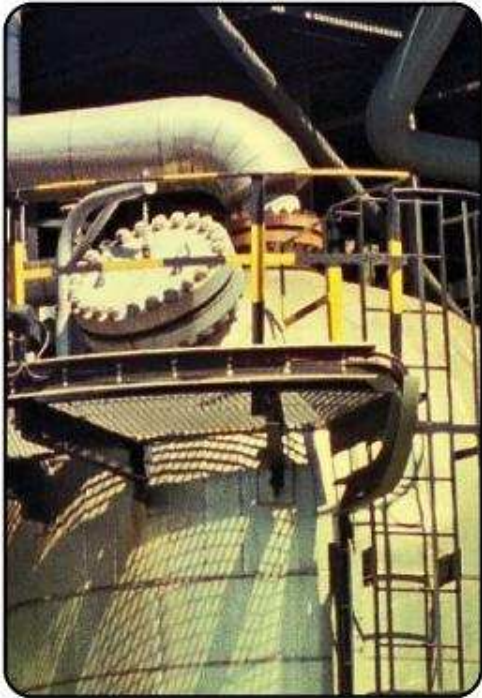


# Project Implementation Workshop



Thembani Bukula  
April 2009

# Renewable Energy – Western Cape

- Power shortages in 2006 in the Western Cape
- Agreement on using the Western Cape as a pilot
- Most suitable method
  - Attracting investments
  - Fast tracking the implementation process

# Renewable Energy potential

- Less than 1% of the RE potential utilised
- 92% coal – fired power stations
- 5% from Renewable Energies
  - 2% Baggase & Hydro
  - 3% Pumped storage

# Renewable Energy Policy

- Target of 1140MW (or 10 000GWh) by 2013
  - 3% of installed capacity

Solar	Wind	Biomass	Hydro
10%	5%	20%	65%

- Revision of targets by 2010
- Projected minimums

## Latest developments

- Renewable Energy Feed – in Tariffs approved March 2009

	Wind	CSP	Landfill	Hydro
ZAR	1.25	2.10	90	94
€	0.11	0.19	0.08	0.09

- Efficient licensee must recover full costs of licenced activities plus a reasonable return

## Basis for REFIT

- Attract investments
  - Return  $\approx 12,3\%$
  - \$ 2000/kW Capital costs
- 20 year Power Purchase Agreement
  - Wind (take or pay)
  - CSP (6 hours storage)
  - Hydro & Landfill gas (Mid merit to peaking)

# Important features of the REFIT

- CDM not included (IPP's to apply)
- No digression or reduction rate
- SOE (ESKOM) buyer of electricity from IPPs
  - Dilute the price
  - Existing network
  - Delocalised/distributed impact

# Future developments

- All other technologies REFIT by September 2009
- Annual review for all tariffs
- Conclusion of the Cost Recovery Mechanism June 2009
- Provision of standard PPA's for different technologies
- Publication of Grid Plan and future connection points

**END**