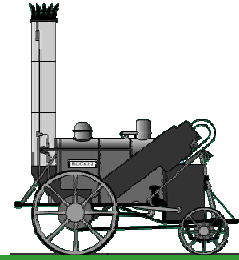


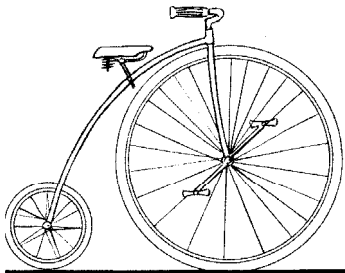
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Department of Energy – Integrated Resource Plan - 2010

Dave Long
Engineering Consultant in the
Private Sector

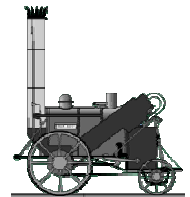
7th June 2010



Support for the IRP - 2010 Process

- **Welcome** the way IRP – 2010 is being developed
- **Healthy** engagement with stakeholders
- **Plan is the start**, not an end in itself
- **Leadership**, organization and controls
- **Feed back loop** into renewed planning

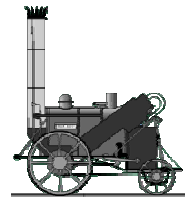
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My Focus

- Private Power
- Specifically:
 - The Road Blocks
 - Opportunities
 - Wheeling between private buyers and private sellers
 - Trading in the Southern African Power Pool (S.A.P.P.)

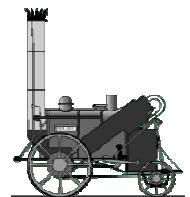
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Current Road Blocks

- National Programme delays:
 - Pilot National Co-gen Project (900 MW) – 3 years
 - MTPPP (5000 MW) – 2 years
 - REFIT 1 & 2 – 18 months
- Cogeneration Feed-in-Tariff (COFIT)
 - In development for 4 years
 - > 1500 MW potential
- REFIT 3
 - Industrial wastes – forests and sugar cane

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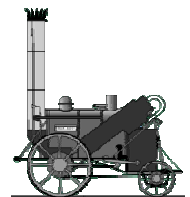


Current Road Blocks.....

- **Independent System Operator (ISO)**
 - Who do IPP's sell to?
 - Restructuring – 18 months to new EOI's ?
 - 24 to 30 months to new PPA's ?

- **Power Conservation Programme (PCP)**
 - Will become a reality
 - Limiting new investment due to uncertainty
 - Healthy as it will encourage EE & investments

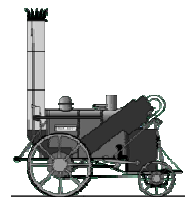
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Opportunities

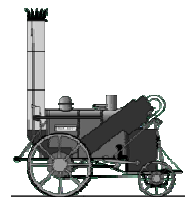
- **Own Generation:**
 - Parameter sheet D10 - ✓
 - “few large users” - X
 - Coal discards, forest waste and sugar.
- **Renewables:**
 - Parameter sheet S4 - ✓
 - REFIT 3 plan needed
 - Maximise the cheap, minimise the expensive.
 - Industrial wastes @ 90c vs PV @ >R4.00
- **Cogeneration:**
 - Parameter sheet S6 - ✓
 - Clean-up the confusion in definitions

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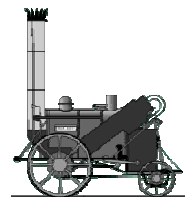
Willing Buyer & Seller Wheeling

- No parameter sheet – X
- Unlocks private investment
- No waiting for the ISO
- Eskom policy for use of networks in place
- To be resolved:-
 - Transport costs
 - DOE support outstanding
 - Framework for licensing generation & trading
 - Needs a provision in IRP-2010



S.A.P.P. Markets

- The Southern African Power Pool (S.A.P.P.) rules & structures agreed to by Government.
- The Day Ahead Market (DAM) important
- Well on the way to a regional electricity market
- To be resolved:-
 - Transport costs
 - DOE clarity of support
 - Framework for licensing generation & trading
 - Needs a provision in IRP-2010



Conclusion

- IRP-2010 must **enable** rather than limit.
- The plan to include **implementation** plans
- We all need to **move fast** now in many related areas
- DOE **leadership** is critical

Thank you.

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