INFRASTRUCTURE & ENERGY

Thank you energy minister, now let's hurry

17 May 2019 *2 min read*

Former Energy Minister Jeff Radebe has at last told the National Energy Regulator of South Africa (Nersa) to license applications from businesses allowing them to generate their own power and feed it into the national grid.

Radebe's welcome move will certainly help in alleviating electricity supply constraints as it opens the generation market to allow the private sector to provide power together with Eskom.

But more needs to be done – and in a hurry to prevent the lights going out again.

Nersa is only allowed to license applications from industrial, agricultural, mining and similar businesses to generate their own capacity for projects between 1 megawatt (MW) and 10MW – without waiting for the promulgation of the new Integrated Resource Plan (IRP) which has been under discussion by the National Economic Development and Labour Council (Nedlac) for many years.

It shows what can be done when you work around the lack of progress that has hampered Nedlac for so long now. The draft IRP, tabled in August 2018, is likely to take several more months before consultation is complete.

But the newly appointed Minister needs to go even further to allow smaller generation by businesses and households that want to produce energy, mostly for their own use. Typically these entities would produce up to 1MW and will need to be registered. Nersa expects to be able to register these entities within the next two to three months.

But this is where they need to hurry, provide clarity and get this administrative hurdle out of the way.

As winter approaches, South Africa's economy cannot afford to wait for months on end for these smaller projects to be approved. The morale of the country is also important and it would be real proof of government's new broom election promise for there to be fewer blackouts (ideally no blackouts at all) - and demonstrable steps to a long term solution.

Fortunately, households producing less than 100 kilowatts (kWh), typically by way of solar panels, do not need to register with Nersa.

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