pollution created

1 <https://www.engineeringnews.co.za/article/the-rush-for-renewable-energy-is-upon-us-but-have-the-ipps-got-a-handle-on-labour-2022-06-07>

when burned, we do not wish to see any more coal plants being built.

There are just so few places with sufficient height and volume of water that hydro is limited and the generators take a long time to build when dams are included in the construction requirement.

Imports from nearby land-based countries is only feasible if cheap and reliable.

For future proofing, we should develop green hydrogen. This may be the next alternative for vehicles as well as battery storage for electrical vehicles is very expensive initially, costly to produce and also has recycling problems and costs.

Finances

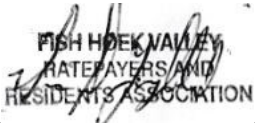
Please develop a 'Just Transition Transaction' to access climate finance for Eskom, workers and communities affected by the phase-down of coal power.

We need to improve energy security instead of threatening it and lower the electricity price for the country and its citizens.²

Implement an income tax write-off for capital investment into small-scale generation and battery-storage projects. This could also be used to subsidise and incentivise home installations of solar PV and battery storage, making home generation affordable to more South Africans.

Offer National Treasury guarantees in respect of any borrowing by municipalities and private entities, necessary for IPP generation projects and municipal own-generation projects.

Immediately establish a Power Crisis Unit in National Treasury, with representation from municipalities and technical experts as well as the Finance Minister, with the mandate of expediting all interventions that could end the power crisis. The Unit must not just be another Government "task team", and must have power to make regulatory decisions. This includes decisions needed for interventions described above, as well as demand-side management, battery storage, new natural gas projects, and increasing Eskom's operational efficiency.³

NAME & SURNAME	Brian Youngblood, Chair: Fish Hoek Valley Residents and Ratepayers Association (FHVRRRA)
CONTACT NUMBER	Cell: 084 3 99 99 33
E-MAIL ADDRESS	FishHoekRRA@gmail.com
SIGNATURE	
DATE	17 July 2022

² <https://www.engineeringnews.co.za/article/the-five-steps-meridian-says-south-africa-should-take-in-the-next-500-days-to-future-proof-energy-sector-2021-06-03>

³ <https://www.capetown.gov.za/Media-and-news/President%20Ramaphosa%20can%20help%20us%20end%20load-shedding%20with%20this%2010-point%20plan?fbclid=IwAR3SaujhxOdwwqzGxHwWffhmMqA05nqSSruJtx6oY7nUHv97OoL8pH5ObN2c>