



ELECTRICITY

Support for higher cap on licensing exemption

SIPHELELE DLUDLA

siphelele.dludla@inl.co.za

THE RENEWABLE energy industry has welcomed Eskom chief executive André de Ruyter's support to increase the cap on the licence exemption for electricity generation.

Last week in an ENSafrica webinar, De Ruyter backed reforms to allow anyone to build their own generation facilities of up to 50 megawatts (MW) without needing a licence.

The South African Photovoltaic Industry Association (Sapvia) said yesterday that distributed generation could add capacity to the grid, reduce load shedding and create jobs, but there must be policy and regulatory action.

Sapvia chief operations officer Niveshen Govender said they had long advocated the systematic easing of licensing thresholds.

"We, therefore, welcome the support of the state-owned utility for lifting licensing thresholds from 1MW to 50MW in order to accelerate distributed generation by large customers," Govender said.

"As a key sector player, Eskom's support in this effort should encourage more haste in regulatory changes from the Department of Mineral Resources and Energy and the National Energy Regulator of SA (Nersa)."

South Africa's energy plan removes the need for ministerial approval for distributed generation for own use above 1MW before Nersa can process a generation licence application. The Integrated Resource Plan 2019 sets out a path to pursue a diversified energy mix that reduces reliance on a single or a few primary energy sources by 2030.

Business Leadership SA (BLSA) also said Eskom's support for energy reforms was a move that would rapidly lead to large investments by companies in their own energy infrastructure.

BLSA chief executive Busi Mavuso said this, along with clarity on renewable energy timetables, could spur a green economy industrialisation wave.

"Clarity on the renewable energy programme means backing the successful formula that has delivered four rounds so far, one that everyone from banks to construction firms understands well," Mavuso said.



This article is copyright protected and licensed under agreement with DALRO. Redistribution, modification, re-sale of this is not allowed without prior written consent of the original author of the works.



DALRO
Dramatic, Artistic and Literary
Rights Organisation (Pty) Limited