

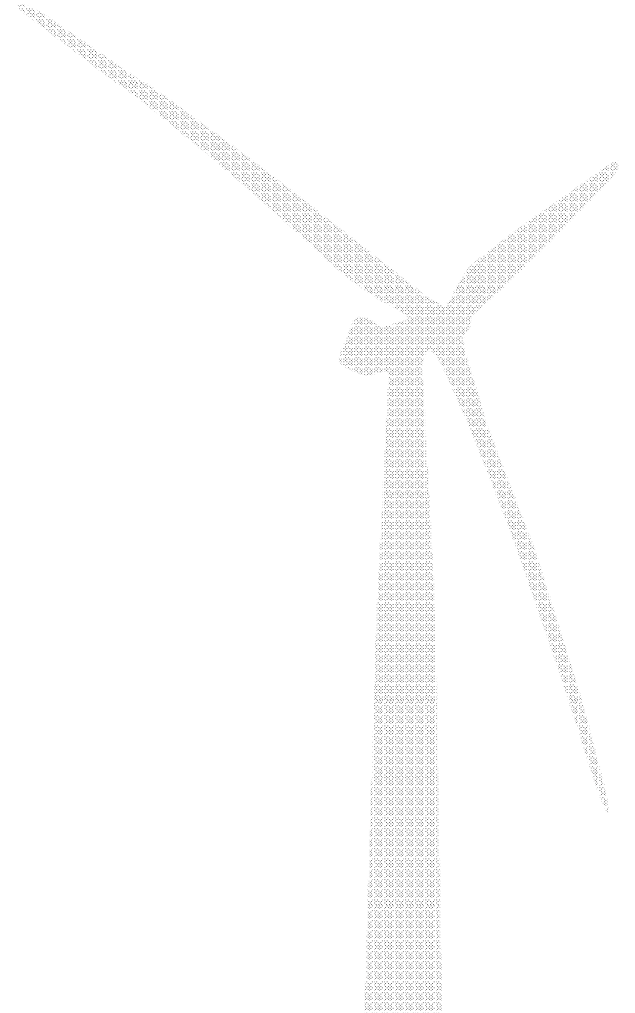


South African Wind Energy Association
w w w . s a w e a . o r g . z a

IRP 2010
8th June 2010

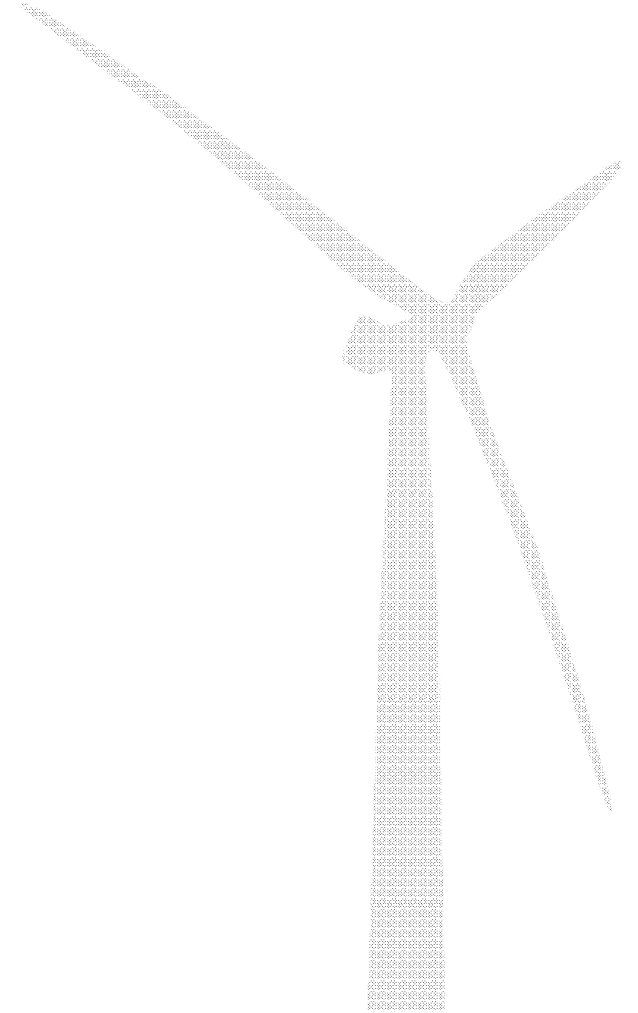
Presentation outline

- Who is SAWEA?
- Specific parameter comments
- General comments
- SAWEA IRP2010 Paper
- Conclusion



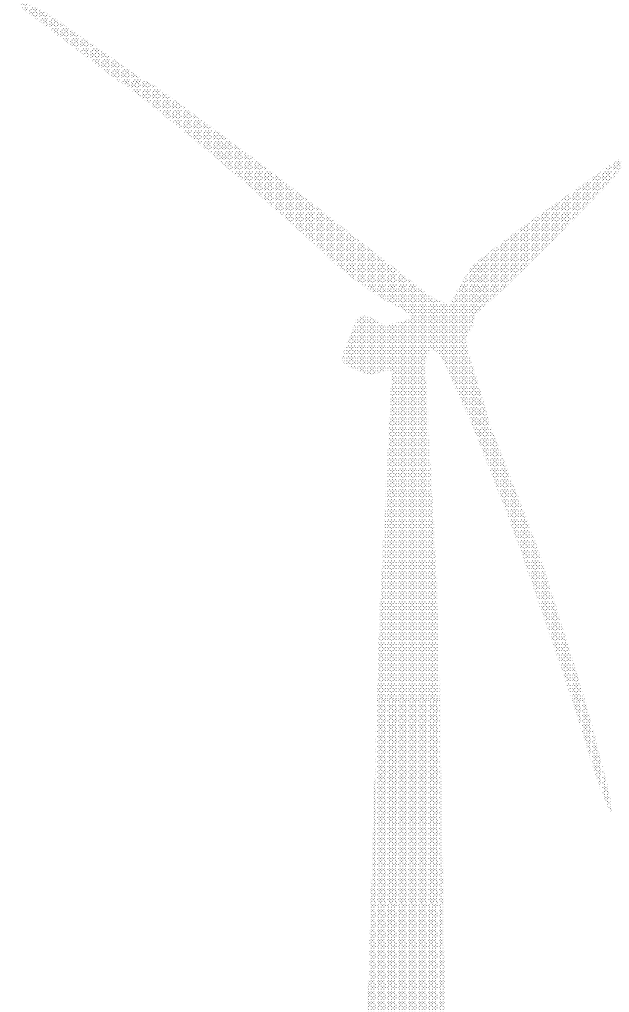
SAWEA

- Over 70 Members
- Over 400 additional “interested parties” registered in database

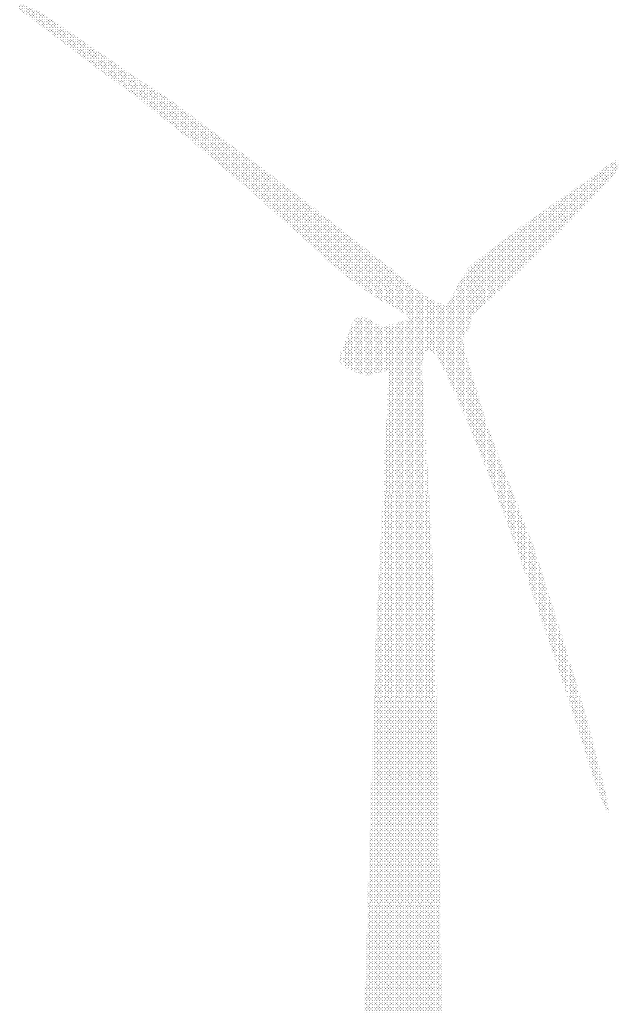


Parameter comments

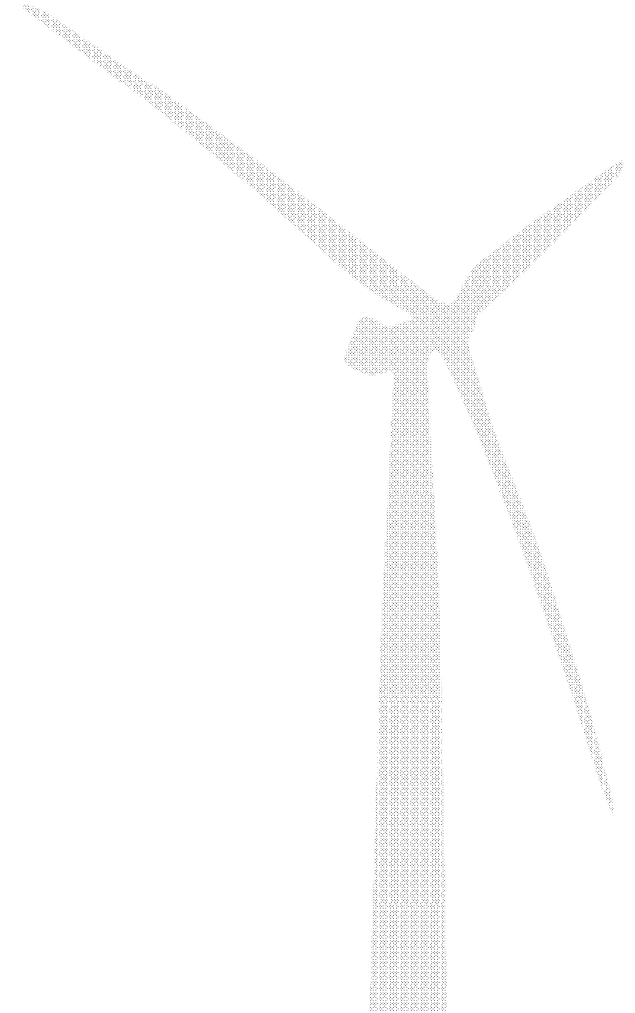
- D1 - Demand (Energy & Maximum Demand) Forecast
 - **Losses**
 - *Couple losses inversely to certain generation options by type, with loss reduction attributed to wind, in particular because of its geographic potential being outside the coal centres and closer to the Western and Eastern Cape demand centres.*
- D9 Energy Conservation
 - An SMEC programme as proposed may or may not succeed. If it does and does so at below the marginal cost of new generation, this would free up funds to speed up low-carbon technologies, especially wind which is the lowest cost option available at scale. This possibility should be modelled in the IRP so that wind and other renewable energies can be expanded in the event of a successful SMEC.



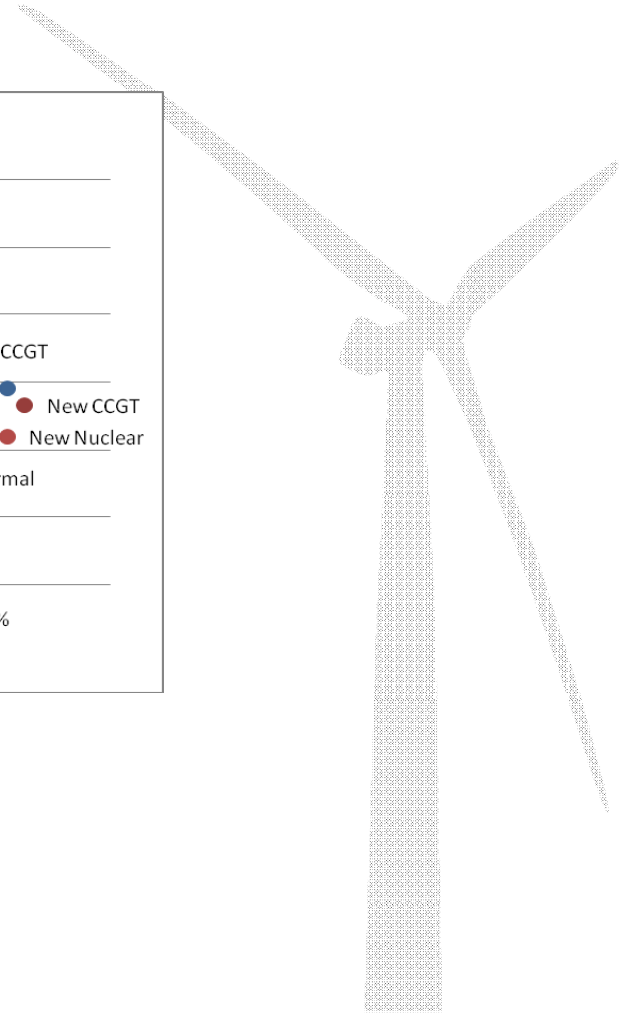
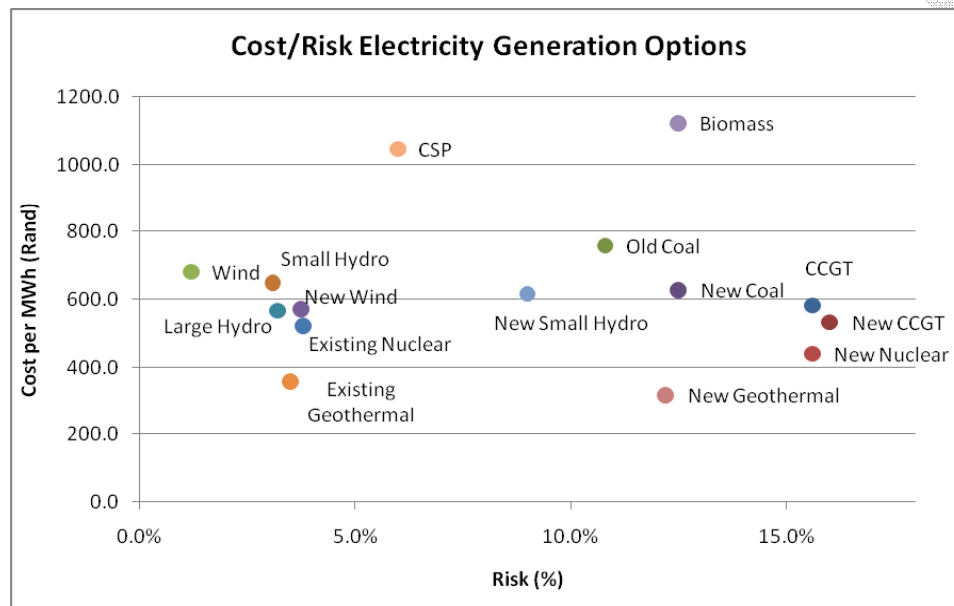
- S1 Cost of Unserved Energy (COUE)
- S2 Reserve Margin
- S3 Discount Rate
 - Correct Cash Flows
 - Technology specific discount rates



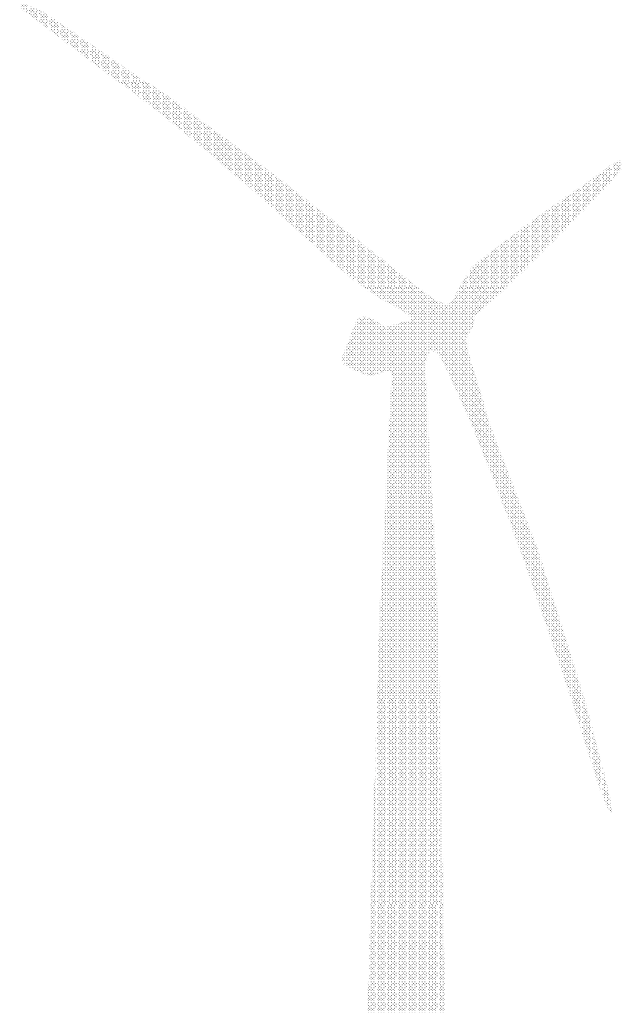
- S4 Renewable Energy (RE)
 - 25% by 2025
 - Myths
 - Dispatchability
 - Intermittent
 - Impact on Reserve Requirements:
 - ‘RE affects the affordability of the IRP in the short to medium term’.
 - Environmental Impact Assessments (EIA)



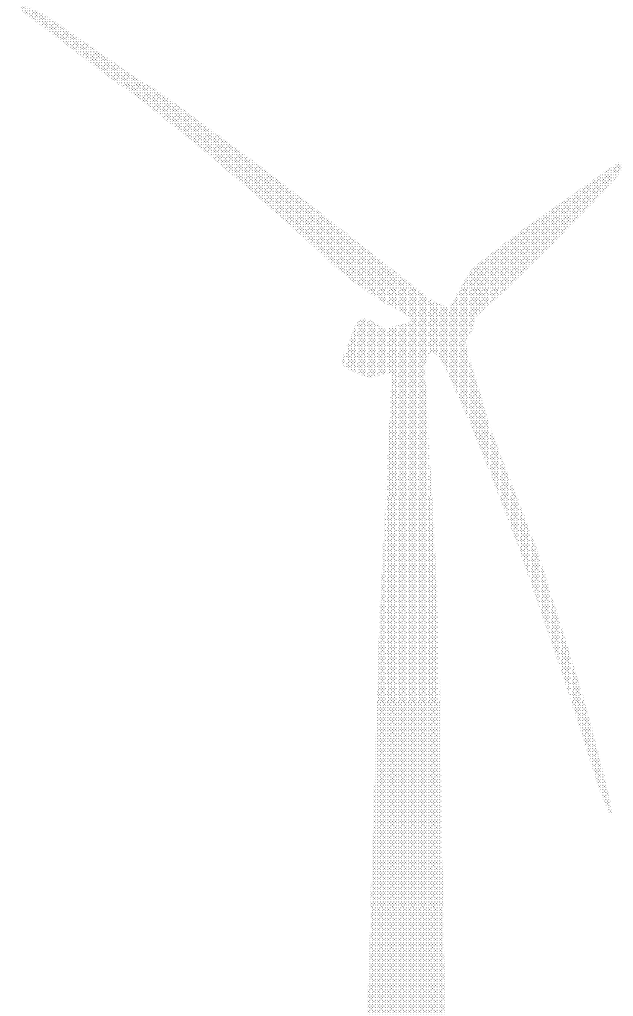
- S7 Nuclear
- S9 Generation Life Cycle Cost



- S10 Generating Plant
Location
- S11 Generation Mix
- S12 Funding & Financing
- Ex1 Climate Change
- Ex2 Carbon Tax
- Ex3 Water

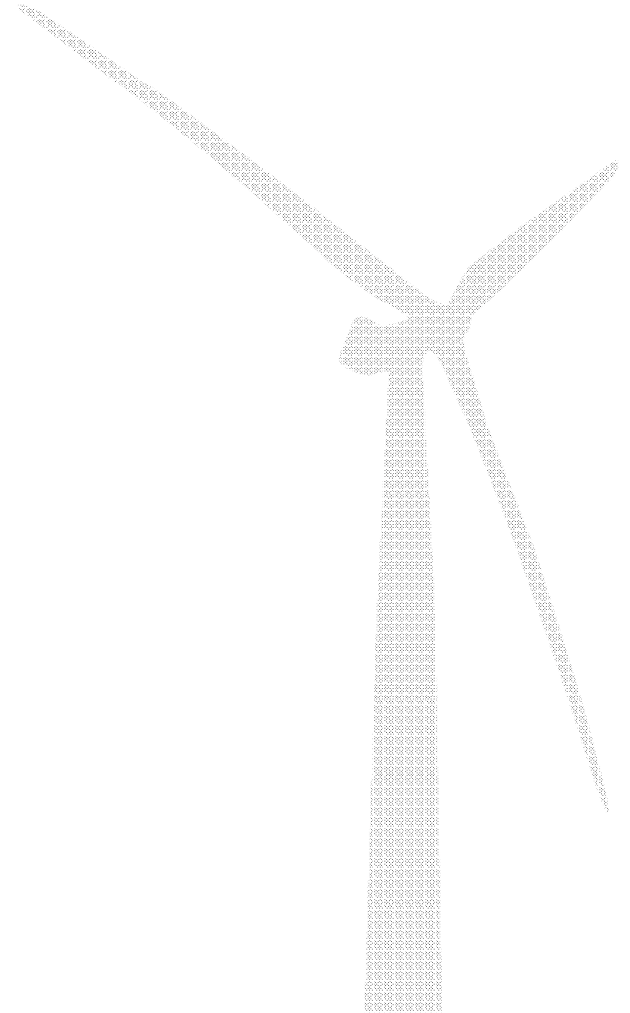


- Ex4 Distribution Infrastructure
 - **Linked Investment Cos**
 - **Distributed Transmission Connections**
 - **Value of the Parameter**
- Output 1 Base Scenarios



General comments

- **Bias against variable generation**
- **Time to commercial operation**
- ***Previous IRPs only allocated renewable according to targets.***

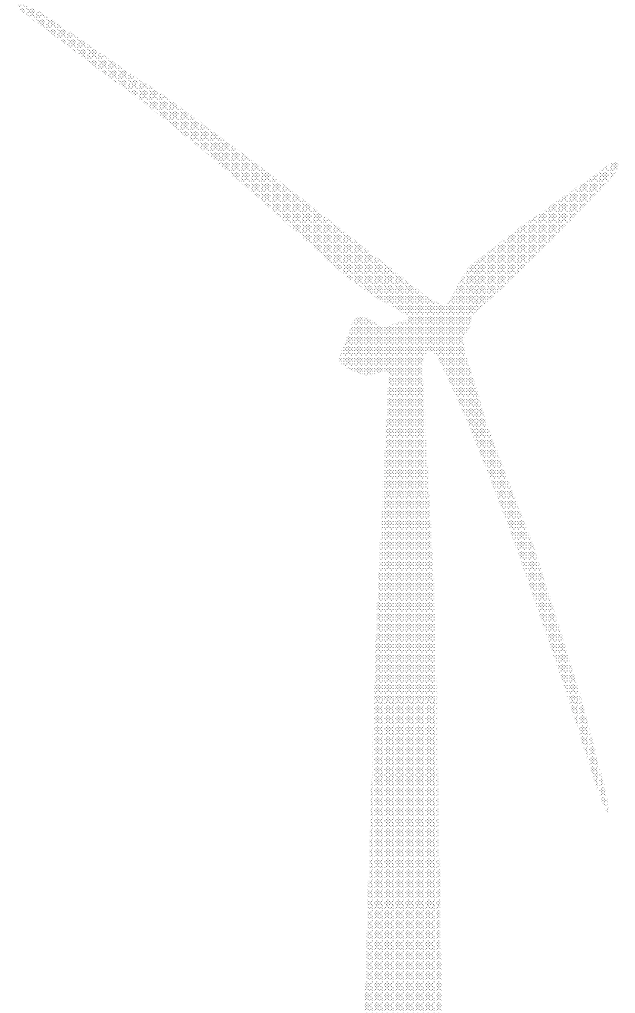


Conclusion

- Engage with SAWEA and include the industry views in IRP 2010 paper



Thank You
Howard Ramsden
SAWEA



South African Wind Energy Association
www.sawea.org.za