



Wes-Kaapse Provinsiale Parlement
Western Cape Provincial Parliament
IPalamente yePhondo leNtshona Koloni

(Ref no:) 11/3/4

MINUTES OF PROCEEDINGS

AD HOC COMMITTEE ON ENERGY CRISIS

Wednesday, 2 August 2023 (14h00), Virtual: Microsoft Teams

ATTENDANCE

Members:

Democratic Alliance

Fry, C (Chairperson)
America, D
Bartman, D
Bosman, G (Alternate)
Murray, C
Philander, W (Additional member)
Pretorius, G
Sileku, I
Van der Westhuizen, A

African National Congress

Dugmore, C
Nkondlo, N

African Christian Democratic Party

Christians, F

Al Jama-ah

Brinkhuis, K

Economic Freedom Fighters

Cassiem, A

Freedom Front Plus

Marais, P

GOOD

De Villiers, P

Apology:

Maseko, M (DA)

The following persons were in attendance:

See attached Public Attendance Register

Apology:

Minister Bredell, Minister of Local Government

Western Cape Provincial Parliament:

Ms L Cloete, Senior Procedural Officer

Ms M Mrubata, Committee Assistant

1. Welcome

The Chairperson welcomed the Members, the officials from the Department of Local Government, the various municipalities and members of the public. The Chairperson noted the apology received from Minister Bredell who is attending a Cabinet meeting and Member Maseko, Member Bosman will serve as the alternate for Member Maseko as well as the apologies from the municipal officials.

The Chairperson explained the rules of engagement to Members and officials in respect of virtual meetings and then proceeded to the presentations.

The Chairperson allowed the Members of the Committee to introduce themselves and the delegation of the Department of Local Government and the respective municipalities.

2. Briefing by the Department of Local Government on the guidance provided to municipalities on projected plans for the 2023/24 Energy Infrastructure allocations including the Emergency funding allocated to assist municipalities.

Mr Graham Paulse, Head of the Department of Local Government (DLG) briefed the Committee on assistance provided by municipalities and informed the Committee that a number of departments are assisting municipalities, but that the DLG serves as the leading department in four projects, which Mr Paulse highlighted to the Committee per Department, to assist municipalities. The DLG is further taking the lead in the projects

involving the Electricity Master Plan and Solar Photovoltaic (PV) technology to pilot renewable energy solutions in municipalities.

Mr Paulse further informed the Committee that the DLG has been given R89 million in support for municipalities to acquire generators based on the work that engineers has done within DLG and these allocations has been approved and transferred to municipalities. Mr Paulse briefed the Committee on funding distributed to municipalities in the province to help with the impact of loadshedding based on its critical infrastructure, therefore not necessarily for all infrastructure treatment works. The DLG is in constant consultation with municipalities and on request of the Premier the District municipalities will be joining the Energy Council engagements.

The Committee deliberated on the briefing by the Department of Local Government.

The Chairperson thanked Mr Paulse and his team for the presentation and continued with the next item on the agenda.

3. Engagement with municipalities on the projected plans for the 2023/24 Energy Infrastructure allocations including the Emergency funding allocated to assist municipalities:

3.1 West Coast District Municipality

Mr Roelf Strydom, Mayor of the West Coast District Municipality briefed the Committee on the R1,9 million allocated to the municipality by the Department to procure generators. The municipality procured two generators and utilised its own funding to acquire these generators as well as the funding from the DLG. In addition to the allocated funds, additional funding was allocated through the Water concession arrangement for the procurement of 2*generators for the Withoogte Water Treatment works which was also delivered for permanent installation.

The municipality acknowledged and thanked the Saldanha Bay municipality for assisting them with 450-kilowatt generators during high loadshedding periods. The municipality further informed the Committee on the phases to be completed for the Withoogte Solar Energy project which is underway. Currently under discussion with Matzikama municipality and the Development Bank of South Africa (DBSA), following a pre-feasibility study and to partner with funding the feasibility/bankability studies, and further environmental considerations, for building a phased 20-megawatt solar plant on land already procured in Matzikama.

The Committee deliberated on the presentation by West Coast District Municipality.

The Chairperson thanked the West Coast District Municipality for its presentation and moved to the next municipality on the agenda.

3.2 Swartland Municipality

The Director of Civil Engineering Services in the Swartland Municipality, Mr Zikmann, informed the Committee that the municipality received provisional approval for R10, 945 million from the Department of Local Government. The municipality submitted its business plan on 20 February 2023 upon which final approval was received.

The project scope included the installation of back-up power generation at four critical bulk water pump stations, two critical sewer pump stations and two wastewater treatment works. The Council approved an amended budget to include the new power generation projects for 2022/2023 on 30 March 2023. The budget was subsequently amended and a grant of R10, 945 million and its own funds of R3,7 million.

Tenders were awarded on 18 May 2023 for a 35-week contract period. The tender includes the supply and installation of the generators, a 30-week delivery period, enclosures, and security measures, as well as the upgrading of pump starters and switchgear. The municipality submits monthly reports to the DLG which is required as part of the allocation. The roll-over application was submitted on 14 July 2023 and the expenditure to date has been R3.352 million.

The Committee deliberated on the presentation of Swartland Municipality.

The Chairperson thanked Swartland Municipality and proceeded to the next item on the agenda.

3.3 Matzikama Municipality

The Acting Municipal Manager of the Matzikama Municipality, Mr Lionel Pillay, informed the Committee that with the assistance of the DLG, the municipality were able to procure four high output diesel generators for use at crucial freshwater treatment works and pumping stations throughout the Matzikama area. These areas are Vredendal and Vanrhynsdorp pump stations, Ebenhaezer and Lutzville freshwater treatment plant and the Canal pumpstation.

The total project value is R1,8 million, with their own funding of R756 000 and the DLG contribution of R1,05 million. The municipality filed five applications to Eskom to exclude the Canal Pumpstation from loadshedding since this area deems to be the most challenging site in terms of loadshedding and the generator for this site is still being manufactured and is expected to be delivered by end of August 2023. The municipality even received assistance in applying from Western Cape Government and it was still declined, and the municipality was informed late July 2023 that confirmation for the sixth exclusion request was approved by Eskom for the Canal Pumpstation.

The municipality identified possible projects for 2023/24 which includes generator procurement for the Klawer freshwater treatment works, the Vredendal North and Vanrhynsdorp wastewater treatment works. An Energy support programme to identify projects to install solar and battery backups to assist Small, Medium and Micro enterprises (SMMEs) with loadshedding challenges is envisaged for 2023/24 as well.

The Committee deliberated on the presentation by Matzikama Municipality.

The Chairperson thanked Matzikama Municipality and proceeded to the briefing by Cederberg Municipality.

3.4 Cederberg Municipality

Mr Gerrit Matthyse, Municipal Manager, informed the Committee that the municipality received R1,8 million for Emergency funding from the Western Cape Government for seven generators. The municipality followed the Supply Chain Management (SCM) process, applied for rollover funds and awaiting Provincial Treasury to grant approval of the funds to be used for generators.

The municipality spent nearly R1 million on the hiring of three standby generators to supplement the seven generators that will be procured from funds from the province, the municipality therefore had to budget R1,8 million for fuel for generators.

In terms of the Emergency Loadshedding Relief Grant R1, 6 million was received from the province in April 2023 for back-up electricity generators, the municipality advertised the tender for the purchasing of seven generators. The evaluation processes were completed early in May 2023, but due to a challenge to compose a quorum for a Bid Adjudication Committee (BAC), the final BAC was only done late in June 2023. The award of the tender was put on hold until approval for roll-over of the funds is received from province. The delivery and installation of the generators, however, will be managed as a high priority project. The municipality is also planning other major electricity related projects.

The Committee deliberated on the presentation by Cederberg Municipality.

The Chairperson thanked Cederberg Municipality and proceeded to the briefing by Bergvriër Municipality.

3.5 Bergvriër Municipality

Advocate Hanlie Linde, Municipal Manager briefly addressed the Committee and hand over to Mr Derwin Turha, the Director of Technical Services who informed the Committee that the Bergvriër Municipality developed a loadshedding plan in July 2022, which were reviewed in September 2022 and the latest review took place in June 2023, to address and guide responses to anticipated scenarios that might arise from persistent levels of loadshedding.

The municipality spent R2,93 million if the R3,6 million Emergency Loadshedding Relief Grant on two generators at the Piketberg water treatment works and the boost pump station for water security in Piketberg. The remainder of the R900 000 will be used to procure a generator for the Dwarskersbos booster pump station. The Bergvriër municipality has projects planned for the 2023/24 financial year with a budget of R2,3 million which will be used to operate fixed and mobile generators, whereby R500 000 will be allocated to the security of assets.

The Committee deliberated on the presentation by Bergvriër Municipality.

The Chairperson thanked Bergrivier Municipality and proceeded to the final briefing by Saldanha Bay Municipality.

3.6 Saldanha Bay Municipality

Mr Andre Truter, Mayor of Saldanha Bay, briefly addressed the Committee on consultations with various government departments, the Premiers department, and Infrastructure South Africa (ISA). Mr Heinrich Mettler, Municipal Manager, further informed the Committee that the municipality received R2,95 million for the Emergency Loadshedding Relief Grant which was used to purchase two 275 kilowatt generators and two 110 kilowatt generators that has been delivered and installed. Three of these generators will be used for sewerage and one will be used for water. Saldanha Bay municipality has not received additional funding, but the municipality budgeted for about R3 million for generators to procure five smaller generators.

Saldanha Bay is part of the Provincial Municipal Energy Resilience (MER) work group where it received R689 000 for the Electricity Master Plan which has been completed and will be tabled to Council in September 2023.

The Committee deliberated on the presentation by Saldanha Bay Municipality.

The Chairperson thanked Saldanha Bay Municipality for its presentation.

4. Consideration and Adoption of Draft Committee Minutes of 14 June 2023

The Committee considered and adopted the draft Committee Minutes of 14 June 2023.

5. Resolutions/Actions

The Committee RESOLVED the following that:

- 5.1 The respective municipalities give an indication of the total spent in the last financial year for the spike in loadshedding, especially when the area is in high demand.
- 5.2 Eskom and the Department of Local Government provide the Committee with the Energy Constraints Report.
- 5.3 The Committee supports the principle that more of the distribution networks should be handed and entrusted to local governments.
- 5.4 The Saltuba Cooperative in the Nelson Mandela Bay Municipality be invited to share its experience on establishing community cooperatives with the Committee.
- 5.5 The West Coast District Municipality submits its current Electricity plan involving the City of Cape Town.
- 5.6 The Department of Local Government provide the Committee with a list of municipalities that have concluded the identification of the beneficiaries for the Energy starter kits, the criteria and process used to choose beneficiaries and the numbers and details of the beneficiaries.

- 5.7 The Department of Local Government provide the list of Transaction Advisors including how these advisors were appointed, in which municipalities they are deployed, their respective scope, budget and period of involvement.
- 5.8 The Committee requests the Small-Scale Embedded Generation (SSEG) tariff of each municipality and the approved SSEG policy.
- 5.9 The Department of Local Government provides a cost of generators with details the specifics of the generators as in size, cost supplier details and usage the cost of operating per month including the maintenance regime for these generators for those municipalities who used the provincial grant to purchase generators. The municipalities should also indicate what other items were bought with the grant such as Solar PV battery storage and the security cover. In addition, municipalities should also indicate whether they used money from their own funds to avert loadshedding, if so, from which budget and what it was spent on.

The Chairperson informed the Committee to email all further resolutions to the Senior Procedural Officer.

6. Committee Matters

The Chairperson informed Members that after numerous attempts to contact the Office of the Minister of Electricity, Dr Ramokgopa's office has confirmed that the Minister will be available to brief the Committee on Tuesday 29 August 2023.

The meeting adjourned at 13:06.



MR C FRY, MPP
CHAIRPERSON: AD HOC COMMITTEE ON ENERGY CRISIS
DATE: 17 APRIL 2024