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● Minister outlines a 'major new focus' for department of trade and industry and its entities

Patel announces new initiatives to implement energy solutions

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Linda Ensor

The department of trade, industry and competition, which has a crucial role to play in energy regulation under the electricity state of disaster, has embarked on several initiatives to carry out its mandate.

Trade, industry and competition minister Ebrahim Patel told MPs yesterday the department and its entities had to re-tool and shift staff and resources from originally budgeted areas to deal with its expanding work in tackling SA's energy supply constraints.

Patel outlined eight actions which the department and its entities — such as the Industrial Development Corporation (IDC), the SA Bureau of Standards (SABS) and the Competition Commission — had embarked on and which "constitute a major new focus for the DTIC group".

He was addressing parliament's trade and industry committee on the department's third-quarter performance.

In the new financial year, consideration would be given to redeploying staff to the En-

ergy OneStop Shop managed by InvestSA, which aims to provide a single window through which power-generating companies can obtain all the necessary government approvals.

The aim is to increase turnaround times by assisting investors to submit applications.

Patel said the IDC investment pipeline for renewable energy generation had projects with the potential to contribute 8,086MW to the grid, though he cautioned that not all of them would come on stream.

The corporation's portfolio now consists of 953MW across 24 projects in four provinces.

The department has also given independent power producers additional regulatory flexibility in how to implement BEE requirements.

"To accelerate the regulatory process, the [department], the independent power producers office and the department of mineral resources and energy have established close working relations to address regulatory needs as they arise," Patel said.

"This includes consideration of a customised BEE scorecard which takes account of the unique characteristics of electricity projects."

The department of public works and infrastructure has a customised scorecard to enable faster uptake of rooftop solar on public buildings.

"The [department] will pursue the transformation imperative — necessary for inclusive growth — while improving regulatory flexibility."

Last week, Patel issued draft regulations which would allow specified energy suppliers to collaborate without falling foul of the Competition Act.

Two block exemptions have been published for public comment.

Another project established by the department, the IDC and the National Empowerment Fund is a R1.3bn blended funding facility to support companies affected by load-shedding.

It is due to be launched on April 1.

The scheme will assist companies with working capital to set up alternative energy solu-



ONE-STOP SHOP: Trade, industry and competition minister Ebrahim Patel. Picture: FREDDOY MAVUNDA

tions including solar panels, inverters and energy-efficient interventions.

The fund will also provide support to local component manufacturers of rooftop solar panels, battery storage, cabling and transformers.

"The facility is priced at concessional rates for the period of the loan facility," Patel said.

Through the IDC, a grant fund has been established to aid township and rural businesses with capital equipment, technical support and non-

financial assistance. The IDC has approved four targeted energy resilience interventions to support firms on both the demand and supply sides of the energy crisis.

The energy resilience transition scheme, with a fund target

of R2bn, aims to assist companies to become energy resilient through both generation and efficiency measures.

The scheme will open for applications in May/June.

The energy transition financing scheme, with a fund target of R200m, aims to provide companies with short-term working capital to deal with the effects of load-shedding.

Another scheme aimed at the localisation of key components, with a fund target of R500m, will finance SA manufacturers of lithium-ion batteries, rooftop solar panels, inverters, transformers and cabling.

The fourth intervention is the township and rural energy resilience scheme, with a fund target of R200m, which will provide grant funding for township and rural businesses for energy backup equipment and working capital.

Meanwhile, the SABS has published 15 standards that are aligned to the scope of alternate/renewable energy generation as well as to assist with energy efficiency measures.

The National Regulator for Compulsory Specifications (NRCS) has submitted a new proposed regulation for general service lamps (light bulbs) that will encourage the use of LED lamps because of their energy-saving potential.

The proposal is under consideration by the department.

Patel said the NRCS had been working on a range of energy-efficiency regulations that set minimum energy performance requirements for appliances, general service lamps, geysers and electric motors.

He hoped this work could be concluded in the next three to four months.

The department has asked regulatory bodies such as the Competition Commission, the National Consumer Commission and the NRCS to be on the lookout for potential price gouging and price-fixing in alternative electricity supply markets such as solar panels, inverters and batteries.

The department is also encouraging the development of domestic production capacity for components. — *BusinessLIVE*