



**AMEU GH Branch meeting
Bredasdorp**

***AMEU Committee meetings
10 – 11 February 2010
Executive Council
24 March 2010***

Peter Fowles

21 May 2010





Content

- **Wednesday 10 February 2010**
 - Standing Committee
 - Legal & Statutory Committee
 - Tariff Committee
 - Education & Training Committee
- **Thursday 11 February 2010**
 - Restructuring Committee
 - Technical Committee
 - Publicity and Papers Committee
- **Wednesday 24 March 2010**
 - Executive Council



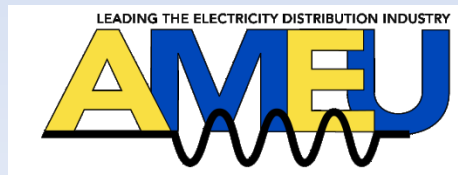
Standing Committee meeting

- Financial Statements
 - R823 259 deficit
 - Lower convention income [fees + sponsorship] than expected plus higher costs.
 - PIESA conference S & T expenditure
 - 20% increase in membership subscriptions and convention registration fees
- External liaison
 - Meetings to be arranged with relevant Ministers [DoE, COGTA and National Treasury]



Standing Committee meeting [cont]

- **Convention 2010**
 - Arrangements proceeding
 - Dates confirmed: 27 to 29 September 2010
 - Venue confirmed. Affiliates Committee concerned at high costs
- **Namibian Branch**
 - Progress in establishment
- **AMEU Training**
 - Idea supported. Firm proposal to be developed





Legal & Statutory Committee

- NERT Distribution Workgroup
 - No progress since initial meetings in August and October 2009 [NERT](#)
- Supply Chain Management
 - Details of process on draft preferential procurement regulations given to members in Nov 2009 e-Bulletin
 - National Treasury to be encouraged to initiate training on SCM regulations within municipalities
 - Details of this training communicated to members



Legal & Statutory Committee [cont]

- Standard Draft Electricity Supply Bylaws
 - City of Cape Town process for promulgation of new ES bylaws almost complete
- Regulations on compulsory norms and standards [GG 31250 of 18 July 2008]
 - Eskom DSM now actively promoting ripple control installations – to reduce 400MW by 2013
- Validity of NRS069
 - Mogale City contesting Services Appeal Board finding
 - NERSA advised it supports this action and will also be instituting action against finding





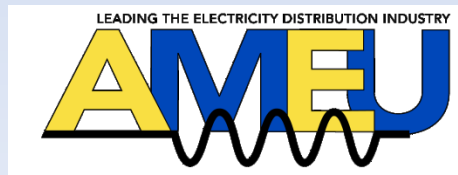
Legal & Statutory Committee [cont]

- Eskom in municipal areas
 - Response to request for information for case study document limited
 - NERSA has apparently confirmed that Eskom licence only valid where they had infrastructure at issue of licence
 - Doubt expressed at resolving matter with NERSA and Eskom
 - Suggestion that each case be treated on its merits
 - Additional experiences to be obtained from munics
 - Set up meeting with Eskom management – involve SALGA



Tariffs Committee

- Eskom MYPD2 process – [Guidelines letter](#)
 - AMEU support to SALGA comments
 - AMEU comment submitted on 30 November 2009 and 14 December 2009 [revised application] – copies on website
 - Support by Wienand/Fowles to SALGA on municipal tariff comparisons and level of increases at public hearing in Midrand on 22 January 2010
 - Concern at wild and unsubstantiated claims made about municipal tariff levels and increases during public hearings
 - Concern about Eskom's 'clawback' price increases to munic wef 1 July – debated price increases wef 1 April 2010. Ask NERSA to align price increase dates.





Tariffs Committee [cont]

- Homeflex TOU
 - 10 000 Homeflex TOU services to be commission by Eskom in 2010 and 100 000 in 2011
 - Smart meters are still to be supplied
 - Voluntary tariff
- Renewable Energy Feed-In Tariff [REFIT2]
 - NERSA has designated Eskom SBO as REPA
 - Minimum 1 MW projects only – smaller generators dealt with by different means
 - NT developing a suitable PPA
 - Adel Greyling willing to assist munics (011 800 4952)



Tariffs Committee [cont]

- Power factor price signal
 - Eskom consultation paper to be circulated by March 2010
- Small scale grid PV connections [Wind turbine](#)
 - NRS 097-2-1 (technical specification for small PV connections to grid) at ESLC for voting
 - Confusing response from NERSA to Cape Town proposal to accommodate small PV generators
 - Eskom receiving enquiries from generators wanting connections to municipal networks. Contact database to be established
 - Embedded Generation workgroup to be established – Eskom/AMEU



Tariffs Committee [cont]

- Validity of NRS 069/Connection charges
 - Municipalities warned to update charges regularly to avoid customer unhappiness at large increases that may be necessary in the process is delayed.
- AMEU Annual Tariff Survey
 - Completed January 2010 – results on website
 - Schedule calculations to be revised to ensue accurate comparisons
 - Suggested that EDI Holdings should be looking at tariff harmonisation possibilities.



Tariffs Committee [cont]

- Inclining Block Tariff (IBT)
 - NERSA decided in June 2009 that an Inclining Block Tariff Structure must be introduced for residential customers as a `method to protect the poor`.
 - Development in progress
 - Meeting convened on 10 February 2010 to discuss issues related to prepayment metering and `other metering challenges`.
- Training course
 - Feasibility being investigated.



Education & Training Committee

- AMEU/Eskom Training Standardisation
 - ETQA mandatory LMS (Learner Managing System) is being investigated for implementation by all providers
 - Workshop on comparison of “foreign qualifications” with those from RSA held on 15 February 2010
 - Quality Committee of Trades and Occupations (QCTO) reported to being established in 2011 now possible in February 2010
- Electrical Engineering Skills Shortage
 - Poor response to second survey
 - Attempt to obtain additional data



Education & Training [cont]

- EDI Holdings – skills shortages
 - Presentation on analysis of results or ringfencing process in 28 municipalities
 - Indicates average of 47% of critical skill posts are vacant
 - High level of attrition among munic electrical staff
- National Training and Development Forum
 - Presentation on Capacity Building Draft Strategy Framework
 - REDs success dependent on addressing the capacity gap
 - Recommended that EDIH support existing municipal programmes



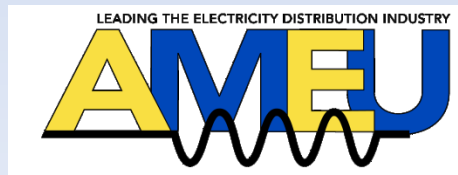
Education & Training [cont]

- Eskom training initiatives
 - Places for 6 municipal employees on Eskom's Technology Leadership Programme (TLP) – commenced February 2010
 - Invitation to municipalities to send trainees on Eskom's Leadership Development courses – circular sent to members
 - AMEU/Eskom NTTF has not yet been convened
 - HV Cable training facility (focusing on oil-filled cable) at EAL has commenced in conjunction with City Power (Ekurhuleni, eThekweni and City of Cape Town to be involved shortly)



Education & Training [cont]

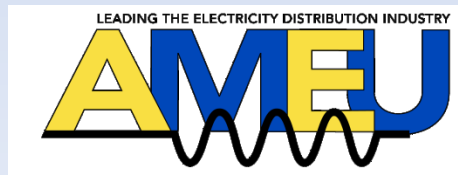
- LGSETA – Engineering bursaries
 - Presentation by Janet Davies, LGSETA
 - Discussion of mandatory grant vs discretionary grant process for municipal training
 - Discretionary grant for specific projects or learnerships to support municipal performance
 - AMEU/LGSETA to investigate implementation of bursary scheme funded by LGSETA
- CPD online process
 - Secretariat to investigate registration of points for AMEU activities being available on drop-down menu





Restructuring Committee

- Municipal benchmarking proposal
 - High level project plan being developed
 - Will contact AMEU for municipal support
- EDI restructuring progress report
 - Strategic implementation plan – not yet approved by Minister - to be discussed with DoE
 - Enabling legislation – Constitutional amendment Bill with Cabinet – public consultation to be decided
 - ADAM – major focus of EDIH but still no funding
 - Continuation of ringfencing projects (readiness of municipalities)





Restructuring Committee

- Ringfencing Insights
 - Extracted using an `hypothesis based approach`
 - Still work in progress
 - Seven (7) themes such as `Network maintenance related`; `Quality of Supply related`; `Investment related` etc
 - Investment into electricity infrastructure is not consistent across municipalities
 - Tariff differences across municipalities not as large as originally expected
 - Most municipalities have developed maintenance plans but do not implement
 - Results will be published in due course



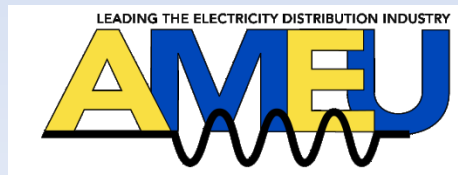
Technical Committee

- Solar water heating
 - Presentation by DoE (David Mahuma) on Minister’s announcement of target of 1m solar water heaters in ‘poor areas’ over next four (4) years
 - To be funded by Eskom tariff increases; some from fiscus and some from Clean Technology Fund (CTF)
 - Not the intention of NT to support DSM and EE for any length of time
 - Eskom rebate on SWH systems will not be sustained
 - Details of DoE plan cannot be shared at present – stakeholder consultation in due course



Technical Committee [cont]

- Green Power
 - Waiting for establishment of SBO and revised simplified PPA to move forward
 - Meeting to review Energy White Paper – 12 Feb 2010
- Eskom generation plans
 - AMEU nominations [S Moodley/ L Pieterse) submitted
 - Possible involvement with development of IRP2
- Electrification
 - DoE [INEP](#) reports





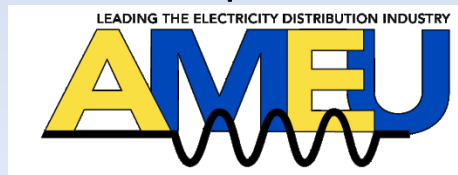
Technical Committee [cont]

- 2010 ESI Forum
 - Significant concern at attempts by SALOC to now place responsibility on Host Cities for the reticulation of precinct [stadium overlay] areas
 - Regional Task Teams (RTTs) meeting regularly
 - Service Coordination exercises to be held shortly
- Copper theft
 - Problems increasing
 - Regulations to 2nd Hand Goods Act not yet completed



Executive Council

- Strategic Issues
 - **Communication.** - Marketing and Public Relations Committees
 - Improve stakeholder relationships with major partners – DoE, SALGA, NERSA, CoGTA and relevant media
 - Provide a formal process for dealing with public relations and the associated image of the AMEU
 - **Training.** – Education and Training Committee
 - Investigate and implement internal training workshops on issues of importance for members municipalities
 - Investigate and implement a bursary scheme based on LGSETA funding and recommended processes to increase training opportunities in the municipal electricity environment





Executive Council (cont)

– **Gender equity.** – Standing Committee

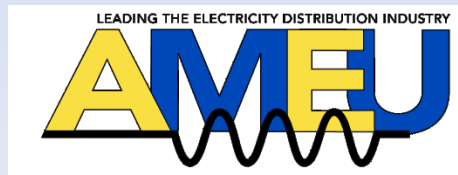
- Invite AMEU Branches to nominate a female member from among their membership base for co-optation onto the Executive Council and its committees

– **Financial stability.** – Standing Committee

- Increase efforts to improve the income level of the AMEU via increased membership levels, attendance at the Convention and higher levels of sponsorship

– **Relevance** – Tariffs Committee & Standing Committee

- Engage NERSA on the issue of municipal tariffs and commit to ongoing support
- Collection of statistics on municipal tariff levels and past and expected expenditure on electricity network maintenance and refurbishment





AMEU GH Branch meeting Bredasdorp – 21 May 2010

Thank you

