



energy

Department:
Energy
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MEDIA STATEMENT

Department of Energy offers 200 000 subsidies for Solar Water Heating Programme

Pretoria, 29 July 2010 – The Department of Energy today (**Thursday, 29 July**) announced its intention to offer 200 000 subsidies for a mass roll-out of the National Solar Water Heating Programme. This is being done following approval by the Energy Minister of the Standard Offer Policy.

The Standard Offer Policy follows a commitment made by the Minister of Energy Ms Dipuo Peters that the Department will deliver, at least, a million solar water heating geysers by 2014. This is being done to reduce the strain placed on the electricity grid by the increasing electricity demand.

Following President Jacob Zuma's launch of the National Solar Water Heating Programme in Winterveldt earlier this year, Minister Peters has subsequently approved (in May) the Standard Offer Policy in order to fast track the roll-out of the programme.

Solar water heaters are a means through which renewable energy sources will be significantly deployed to contribute towards, among others, managing energy-related environmental impact, diversifying energy supplies from a coal-dominated system, contributing to increasing the national renewable energy target as well as alleviating poverty by improving the general welfare of households.

The Department of Energy Director-General, Ms Nelisiwe Magubane, said "the department is committed to the process of consultation on this issue.

In this regard the National Electricity Regulator of South Africa (Nersa) has published a consultation paper on the Standard Offer Policy wherein they invited written comments from the public”.

The public hearings with regard to this Policy are scheduled to take place on the 5th August 2010. This will be followed by the final pronouncement on the rules which will be made by Nersa on 23rd September 2010.

“As part of our preparation, we have launched a Market Sounding Exercise in order to assess the market appetite in the various geographical centres of our country. This Market Sounding Exercise is meant to ascertain the market capacity, capability, as well as the level of interest before the actual roll-out of the Solar Water Heating Systems. “The information obtained through the NERSA process will help us better to understand the market before ultimately determining the way forward. Views and suggestions that will be solicited from this exercise will not be disclosed to third parties or used for any other purpose," Magubane said.

“The Standard Offer Concept is premised on providing financial incentives for the energy savings that has been derived from this initiative. This will be the case irrespective of the technology that has been applied to achieve these projected savings. This is an intervention that is outcomes based. It is anticipated that the incentives will be offered only after the delivery of the outcome, and the subsequent process of verifying energy that has been saved”, she added.

Some of the services the Department of Energy will be looking for include:

- Provision of solar water heating systems
- Installation and maintenance of solar water heating systems.
- Independent measurement and verification of the achieved savings.

The Market Sounding Exercise document is available on the website of the Department of Energy (www.energy.gov.za)

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