

# Standards can help steady SA's grid under new rules

The South African government is working on legislation to allow private energy suppliers to help alleviate the country's power crisis. The legislation includes exemptions for joint procurement of alternate energy supply for the national grid, sharing of backup or energy generation capacity, and joint financing of shared backup and alternative energy generation capacity, among other key aspects. This could be a notable change for the country's energy situation.



Source: Federico Beccari/Unsplash

In addition, the government has launched the Energy One Stop Shop, a portal designed to streamline regulatory processes for private energy generation and expedite applications from private producers. This should make it easier for private energy suppliers to enter the market and help alleviate the power crisis.

“The Energy One Stop Shop and Energy Resilience Fund are critical steps towards alleviating the challenges faced by our industries during this energy crisis,” trade, industry and competition minister Ebrahim Patel said at the platform in July.

While the prospect of additional grid capacity is being celebrated by South Africans, private bidders will also know that with so many new players entering the market there is a chance that nefarious parties could hijack the system.

Given South Africa’s record of accomplishment in tender corruption, hawk-eyed government investigators will be on full alert to root out bad apples.

## International standards could save energy sector

Sibongile Ncwane, legal manager at Worldwide Industrial and Systems Engineers (WWISE), says private energy producers should seek to implement globally recognised standardisation measures to offset any potential red flags being thrown up.

The International Organisation for Standardisation (ISO) has created a standard called ISO 50001:2018 that offers a framework for setting up energy management systems in enterprises. Its main objective is to assist companies in continuously enhancing their energy performance, including energy use, consumption, and efficiency.



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But, as Ncwane points out, the standard's principles of transparency, consistent monitoring and management involvement can also aid anti-corruption efforts," she says.

"Organisations should be mindful of the fact that while winning bids and contracts is essential for business expansion, the company's viability and long-term reputation come first. Corruption may result in immediate rewards, but it can also have serious long-term consequences, both legally and reputationally."

From an operational point of view, the benefits of an energy company implementing ISO 50001:2018 are "enormous", she adds.

## No need for silos

Aside from the obvious financial advantages of increased energy efficiency, businesses may also strengthen their regulatory compliance, lessen their environmental impact and build their brand as ethical and progressive organisations.

A further benefit is that the standard's structure naturally aids companies in coping with market volatility and uncertainty, particularly when these aspects relate to energy sources costs, and availability – a massive plus in the South African context.

"The structures and procedures it promotes enable companies to be more resilient and flexible in the face of such difficulties," Ncwane says.

ISO 50001:2018 need not operate in a silo either.

Organisations in the energy sector can use several standards to better comprehend, control and thrive in response to changing demand.

"There are more standards pertinent to many elements of the energy sector beyond ISO 50001:2018, which largely focuses on energy management," Ncwane says. These include:

- **ISO 14001:2015** While not exclusively focused on energy, this standard can help energy sector players minimise their environmental impact, improve their environmental performance and comply with regulations. A strong environmental performance can also attract customers and stakeholders who prioritise sustainability.
- **ISO 37001:2016** While ISO 50001:2018 focuses on energy management, ISO 37001 is a standard specifically designed for anti-bribery management systems. Adopting this standard can provide a framework for preventing, detecting, and addressing bribery.

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