

IRP2010 Stakeholder Response

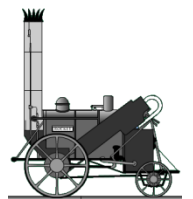
Dave Long
Engineering Consultant in
Private Power

2nd December 2010



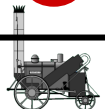
Support for the IRP2010 Process

- **Welcome** the way IRP2010 has been developed
- **Healthy** engagement with stakeholders
- **Plan is the start**, not an end in itself
- **Leadership**, organization and controls
- **Feed back loop** into renewed planning
- **How** is the plan to be implemented?



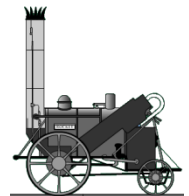
June 2010 Presentation – Did you hear me?

Delays in PNCP, MTPPP, REFIT, IRP1 and IRP 2010	
COFIT Regulatory Rules	
ISMO – Who do we sell to ?	
Electricity Conservation Scheme	
REFIT – maximise cheap before expensive	
Cogeneration/Own power – clean up definitions	
Wheeling between Buyer & Seller	
Southern African Power Pool (SAPP)	



Key Issues - the Next 5 Years

- IRP1 is the promulgated plan:-
 - 1025 MW of MTPPP and REFIT 1.
 - No cheaper REFIT 2 options (biomass and biogas)
 - No cheaper COFIT options (waste fuels, waste heat)
 - 1st power from 2011 ?? More like late 2013.
- New Generation Regs: No license if not in the IRP
- IRP 2010 Timing ?
 - Round 1 procurement (as above) in 2011
 - Round 2 procurement say 2012.
 - Round 2 COD late 2013 or 2014.
 - **Too late!**

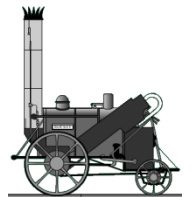


Medium Term Risk Mitigation Plan

- “...extraordinary action...” needed
- “NEG significant, cost effective, shorter lead times”
😊 + no Eskom funding issues
- “Severely constrained” by unfriendly environment 😊
- Is MTRMP aligned with IRP 2010 ?
 - 2011 to 2016 lumped together
 - No IPP’s in RBS table.
 - No alignment with procurement plan for IRP 1.
- Need an **implementation plan** – who, when and what?
- If the lights go out in 2011, will we care about 2030?

Key Issues – to 2030

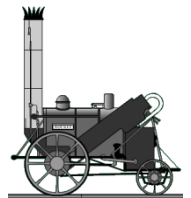
- Real prices to stabilise at ~**R1.15** – 3 X megaflex
- Where will our energy hungry industries, and our jobs be then?
- No coal for 8 years after Kusile:-
 - 195 billion tonnes of reserves
 - Export 70 m tpa for others to burn for us.
- Support the need to debate nuclear
- Regional imports are too low a priority.
- Where is our support for SAPP?



Key Issues to 2030....continued

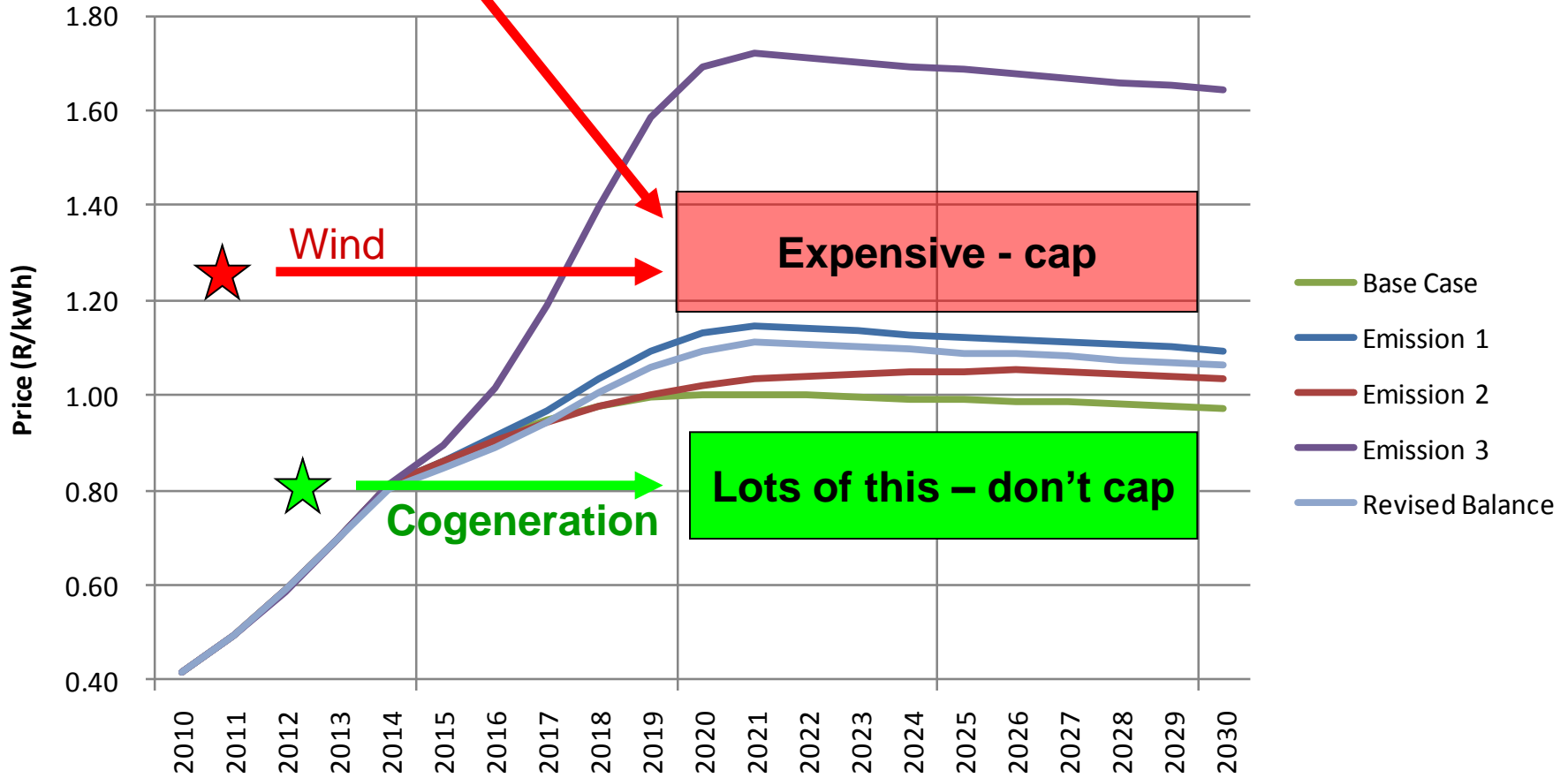
- Own generation & wheeling are not demand issues:-
 - Need a premium and PPA security from National Buyer
 - Not in IRP = no license = no deal.
- Solar – forced into the model at 100 MW per year?

Megaflex 2010	39 c/kWh
Cogeneration	~ 80
LTLC of Megaflex	115
Biomass	118
CSP + storage	231
PV	394



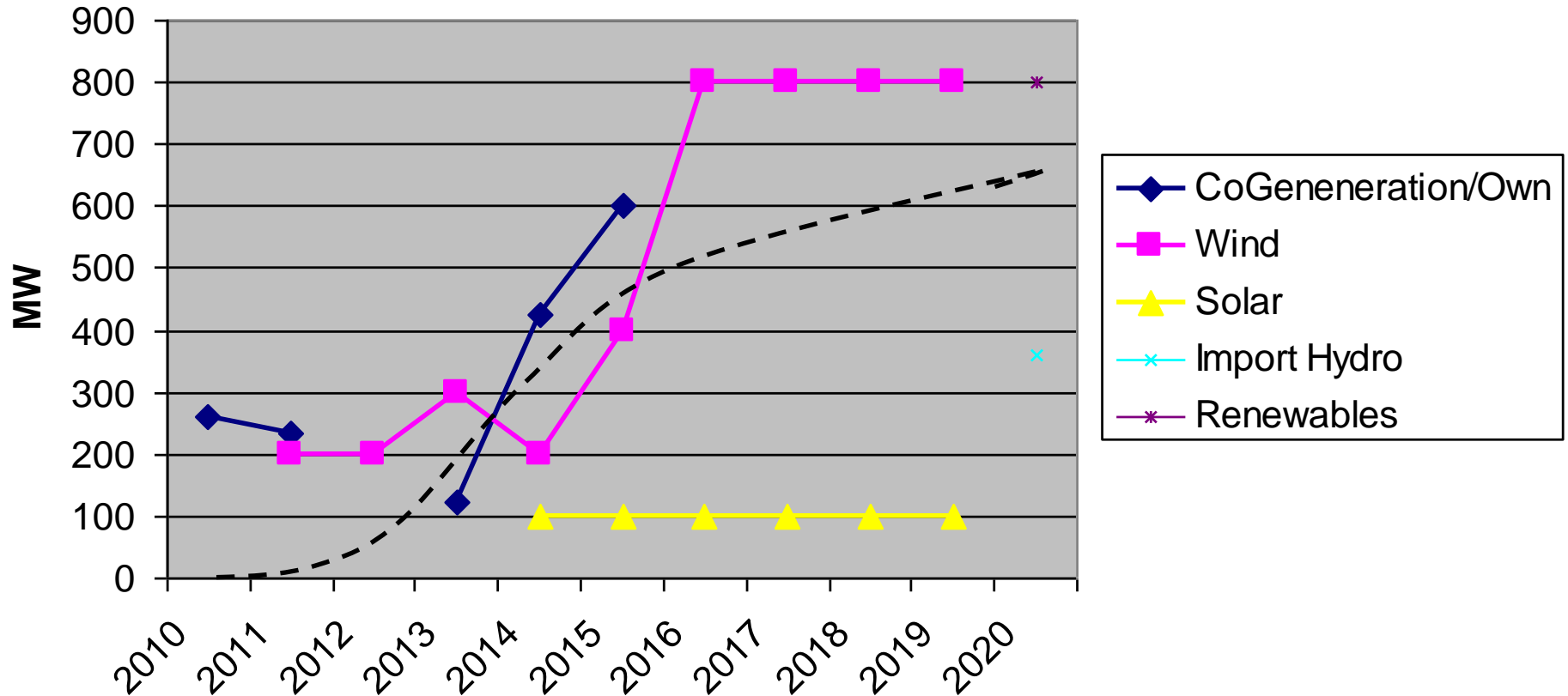
Price curves

Possible price paths



Source: Department of Energy presentation to Nedlac Energy Team, 18/11/2011

PRIVATE POWER - IRP 2010



Source: IRP 2010 Draft for Public Consultation, 8 October, 2010

Concluding Remarks

- Make IRP2010 private power and jobs friendly.
- MTRMP needs better integration
- Lower cost technologies should be maximised first.
- Let market forces drive technologies and MW
- How will the plan be implemented?

Thank you.

IES Energy

