

## MUNICIPAL FORUM

**21 May 2024**

**Municipal Performance**

*Session Chair: Brian Day, Chairman, South African Independent Power Producers Association (SAIPPA)*

12:00-12:05 **Scene Setter:**

*Brian Day, Chairman, South African Independent Power Producers Association (SAIPPA), South Africa*

12:05-12:20 **Macro-economic issues impacting municipalities in South Africa**

**Municipalities can play a key role in South Africa's economic development and energy landscape - Here's how!**

*Tshegofatso Neeuwfan, Manager: Utility Innovation, Global Energy Alliance for People and Planet, South Africa*

12:20-12:45 **KEYNOTE: Top Recommendations about the State of Local Government in South Africa**

Over the years, the AG has provided great insights into the state of local government in South Africa and the picture is complex and multifaceted, marked by persistent financial challenges and several issues impacting effectiveness. What are the top recommendations to improve SA's municipal landscape?

*Gadija Brown, Member of Executive Council (MEC): Finance, Free State Provincial Government, South Africa*

**Energy Landscape and Policy Framework**

12:45-13:15 **Interventions: National Energy Crisis Committee, Operation Vulindlela and removing roadblocks to prosperity**

NECOM was formed to deal with the energy crisis by fixing Eskom and addressing policy hurdles that are creating bottlenecks in addressing the energy crisis. The committee is also looking at adding new sources of power in order to reduce and eventually end load shedding, ensuring energy security for South Africa. An update on progress and plans.

*Lester Bouah, Chief Director, Head of the Energy: One Stop Shop (EOSS), Investment and Spatial Industrial Development (ISID): Green Economy, Department of Trade, Industry and Competition, South Africa*

13:15-13:40 **Fixing the problem statement – Assessing barriers to ending loadshedding and the financial impact**

Globally, the **utility death spiral** refers to a significant challenge faced by traditional utility companies as the energy landscape evolves. In South Africa, municipalities fulfil traditional utility T&D functions. Is South Africa facing a municipal death spiral and what can be done to address traditional municipal roles with the evolving energy landscape.

- What are the solutions to the current policy, regulatory and legal barriers preventing municipalities from taking advantage of the large-scale implementation of renewable technologies in South Africa?
- With influential off-takers utilising renewables and opting to buy power from IPPs, how can municipalities make up for the lost revenue?

*Grové Steyn, Lead Economist: Energy, Infrastructure and regulatory, Meridian Economics, South Africa*

13:40 **Lunch and Networking**

*Session Chair: Brian Day, Chairman, South African Independent Power Producers Association (SAIPPA)*

14:30 **Unpacking the reasons for restricting use of Sulphur Hexafluoride (SF6) and the alternative range**

The environmental concern around SF6 gas is in its global warming potential (GWP) which is approximately 23,500 times of carbon dioxide over a 100-year period. As a result, even minor releases of SF6 into the atmosphere can significantly contribute to global warming and climate change. Recognising this, countries and regions worldwide are taking concerted actions to limit the usage of SF6 and minimize its associated emissions.

*Senior representative, Lucy Electric, United Kingdom*

**Procurement of Electricity from IPPs**

15:00-15:05 **Energy Procurement: Unpacking the realities of energy procurement for local government**

South Africa local government has long been aware of both the energy security challenges facing the country. To this end, substantial work should be invested in understanding the procurement and supply chain processes involved when a municipality goes to tender specifically for the procurement of power.

**This session discusses:**

- Solutions to the challenge of **writing tender specifications for energy and other technical projects**
- How to navigate **procurement and supply chain regulatory frameworks governing energy procurement** in South Africa
- Understanding public sector **supply chain risk management in energy procurement**
- Basic introduction into **navigating market fluctuations and contractual risks**

15:05-15:25 **Solutions to the challenge of writing tender specifications for energy and other technical projects**

*Sandile Ntando Buthelezi, Supply Chain Executive and Member of the eThekweni Municipality Energy Committee, South Africa*

## 15:30-16:15 Refreshments

16:15-16:35 **How to navigate procurement and supply chain regulatory frameworks governing energy procurement in South Africa**  
*Bernhard Teuteberg, Designation: Deputy Director, Western Cape Government*

16:35-17:00 **CASE STUDY: Unpacking the top practical considerations for successful IPP engagement**  
*Hendrik Raedani, Divisional Head: Alternative & Renewable Energy Department, City of Ekurhuleni, South Africa*

17:00-17:30 **CASE STUDY: Basic introduction into navigating market fluctuations and contractual risks**  
*Mollen Josephine Atieno, Procurement Executive: Technical Cost Savings, Kengen*

17:30 **Networking function**  
*Exhibition floor*



18:00 **Networking dinner**



## 22 May 2024

### Grid Commercialisation and Future Energy Markets

*Session Chair: Nomathamsanqa Mote, Energy Advisor: Embedded Generation, Power Africa*

#### 12:00-12:05 **Understanding the municipal grid commercialisation business model**

Load shedding, rising costs and the demand for renewable energy in South Africa is accelerating the transformation of energy generation and distribution system, to shift towards decentralised and localised smart grid systems. This disruptive evolution demands a new business model that can be used to commercialise the new power distribution system and thus create financial opportunity and value for municipalities. This session looks at how municipalities can redesign their business models and start commercialising their energy distribution systems and offer new services IPPs for their future survival in the new trends of the energy market. This session is your introduction to mini-grid business.

- Unpacking the architectural steps needed to commercialise a grid resource as the technical focus shifts towards business requirements.
- Adjusting the grid to meet the demands of a multi-player and stakeholder landscape including market designs and customised contract design.
- Proposing a conceptual framework for grid resource commercialisation

12:05-12:15 **SCENE SETTING: Is the current municipal service delivery and business model contributing to increased standards of living, reduced poverty and greater equality?**

*Vally Padayachee, Strategic Advisor: Association of Municipal Electricity Utilities*

12:15-13:00 **PANEL DISCUSSION: Interventions municipalities can take to improve energy efficiency programmes – Lessons Learned**  
**Moderator: Kelebogile Mokomane, Senior Technical Advisor: Power Sector Reform, Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**

#### **Speakers:**

- *Trevor Govender, Head: Project Development and Management - Sustainable Energy Markets, City of Cape Town*
- *Vally Padayachee, Strategic Advisor: Association of Municipal Electricity Utilities*
- *Roark Prinsloo, Snr. Technologist: Projects Planning and Renewable Energy, Nelson Mandela Bay Metropolitan Municipality, South Africa*
- *Bradley Brown, Chief Financial Officer, Drakenstein Municipality*

### Tariff Restructuring

#### 13:00-13:30 **How to design tariffs that factor in fixed costs through variable charges**

Designing tariffs that factor in fixed costs through variable charges involves a strategic approach balancing affordability for consumers while ensuring the recovery of essential fixed costs.

- How can tariff structures be designed to ensure adequate cost recovery for fixed infrastructure and operational costs while reflecting variable consumption by consumers?
- What measures can be taken to ensure that variable charges in tariffs remain equitable and affordable for different consumer groups, considering their varying socioeconomic backgrounds?

- How do variable charges influence consumer behaviour concerning energy conservation, and what mechanisms can be employed to encourage responsible usage without burdening consumers?
- How can technological advancements, such as smart metering and demand-side management tools, be integrated into tariff designs to accurately capture variable consumption and optimize cost recovery?
- How does the integration of renewable energy sources impact the cost structure of electricity supply, considering initial investment versus long-term operational savings?

*Ayesha Hardien, Electricity Retail Manager, Eskom Holdings, South Africa*

## 13:30-14:30 Lunch and Networking

### Wheeling

#### Wheeling strategies for energy distribution in South Africa

Wheeling has become increasingly important in optimising energy distribution, enhancing grid resilience and fostering renewable energy integration. This session is an exploration of wheeling concepts that work, considering the latest data available from metros that have implemented wheeling in South Africa's energy distribution landscape.

- Explore how wheeling is facilitating the integration of renewable energy sources and affecting energy trading and market dynamics
- Understand how wheeling will affect municipal business models

14:30-15:30

**Facilitator:** *Ansuya Rungasamy, Head of Component: Power Sector Reform, Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*

#### Speakers:

- *Kadri Nassiep, Executive Director: Energy Directorate, City of Cape Town, South Africa*
- *Abduragmaan Jacobs, Senior Energy Trading Advisor, Eskom Holdings, South Africa*
- *Petrus Swanepoel, Infrastructure Sustainability Manager, MEDICLINIC South Africa*

15:30-16:15

## Refreshments

### The Energy Crisis – Municipal Response 2.0

16:15-16:25

#### Scene setter

*Will Pearson, USAID Southern Africa*

16:25-17:30

#### Panel Discussion: Dealing with the energy crisis - how to develop a municipal energy strategy

A discussion dedicated to exploring effective strategies for developing a Municipal Energy Strategy that not only addresses immediate energy challenges but also paves the way for a resilient and sustainable future.

- What should be the municipal's top considerations and indicators when drawing up a long-term energy strategy?
- Guidelines and methodologies for developing municipal energy strategy

**Moderator:** *Josh Dippenaar, Project Manager: Supporting municipalities with the energy transition, Sustainable Energy Africa*

#### Panellists:

- *Rebecca Cameron, Lead: Strategy, Sustainable Energy Markets, City of Cape Town, South Africa*
- *Paul Vermeulen, Chief Engineer Renewable Energy, City Power, South Africa*
- *Roy Wienand, Former Deputy Head: MV/LV Operations, eThekweni Metro Municipality*
- *Cheryl Phillips, Senior Manager: Local Economic Development and Tourism, Drakenstein Municipality, Western Cape*

18:00

#### Networking function

*Harringtons Cocktail Lounge*



## 23 May 2024

### Revenue Enhancement

*Session Chair: Thobekile Gambu, Environmental Scientist, UMngeni-uThukela Water, South Africa*

09:00-09:10

#### CASE STUDY SERIES: Unlocking Municipal Revenue Potential - Strategies for Revenue Enhancement in South Africa

Municipalities in South Africa face a critical challenge in sustaining revenue streams while striving to meet the growing demands for services and infrastructure development. This case study-driven session explores innovative approaches to enhance municipal revenue generation and financial sustainability. Through a series of case studies and expert insights, you will explore successful initiatives, address challenges, and identify opportunities to optimize revenue in the South African municipal context.

#### Learning Outcomes:

- Understand the key challenges faced by South African municipalities in revenue generation

- Explore successful case studies and initiatives that have enhanced municipal revenue streams.
- Identify opportunities and strategies for revenue diversification, debt management, and community engagement.
- Discuss the role of policy reforms and partnerships in achieving sustainable revenue enhancement and economic development.

09:10-09:30	<b>CASE STUDY 1: Alternative ways of reducing high energy cost for operations – municipalities and water boards</b> <i>Thokozani Mncube, uMngeni-uThukela Water</i>
09:30-09:50	<b>CASE STUDY 2: Identifying opportunities and strategies for revenue diversification, debt management, and community engagement.</b> <i>Senzo S H. Makhoba, Treasury Services Manager Finance Department, Mandeni Local Municipality</i>
09:50-10:10	<b>CASE STUDY 3: Understand the key challenges faced by South African municipalities in revenue generation</b> <i>Refilwe (Mogale) Mokgosi, Area Chief Engineer, City of Ekurhuleni Metropolitan Municipality, South Africa</i>
10:10-10:30	<b>TOP RECOMMENDATIONS: Unlocking Municipal Revenue Potential - Strategies for Revenue Enhancement in South Africa.</b> <i>Phumo Maduna, Manager: Smart Infrastructure Grid Software Solutions, Siemens</i>
10:30-11:15	<b>Refreshment break</b>
11:15-11:45	<b>Municipal Economic Review and Outlook (MERO): Unpacking the municipal building blocks for growth</b> The MERO provides an in-depth look into each of the five district municipalities, one metropolitan municipality, and every one of Western Cape local municipalities and provides the evidence needed to fully realise the economic growth opportunities across the Western Cape and presents learning curves for the other municipalities in South Africa. <i>Nadia Rinquest, Senior Manager: Local Government Budget Office, Western Cape Provincial Treasury</i>
11:45-12:30	<b>It's a matter of Trust: Initiating dialogue centred on building trust and generating public value.</b> This session offers a comprehensive framework to understand trust's multifaceted nature, demystifying its concepts and empowering leaders to operationalise trust effectively. It aims to turn the abstract notion of trust into tangible, actionable strategies, thereby fostering environments where integrity, benevolence, and capabilities are at the forefront of utility operations. <i>Dominic Wilhelm, Founder, The Trust Project, South Africa</i>
12:30-14:00	<b>Lunch and networking</b>
14:00-15:00	<b>Closing keynote and Enlit Africa awards</b> <i>Renewable Energy and Storage stage</i>