

*Welcome*

## **Growing Pains: The Emergence of Clean Energy Laws in South Africa**

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## Overview

- Clean energy: legislative and policy framework
- Supporting laws
- (Canadian comparative)

## The Genesis: White Paper on Renewable Energy Policy 2003

- New legislation for energy incorporating renewable energy
- Appropriate legal framework for pricing and tariff structures to support integration of renewable energy
- Legislative framework to integrate IPPs into existing electricity systems
- Legal instruments to stimulate uptake of renewable energy

## The Progress: ?

- Electricity Regulation Act 4 of 2006
- Electricity Regulations on New Generation Capacity, 2011
- Integrated Resource Plan 1 (2010)
- Integrated Resource Plan 2 (2011)
- Rules and guidelines:
  - eg. Rules on selection criteria for RE Projects under REFIT
  - Regulatory Rules for Power Purchase Cost Recovery (2010)
- National Energy Act 34 of 2008

## Electricity Regulation Act 2006

- Objects include: promotion of use of “diverse energy sources”
- Provides for regulation of “new generation capacity” including:
  - Types of energy sources
  - Percentages from new energy
  - From/to whom new generation to be sold
  - Participation of private sector
  - Facilitation of power purchase agreements
- Licenses required for the operation of a generation facility

# Electricity Regulations on New Generation Capacity 2011

- Apply to procurement of new generation capacity derived from renewable energy sources by state
- Objects:
  - Planning for new generation capacity
  - Regulating PPAs
  - Facilitate cost recovery
- Regulations do not apply to “current programmes” in IRP 1

## IRP 1 (2010)

- Gives effect to:
  - Aim of 10 000 GWh (approximately 4% of energy mix) through RE by 2013
- Aim met inter alia through licensing RE generation under REFIT
- Applies to:
  - Concentrated solar
  - Solar photovoltaic
  - Wind
  - Landfill gas
  - Solid biomass
  - Small Hydro

## IRP 2 (2011)

- Modifications to roll-out of wind and CSP to accommodate solar PV
- Complete disaggregation of RE technologies (ie. solar (PV), CSP, wind)
- Inclusion of learning rates
- Installation of renewables has been brought forward
- Assumed roll-out of solar PV of 300 mw per year from 2012

## IRP 2 (2011)

- Coal generation been brought forward
- Nuclear fleet of 9,6 GW included
- Due to delays in REFIT, committed wind capacity delayed to 2012

## National Energy Act 2008

- SA National Energy Development Institute to conduct and promote energy research and technology development
- Allows for regulations on:
  - Contributions of RE to supply
  - Nature of sources used for RE contributions
  - Incentives for production/consumption of RE

# Supporting Regulatory Framework

- Includes:
  - Planning laws
  - Environmental authorisation laws
  - Health and safety law
  - Tax and financial incentives
  - Air quality law
  - Waste laws
  - Biodiversity laws
  - Coastal zones laws
  - Protected areas laws
  - Provincial laws and policies
  - Bylaws

## National Environmental Management Act 1998

- Integrated licensing (Section 24L)
- Environmental authorisations
- Draft National Guidelines on Environmental Impact Assessment for the Facilities Included in the Electricity Response Plan (2010)

## National Climate Change Response Green Paper

- Integrate “climate constraint” into energy planning tools.
- Ensure IRP takes account of “peak plateau” and “decline trajectory” through diversification of energy mix
- Use of market based measures to incentivise shift to cleaner energy
- Facilitate local RE technology manufacturing
- Review and scale up 10 000 GWh 2012 RE target

# Statutory Incentives

- Eskom rebate on solar water heaters
- Income Tax Act incentives
  - s12B : Allowance on bio-diesel/ethanol; wind; solar; wave; biomass
  - s11D: Deductions for scientific/technological R&D
  - s12G: deductions for strategic industrial projects
  - s12I: Allowances for certain industrial policy projects