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DEPARTMENT OF ENERGY

No. 1243 **31 December 2009**

NOTICE

ELECTRICITY REGULATION ACT, 2006

DETERMINATION REGARDING THE INTEGRATED RESOURCE PLAN AND NEW GENERATION CAPACITY

I, Dipuo Peters, Minister of Energy hereby approve the attached Integrated Resource Plan (IRP1 in **Schedule A**) for implementation as per the requirement of the electricity regulations on new generation capacity (Regulation No. 9116, dated 05 August 2009). The attached IRP also takes into account energy efficiency and demand side management projects.

In line with the IRP, I hereby determine that new generation capacity is required in accordance with Section 34 of the Electricity Regulation Act (Act No. 4 of 2006). The required new generation must be met though the projects listed in the IRP. In respect of energy efficiency, demand side management and renewable energy, **Schedule B** outlines the framework for implementation of such projects.

Ms. Dipuo Peters
MINISTER OF ENERGY
DATE **16/12/2009**

G09-234026—B

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Schedule A

Integrated Resource Plan (IRP 1)

The IRP gives effect to the following policy objectives:

(i) 10 000 Gwh (approximately 4% of the energy mix) of renewable energy usage,

(ii) The implementation of Energy Efficiency and Demand Side Management through financial incentives scheme, and

(iii) Installation of one million solar water heaters.

In respect of (i), this will be met by licensing the projects in IRP 1 below under the "MTPP", "REFIT" and "Sere and CSP" programmes.

In respect of (ii) and (iii), this will be met through the standard offer programme (demand side management programme in IRP 1) in accordance with the implementation rules developed by the National Energy Regulator of South Africa.

In addition, projects in IRP 1 below that predate the electricity regulations on new generation capacity may be licensed.

Projects listed in IRP 1 must comply with the codes and rules prescribed by the National Energy Regulator of South Africa.

IRP 1

	Current programmes									Total system capacity	Peak demand (net sent-out) forecast	Demand side management programmes	Net peak demand forecast (after DSM)	Reserve Margin	Annual energy (net sent-out) forecast	Demand side management programmes	Annual energy (net sent-out) forecast
	RTS capacity	Medupi	Kusile	Ingula	DoE OCGT IPP	MTPPP, REFIT	Sere, CSP	Other capacity and decomissioning	Total								
	MW	MW	MW	MW	MW	MW	MW	MW	MW	MW	MW	MW	MW	%	GWh	GWh	GWh
2009	772	0	0	0	0	0	0	0	772	44157	37845	432	37413	0.1802582	248,517	428	248,089
2010	683	0	0	0	0	343	150	30	1206	45363	39432	923	38509	0.17798437	258,705	1,864	256,840
2011	404	0	0	0	1020	518	0	55	1997	47360	40914	1343	39571	0.19683607	267,771	3,453	264,319
2012	0	738	0	0	0	284	0	0	1022	48382	42373	2118	40255	0.20186796	276,705	6,561	270,145
2013	0	738	723	666	0	0	0	0	2127	50509	44238	3056	41182	0.22648244	288,086	10,642	277,444

The Department will initiate a process of reviewing this IRP to allow for consultation with stakeholders. The process of developing IRP 2 will commence in January 2010.

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Schedule B

Project	*Initiatives*	*Time frame*
Demand Side Management Programmes	Installation of 1 million solar water heaters in selected areas and in accordance with the Solar Water Heating Framework.	To commence on 1 March 2010
	Implementation of the Standard Offer Framework to provide incentives for demand side management and energy efficiency projects initiated by various developers.	To commence on 1 March 2010
New generation capacity based on the REFIT programme (Construction of new generation plants based on renewable energy technologies)	REFIT programme in respect of the following technologies for which NERSA shall determined the tariffs: (i) concentrated solar (ii) solar photovoltaic (iii) wind (iv) landfill gas (v) solid biomass (vi) small hydro	To commence on 1 March 2010
New generation capacity base on the IPP Bid programme	Note that a determination in respect of other new generation capacity initiatives will be done in due course	

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