



IRP 2010 – Public Comment

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Eskom opportunity: Natural Gas

- ▶ Convert Ankerlig and Gourikwa to a mid-merit combined cycle plant rather than running it on diesel
 - Will convert the 1350MW OCGT to a 2000MW mid-merit combined cycle plant. The conversion will reduce the current running costs from the diesel which is currently used gaining significant efficiency's.

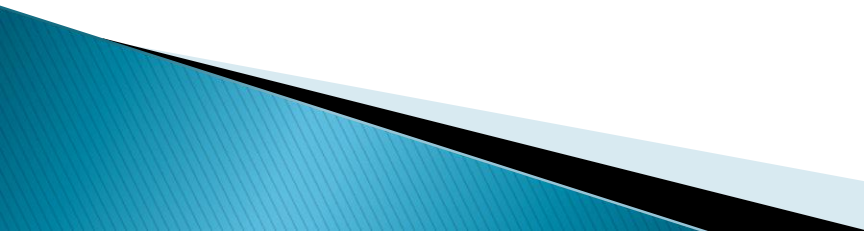
Overview of points

- ▶ Transmission and Distribution costs
- ▶ Utility size energy vs. Smaller decentralised approach
- ▶ Greater renewable energy allocation is preferred
- ▶ PV allocation for REFIT is missing from IRP2010
- ▶ A constant annual allocation from 2011 onwards is requested

Transmission costs

- ▶ The price model excludes transmission costs
 - Understates cost of coal power in Western Cape
 - Overstates cost of distributed renewable energy
 - Bias towards large scale “Utility” generation
- ▶ Including these costs and a view on future costs of renewable energy would suggest a larger proportion of renewable energy.
 - Support government programs for rural development and growth

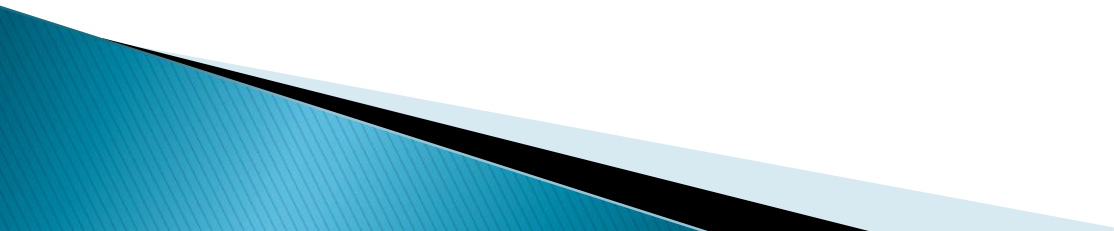
Greater allocation to renewable energy

- ▶ If aligned with local content requirement has the ability to foster growth of
 - Local manufacturing industry
 - Centers of research excellence
 - New export opportunities
 - ▶ Costs of renewable energy dropping rapidly and will be below cost of traditional energy sources within the planning period
 - ▶ Renewable energy projects can be implemented in a shorter time frame
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PV allocation

- ▶ Appears to be excluded from REFIT
- ▶ Only technology with an existing manufacturing base
 - Over 400 people employed
 - Over R 2b in turnover
- ▶ Is economically viable in small size
- ▶ Can be sited alongside substations and reduce grid load
- ▶ A 10MW plant can be built in approximately 6 months
- ▶ Is the technology where cost is decreasing the fastest

Constant annual allocation of renewables

- ▶ Encourages the establishment of a local industry
 - ▶ Will aid in bringing down the cost of renewable energy
 - ▶ The program needs to be sustainable
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