



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

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Memorandum from the Parliamentary Office

National Assembly Question : 419

419. Mr G Mackay (DA) to ask the Minister of Energy:

Since the suspension of the National Solar Water Heater Programme (NSWHP) on 31 December 2012, what is the cost to the country in terms of the (a) number of (i) manufacturers, (ii) installers and (iii) maintenance companies that have closed down, (b) number of jobs that have been lost in each of the specified companies, (c) loss of skills development planned as part of the NSWHP and (d) deterioration of equipment and infrastructure built up by the industry until the programme was suspended? NW495E

Reply

(a)(i)(ii)(iii), (b), (c) and (d)

The NSWHP was not suspended on 31 December 2012 at all. Instead, the NSWHP was initially funded through electricity tariffs against which Eskom was responsible for disbursing the rebates (Solar Water Rebate Programme) until March 2013. Funding for the rebate programme was stopped in March 2013 due to the expiry of the tariff period under which the Energy Regulator had provided the funding. The funding was then replaced by an allocation from the fiscus extending from 1 April 2013 to 31 March 2015 and duly appropriated by Parliament as a conditional grant for disbursement by Eskom.

Local content was prescribed as a requirement to access any subsidy under the National Solar Water Heater Programme. By March 2013, 400 000 systems (overwhelmingly imported) had been installed at an estimated cost of R1.6 billion of subsidies. The installation of products has trickled down to less than a 1000 systems per month. This is due to the high capital cost that suppliers require from the end user. In order to address the lack of localization and other problems associated with the rebate model (lack of verification of installation, poor workmanship, lack of electricity load reduction, lack of maintenance) there was a need for the NSWHP to be revamped.