



# **Integrated Resource Plan (IRP2) for Electricity 2010**

Exxaro Commentary – Input Parameter Sheets

Plenary Session June 7<sup>th</sup> 2010

# Integrated Resource Plan (IRP2) for Electricity 2010

## - Contents

1

1. Introduction
2. Proposed Parameters
3. Additional Parameters
4. Comments Submission Form
5. IRP2 Planning Process concerns

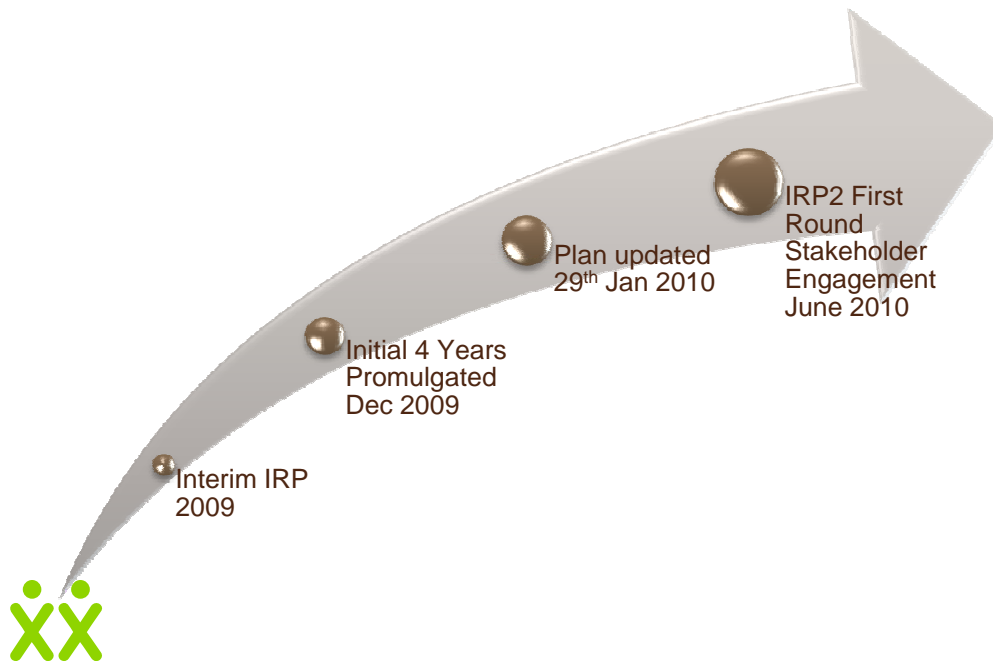


# Integrated Resource Plan (IRP2) for Electricity 2010

## - Introduction

Exxaro would like to thank the Department of Energy for the opportunity to participate in the forthcoming forum discussions on the Electricity Integrated Resource Plan (IRP2 2010).

Today's plenary session meeting is only the first part of the planning process and we therefore will keep our comments at a high level and outline our immediate reactions to the Stakeholder Information Pack



# Integrated Resource Plan (IRP2) for Electricity 2010

## - Proposed Parameters

3

Category	ID	Parameter	Concerns
DEMAND	D5	PRICE ELASTICITY OF DEMAND	<p>What and where were the studies conducted (references) ?</p> <p>It is felt that the cost assumptions are too low since industry in South Africa is the biggest consumer of electricity and therefore will exert a greater price elasticity than residential consumers.</p> <p>Studies must be re-examined to take into account these variables and predict a more realistic cost assumption</p>
DEMAND	D6	DEMAND SIDE MANAGEMENT	<p>Must take into account energy efficiencies, and alternative tariff structures considered that will have a positive impact on DSM such as domestic time of use tariffs.</p> <p>DSM projects need to be accelerated since they take too long to implement.</p> <p>There should be greater funding for base load projects over load shift projects</p>
DEMAND	D7	ENERGY EFFICIENCY	<p>Tax incentive programmes for energy efficiency projects have not been implemented by Treasury.</p> <p>National Energy Efficiency Accord should also be a driver for energy efficiency</p>



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## - Additional Parameters

4

Category	Parameter	Comment
SUPPLY	TRANSMISSION INFRASTRUCTURE	Power transmission infrastructure is not included in the parameter list
SUPPLY	WATER INFRASTRUCTURE	Water infrastructure (supply and demand) for non power generation must also be taken into account
SUPPLY	TAX INCENTIVES	The impact of tax incentives must be taken into account, particularly for industrial sector development of energy efficient technologies
SUPPLY	SMART GRID TECHNOLOGY	Although an emerging technology, the impact it may have in future demand forecasting should warrant its inclusion in the input parameter mix



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## - Comments Submission Form

5

The screenshot shows a web-based form for submitting comments on the Integrated Resource Plan (IRP2) for Electricity 2010. The form includes a list of parameters on the left, a dropdown menu for selecting a parameter, and several text input fields for providing comments. Two yellow callout boxes highlight specific features: one pointing to the dropdown menu and another pointing to the input fields.

**Has drop-down list for each parameter comment**

**Form has standard response fields for all parameters**

There are some practical concerns regarding the web based input form that is to be used for stakeholder comments on June 11<sup>th</sup> 2010.

1. Each parameter has standard input fields and which restrict stakeholder comments to those described in the Parameter Fact Sheets
2. For certain parameters, it might also be critical to add a risk assessment comment
3. There should be specific fields to allow stakeholders to express issues or concerns
4. All parameter comments should allow a 'general comment' for any additional issues



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## - IRP2 Planning Process Concerns

6

1. The IRP2 should be an aspiration and not a project list
2. There are concerns about the ambiguity of the energy laws and regulations
3. The documentation makes no mention of 'willing buyer' 'willing seller' principle or bilateral agreements between IPP's and off-takers and wheeling of electricity
4. The IRP2 process does not appear to fully integrate transmission and water requirements as part of the expansion planning process
5. There does not appear to be any contingency plans for supply side projects failing to deliver (aspiration versus project list)
6. The influence of Technology and Geography should be included in the IRP2 planning process and the power generation mix.

