

(18 August 2015 - to date)

ELECTRICITY REGULATION ACT 4 OF 2006

Government Notice 660 in Government Gazette 28992, dated 5 July 2006. Commencement date: 1 August 2006 – unless otherwise indicated [Proc. R30, Gazette No. 9057, dated 21 July 2006].

COGENERATION IPP PROCUREMENT PROGRAMME 2015 AND AMENDMENT TO THE MEDIUM TERM RISK MITIGATION PROJECT IPP PROCUREMENT PROGRAMME 2012 DETERMINATION

Government Notice 731 in Government Gazette 39111 dated 18 August 2015. Commencement date: 18 August 2015.

DETERMINATION UNDER SECTION 34(1) OF THE ELECTRICITY REGULATION ACT, 2006 (ACT NO. 4 OF 2006)

The Minister of Energy ("the Minister"), in consultation with the National Energy Regulator of South Africa ("NERSA"), acting under section 34(1) of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) (as amended) (the **ERA**) and the Electricity Regulations on New Generation Capacity (published as GNR. 399 in Government Gazette No. 34262 dated 04 May 2011) ("Regulations"), has determined that:

The Medium Term Risk Mitigation Project IPP Procurement Programme 2012 Determination published as Government Notice No 1076 in *Government Gazette* 36005 dated 19 December 2012 is hereby amended by amending paragraphs 1 and 3 thereof by the deletion of the wording struck through and the addition of the wording in underlining below:

- "1. that energy generation capacity is needed to contribute towards energy security, including ~~800~~1800 megawatts (MW) to be generated from ~~Industrial Cogeneration energy sources, (which may include amongst others, one or more of the following: biomass, industrial wastes and Combined Heat and Power), which:~~
- (a) waste heat or furnace off gas;
 - (b) cogeneration (i.e. the simultaneous generation of electricity and useful thermal energy from a common fuel source); and
 - (c) an energy source which is a co-product, by-product, waste product or residual product of an industrial process and or sustainable agricultural or forestry activity.

This 1800 MW represents ~~part of the Cogeneration~~ "Cogen/Own Gen" supply side options identified in Table 1 of Annexure E of the Integrated Resource Plan for Electricity 2010-2030 (published as GN 400 of 06 May 2011 in *Government Gazette* No. 34263) ("IRP 2010-2030") for

reducing the medium term supply-demand shortfall which was assessed at that point to be approximately 9 terawatt hours or 1000 MW as referred to in paragraph 2 on page 62 of Annexure E of the IRP 2010-2030, adjusted upwards to take into account that the shortfall in supply is greater than was anticipated due to, *inter alia*:

- the desired target of 85% as the Energy Availability Factor for existing generation assets not having been, and not being, achieved;
 - the delays in bringing the new build programme into operation; and
 - demand side management programme expectations not having been achieved;
3. electricity produced from the ~~Industrial Cogeneration and Natural Gas~~ energy sources described above ("the electricity"), shall be procured through one or more IPP procurement programmes as contemplated in the Regulations, which may, where appropriate and having regard to all relevant circumstances including the urgent need to secure connection to the Grid as soon as possible for the power procured pursuant to this Determination, include tendering processes, direct negotiation with one or more project developers, or other procurement procedures ("procurement programmes"); ".

Concurrence to this Determination given by the National Energy Regulator of South Africa on the below mentioned date:

(Signed)

SIGNATURE: _____

MR JACOB MODISE

CHAIRPERSON: NERSA

DATE: 30/07/2015

Determination made by the Minister of Energy on the below mentioned date:

(Signed)

SIGNATURE: _____

MS TINA JOEMAT-PETTERSSON, MP

MINISTER: ENERGY

DATE: 13/5/2015