Business perspective on IRP2

BUSA submission to Stakeholder plenary session

June 2010

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Introduction

- BUSA welcomes the efforts to open engagement on the IRP
- Common ground needed for successful engagement
- Documentation must be accessible

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Key expectations from Business

- Plan: detailed set of actions to achieve objectives
- Management of trade offs
- Allocation of responsibility
- Short, medium and long term actions
- Identification of policy instruments required for implementation
- Not purely the results of a modelling exercise
- Based on understanding of status quo

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Objectives

- Security of supply
- Diversified supply and suppliers
- Universal access
- Affordable supply
- Sustainable supply

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Security of supply

- Short term crisis: imperative that a concrete plan is developed and implemented in consultation with all stakeholders on how to address shortage over next 4 years
- Long term security of supply:
  - reserve margin
  - realistic efficiencies for all supply options
  - realistic and co-ordinated DSM

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Diversified supply and suppliers

- Implement government policy
  - Renewables
  - Demand side management
- Unbiased approach to all supply technologies
- Establishment of enabling environment for IPP

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Universal access

- Not necessarily large amount of electricity
- Supply challenges to be addressed
- Sustainable funding model to support access
- Current level of cross subsidy unsustainable
- Flexibility in subsidisation required

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Affordable supply

- For residential consumers
- For economic activity
- Sustainable funding model
- Tariffs cannot continue to rise at recent rate

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Sustainable supply

- Environmental objectives
  - General air pollution
  - Climate change
- Social development
- Economic development
- Management of trade offs essential
- Climate change cannot dictate outcome

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Request

- Response to questions of clarity
- Provision of all reports and documents referred to in parameter sheets
- Consultation on key issues
  - Broad common vision
  - Policy instruments to support short term plan
  - Revised assumptions
  - Scenarios
  - Draft plan

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Way forward

- Committed to constructive engagement
- Have already submitted preliminary questions of clarity
- Will submit comments on parameter sheets
- Proposals on broad approach
- Socio economic impact assessment
- Drafting team to be established

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