



Highlights to Public  
Hearing Submissions  
for IRP2010

# CONGTRETIX ENERGY

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# Introduction & Company Overview

- Congretrix **Energy** was established in 2009.
- Focused in RE Generation and Energy Management Solutions.
- Seeking an RE opportunity as a Developer

# Fundamental Concerns

- There are still Assumptions contained in the Draft Document
- Deployment of PV and its Classification in the Solar Class of solutions under REFIT is still unclear
- Roadmap for BEE players willing to participate as Fully Fledged Developers must be explored in greater depth

# Assumptions vs Value Creation

- Assumptions will impact negatively on developer's model further increasing risk. This is more severe for a BEE player
- Maximum value creation becomes uncertain for all project indicatives therefore project might not become bankable.

# Solar PV Technology Classification

- This should be comprehensively defined and classified to ensure no grey areas remain or reference be made to other documents.
- IRP2010 should be all encompassing, or these documents should be part of Annexures contained therein

# Questions on Solar PV Potential

- Based on the vast theoretical and Technical potential for solar using various systems available and those under development , solar photovoltaic (except CSP) is still viewed as being least favourable
- Are classification issues still fully qualified for all available solutions?
- Can IRP2010 learn why large scale Photovotaics are gaining ground over other earlier alternative RE deployments overseas?

# Capital Structure Challenges for BEE Developer

- Major hurdles exist for a BEE developer despite having prime sites supported by detailed feasibility studies and real opportunity in the RE Space
- An optimised debt/ equity structure is almost impossible to reach without own financial resources and track record....Almost certain death
- Negotiating position with investors and suppliers is compromised
- Departing from this compromised position will result in falling into an un-bankable position ( unusually high cost of capital with doubtful returns)

# Comments and Way Forward

- Leveraged debt with reduced partner equity can only address project funding gaps if IRP2010 recognises the existence of such scenarios and contains answers to lenders, and potential equity partners
- BEE's should not Lobby for Political Endorsement but their needs to be addressed through IRP2010
- BEE 's can obtain and build their own financial and performance track record with full participation of project partners and access to equitable finance.
- Effective policy should address some of the critical administrative barriers that still remain and that cast shadows to significant BEE role in the emerging industry.

# Conclusions

In conclusion, any assumptions made and the absence of a clear policy section for BEE non prescriptive concessions will open a pandora's box where BEEs become only an avenue for license acquisition and have no ability to develop into the construction stage and beyond

Thank You