In July 2022, President Cyril Ramaphosa announced a spate of measures to drastically increase South Africa’s generation capacity. The announcement, another welcome gesture following the proposed Electricity Regulation Act 2nd Amendment bill announced in February this year, scrapped the generation licensing cap (previously raised from 1MW to 100MW) and doubled the capacity requested in Bid Window 6 (the deadline for submissions was subsequently extended). Other measures include “a pragmatic approach” to local content requirements, incentivised embedded generation and grid connections.

The measures have been introduced to tackle the country’s load shedding crisis which has already occurred on more than 90 days this year. However, some considerations must be made on time to market and impact in between of such changes with respect to the electricity emergency status.

First of all, timing of procedures for the regulator to formally process and adopt such policies can be significant. The ensuing uncertainty generates confusion in stakeholders’ planning as can result in delays and the inability to meet the country’s energy needs.

Secondly, severe grid constraints, as laid out by Eskom’s GCCA report have made the localisation of new projects difficult. The announced higher allocation of generation from the REIPPPP windows currently underway clashes with the limited grid capacity. As a result, we will see multiple projects compete for the same grid area, which may result in a shortage of awarded projects.

These considerations will bring us to the fundamental question on which outcomes form the basis of REIPPPP bids and will, in the end, result in addressing the country’s critical energy needs more successfully: extreme competitiveness of the tariffs or conditions for a faster implementation of the projects?
The proposed regulatory steps are contributing to what is an already shifting energy sector which promises increased growth, competition, and most importantly, reliability of supply. However, there are many facets which must be thoroughly discussed to ensure that changes introduced are the most effective and efficient for achieving the goal of slashing load shedding hours. This AM-Powering Connexions sessions will provide a platform for this discussion.

The session will be moderated by Maloba Tshehla, Spokesperson for SAPVIA. Speakers will be:

- Logan Govender, CEO, Perpetua Holdings
- Compton Saunders, Managing Director, Nordex Energy South Africa
- Pablo Frack, Senior Consultant, GME

Presentations will take up the first part of the session and will be followed by an open discussion. Participation is free of charge, however we kindly ask to register at this page.

People already registered to previous sessions will directly receive a calendar blocker with the details to join the meeting.

After the meeting, all the participants will receive a brief highlighting the topic of the month, points raised during the discussion, emerged insights and suggested readings on the topic.

The discussion never stops: before, during and after the session the AM-Powering Connexions LinkedIn group will be at disposal of the South African stakeholders to share content, insights and opinions.