



Own Generation - IRP 2010 Input Parameter information sheet (Demand input)

This sheet is to be used as the primary stakeholder engagement tool. This document provides the information that will allow the stakeholders to make a meaningful contribution to the IRP Input parameters.

Parameter	Own generation
Purpose	<p>There are a few large users who have access to their own primary energy sources sufficient to invest in supplying their own new growth electricity requirements environmentally friendly and quicker and cheaper than large base load new build projects.</p> <p>In summary the benefits of own generation are:</p> <ul style="list-style-type: none">• Strengthening state owned enterprises by assisting in new capacity build (Developmental state)• Reducing the financial burden on state and other users• Clean coal power• Containing electricity prices• Protecting existing jobs and creating new jobs• Ensuring blackouts are avoided• Conserving energy• Conserving water• Environmental rehabilitation.• Beneficiation of waste products• Can reduce transmission investments
Impact on the IRP	<p>Own generation will reduce the burden on the state and other users to fund new capacity and the risk of forced power outages. An effective own generation program will also flatten the price path because new generation build can be spread over a longer period.</p> <p>Additionally it may also decrease Transmission expenditure.</p>
Assumptions included in establishing the parameter values in this sheet	
Parameter Value	Immediate own generation available in South Africa is estimated at about 600 MW, from 2 large energy users who have immediate access to



	<p>stranded waste (Duff) coal dumps.</p> <p>These plants can be made operational within 3 years from the time the preconditions necessary to make possible for this parameter to be included in the IRP have been put in place.</p>
Range of Parameter Value	<p>It is estimated that up to 1800MW of further own generation potential exists in South Africa.</p>
Preconditions necessary to make possible for this parameter to be included in the IRP	<p>Own generation should be considered more as a demand side response than a separate generation technology category, but will form part of the non-utility generation portfolios in the IRP, such as the MTPPP or Multi-Site Base Load Program. Preconditions necessary to make possible for this parameter to be included in the IRP are:</p> <ul style="list-style-type: none">• An allocation of at least 600MW of own generation in IRP 2010 – this should be considered in the MYPD Revenue Application Responsibility NERSA.• Wheeling or related “energy transport” charges that are the same for own generators and Eskom generators and that are reflective of the cost to provide this service – Responsibility NERSA.• Wheeling charges that are separately regulated by NERSA to ensure cost reflective escalation (Are not escalated at the same level as Eskom generation costs) and fair competition between generators is ensured – Responsibility DOE.
Parameter Owner	<p>DOE</p>