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Patel outlines plans for energy

● Major new focus for his department, Patel tells MPs

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The department of trade, industry & 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 & competition minister Ebrahim Patel told MPs on Tuesday the department and its entities have to retool and shift staff and resources from originally budgeted areas to deal with their 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 – have embarked on, which “constitute a major new focus for the DTIC group”.

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

In the new financial year, consideration will be given to redeploying staff to the Energy 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 helping 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 will come on stream. The corporation's current portfolio 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 & 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 that 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 be launched on April 1 to support companies affected by load-shedding.

The scheme will assist companies with working capital to set up alternative energy solutions 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 nonfinancial 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 help companies become energy resilient through 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 local manufacturers of lithium-ion batteries, rooftop solar panels, inverters, trans-



Implementation: Trade, industry & competition minister Ebrahim Patel is tackling SA's power supply constraints. / Freddy Mavunda

formers 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 13 standards aligned to the scope of alternative/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 keep a watch out for price gouging and price-fixing in alternative electricity supply markets such as solar panels and batteries.

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