

17 September 2021

**Chief Director: Infrastructure**

Department of Public Works and Infrastructure  
256 Madiba Street  
Pretoria Central  
PRETORIA  
Email: [NIP2050Inputs@dpw.gov.za](mailto:NIP2050Inputs@dpw.gov.za)

Dear Sir/Madam

**EIUG RESPONSE: PUBLIC CONSULTATION ON NIP2050**

The Energy Intensive Users Group of Southern Africa (“EIUG”) was established in 1999 as a voluntary, non-profit association. It was incorporated as a Non-Profit Company in 2019. The group was founded on the belief that energy is the engine for economic growth and development in the country.

The EIUG represents intensive energy users consuming around 40% of electricity, contributing over 20% of GDP and employing over 650 000 employees. The EIUG therefore has a skin in the game and appreciates the opportunity to be heard in electricity supply industry related deliberations. The EIUG continues to engage Eskom, NERSA, government departments and other stakeholders in a constructive manner to raise our concerns and work with them in finding solutions. As a collective of stakeholders, we need to create an enabling electricity supply industry in order to prosper and empower the country through the deployment of self-generation, closing of the national supply deficit, stabilising our escalating electricity costs and the decarbonisation of our economy. This NIP2050 plan is a significant contributor in realisation of these objectives.

The EIUG therefore welcomes the opportunity to contribute to this important consultation and welcomes the initiative to consolidate infrastructure projects that are critical for our economy and the plan’s intent to improve coordination and transparency for all stakeholders. We are committing to play our part in the formulation of the plan especially with regards to the energy infrastructure planning. As such the EIUG will primarily focus its comments on



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the energy infrastructure, however, some of the comments will also apply in other areas of the plan.

Attached please find our response as annexure to this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'F. F. Mondi', enclosed within a hand-drawn circle.

**FANELE MONDI**

Chief Executive Officer

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## ANNEXURE A:

### EIUG RESPONSE: PUBLIC CONSULTATION ON NIP2050

The plan as set out, has managed to capture the important electricity supply challenges and key aspirations that need to be implemented to mitigate the challenges. However, reviewing the plan, we have identified a few areas that need our comments, and we believe those will further improve on the current plan as proposed. As requested in the consultation workshop we will try to be brief and specific as follows:

- **Vision and Completeness**

The plan has managed to capture well some of the existing aspirations for future developments in the electricity supply sector, but it does not cover energy supply in its broad sense. Even though the focus of this plan on energy is clearly stated as electricity, considering the plan contemplates the period up to 2050, one would have expected the plan to consider some of the emerging global trends like the emergence of green hydrogen as a possible area of potential development and to start identifying specific projects and policies which in the short term may enable such aspiration to be achieved. Also, what is not particularly clear from the plan is the future use of oil and gas as part of the energy mix, especially considering that a gas master plan is in the process of being assembled. It is well understood that some of these topics are still in the early stages of formulation, but EIUG is of the view that the plan needs to identify them as future options and start a process of enabling them as part of the energy mix spectrum.

- **Identification of Enablers**

The plan identifies some of the key projects and decisions, but for such decisions to be implemented some requisite enablers need to be identified and proposals presented on likely implementation strategies e.g., the 100MW Licensing Threshold is not likely to maximise generation investment if the Wheeling Framework is not in place and if the NERSA Registration Process is not streamlined to minimise the time required for the requisite approvals. Even though the plan is not intended to be comprehensive and detailed, the identification of enablers is particularly important in the short-term 3-year action plan window.

- **Overall Planning and Ability to Execute**

The approach being undertaken of setting the vision and then focus on immediate actions required is supported. However, there does not seem to be a clear link between the vision articulated and the immediate actions required to achieve progress towards the end state

desired. Even though the current actions are important and good, an attempt should be made to link them to our aspirant goals. Failure to link current actions or projects to the vision may result in the plan being just a collection of existing projects which may or may not be significant in attaining our vision or end-goal. For progress to be achieved this linkage is critical as it provides direction and a point of reference for measuring progress not just project completion in isolation of the end-goal.

Also lacking in the short-term projects is the clear timelines and associated milestones. The plan speaks broadly on years instead of dates or at least quarters. As an example, considering that some decisions/projects are expected still this year, in the absence of a specific date or quarter, we as stakeholders, are not able to assess whether the project/decision is still on time or already delayed e.g. the IRP review required to be conducted in 2021/2- it is unclear if it is still to be done this financial year considering that we are already half-way through the year and nothing has been shared with stakeholders for input.

The inclusion of these dates/quarters will signify the urgency of actions required and give stakeholders an ability to assess the practicality of the plan itself as opposed to it being a wish list.

- **Streamlining of Processes (Government process alignment)**

The effort being made to have a single point of reference for critical projects is most welcome. What now needs to be considered is where applicable to have a similar single point of contact for execution of these projects. Typically, energy projects tend to require authorisations across multiple departments or agencies which work based on their individual processes and timelines. The net effect of such overlap between Departments, is that critical projects tend to get delayed because of these different processes and timelines. A single point of contact in this regard will greatly assist in ensuring that the processes are aligned and that all role-players understand the same urgency but more importantly that duplication of efforts is minimised.

- **Fitness for Purpose (considering existing structures)**

As a single point of all critical projects, it is expected that the work of ISA will cut across multiple policies, departments, and other structures. What is therefore important is to understand the flow of information and policies with each department/agency being clear on its role. Failure to do so may lead to confusion and failure of this worthy initiative.



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Some of the considerations in this plan in this regard will be a clear link to existing policies and some of the aspirations being espoused. An example is the aspiration of 10 000MW renewable energy in 2022, this is not in line with the IRP2019 and may not align with grid readiness for connection, even within a significant portion of the decade ahead. In as much these aspirations are desirable and need clear articulation, if they are not aligned with existing policies or realities, with shorter term steps to execute against to achieve the aspiration, such may cause confusion rendering the plan unimplementable.

More clarity is also required on how ISA will interface with other structures like other departments, project developers and other agencies for the plan to be truly a single point of truth on critical infrastructure projects. Doing so will give confidence that we are all always aligned and driving the same priorities, thereby able to monitor and evaluate progress.

- **Capacity Development**

The plan has correctly identified skills as a critical component in creating the necessary capacity in order to deliver against the program of work, but it does not go far enough to specify how this will be achieved. One of often mentioned concerns about South Africa in such a context, is that while we are good at planning, execution against the plans is seldom achieved in a satisfactory manner. Part of that execution problem is resourcing execution teams with appropriately skilled and experienced resources and hence it is crucial for this plan to be more specific on how this capacity will be created.

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