

Sawea welcomes market-friendly approach

The South African Wind Energy Association (Sawea) supports the proposed market-friendly approach to South Africa's constrained energy supply, but strongly states that implementing the IRP 2019 should remain an imperative to ensure sufficient lead time for procurement processes and to support a stable and consistent growth as laid out by the energy roadmap.



Ntombifuthi Ntuli, CEO, Sawea

Responding to a media report stating that the ANC endorses an approach that includes allowing municipalities to procure their own energy, Ntombifuthi Ntuli, CEO of Sawea says: "To shift away from a centralised monopoly to a more efficient decentralised generation model will increase competition and drive down energy prices. This will ultimately stimulate the economy and support the growth that South Africa is seeking, in line with a global shift away from large centralised utilities."

However, the focus needs to remain on implementing the country's resource plan in order to address the short- and long-term electricity supply capacity constraints and to ensure sustainable economic growth. With private sector participation in the energy generation business, where municipalities and large-scale private power users can purchase power directly from IPPs, the benefit of introducing competition into the electricity generation market will naturally result in price reductions whilst increasing generation capacity.

"We need the market to be opened for private power producers to be able to supply electricity to the national electricity system. Private renewable energy producers can supply electricity to intensive users at a rate of 25% less than Eskom mega-flex tariffs, this includes municipalities," concluded Ntuli.

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