



# Fact sheet

## Electric Boiler Incentive Programme

A new era of supply capacity enables Eskom to roll out market-related products tailored to help expand all sectors of the economy.

One of these products incentivises business customers to:

- Run electric boilers that are installed but currently out of service; and/or
- Use electricity to run dual-fuel boiler systems that are currently running on an alternative fuel source.

The Electric Boiler Incentive Programme offers 50MW as a pilot project to increase process efficiency and support business growth by:

- Optimising the competitiveness of electricity as an energy source during standard and off-peak time-of-use (TOU) periods.

This programme is aimed at customers directly supplied by Eskom as well as customers supplied by municipalities who, at present, use an alternative fuel source to generate steam in their businesses and plants.

Electric boilers supply high quality steam, can respond quickly to production changes, are cheaper to maintain and are environmentally friendly.

### Participation criteria

Eskom will develop an electricity consumption baseline, based on the historical amount of electricity used (kWh) over the last 12 consecutive calendar months, for each customer who qualifies for the programme.

Note: Baselines for particular customers could be zero if their electric boilers are currently out of service.

- Customers will be requested to project their incremental electricity consumption targets on a monthly basis for every time-of-use period.
- Customers need to achieve a minimum incremental electricity consumption of 10 GWh per annum.
- Install an electricity meter as per Eskom's specification to integrate into Eskom's remote metering platform.
- Customers should be able to activate their electric boilers within three months of the start date of contracts.

### Performance criteria

- Customers need to reach at least 50% of their year-to-date, cumulative incremental energy use target per quarter -
  - if the year-to-date incremental performance drops below the 50% mark, incentives paid in previous quarters could be due back to Eskom.
- Eskom will monitor incremental electricity consumption and calculate incentives on a quarterly basis.
- Incentives will only be paid on verified incremental electricity consumption above set baselines.
- Incentives will be calculated on a year-to-date basis and netted off against all incentives paid to a customer in a particular year.

### Incentive rate

- 20c/kWh (high-rate incentive).
  - This rate applies to customers who achieve a minimum 80% utilisation ratio (i.e. a minimum of 8 kWh energy use during standard (or a mix of standard and peak) time-of-use periods for every 10 kWh energy use during off-peak time-of-use periods).
  - Peak consumption is voluntary.
- 8c/kWh (low-rate incentive).
  - This rate applies to customers who do not achieve a minimum 80% utilisation ratio (i.e. less than a minimum of 8 kWh energy use during standard (or a mix of standard and peak) time-of-use periods for every 10 kWh energy use during off-peak time-of-use periods).

The customers will have a flat rate incentive for the two-year period of the contract.

- Should a customer's incremental consumption be greater than the contracted amount, the incentive amount will be capped at the contracted energy use targets plus 10% of proposed growth per time-of-use period per month.



## Performance tracking

A customer's actual and contracted incremental energy use performance will be assessed and monitored on a monthly basis according to the electricity consumption baseline and energy use targets for the performance period.

## Payments

Eskom will pay incentives based on incremental electricity consumption per quarter.

## Contract period

The Electric Boiler Incentive Programme welcomes applications from 9 July to 17 August 2018 - contracts will run from 1 September 2018 to 31 August 2020.



## What makes electric boilers better?

Benefits include:

- Compact design
- Quick start-up
- Consistent, high quality steam
- Faster response to production changes
- Improved plant efficiency
- Lower maintenance cost
- Environmentally friendly
- No fuel delivery and fuel storage required

Go to [www.eskom.co.za/idm](http://www.eskom.co.za/idm) for a technical overview of electric boilers – click on “Business” followed by “Technology fact sheets”.

The fact sheet, titled *Electric boilers: Technical overview*, includes a case study that compares boilers powered by electricity with boilers powered by heavy fuel oil.



Eskom Advisors are on standby to assist you.



Call 08600 37566, leave your name and number and request that an advisor in your region contacts you.



Requests for information and assistance can also be e-mailed to [pmo@eskom.co.za](mailto:pmo@eskom.co.za).

