

KWA-ZULU NATAL BRANCH

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MINUTES OF THE GENERAL MEETING HELD AT ST LUCIA

THURSDAY, 26th FRIDAY, 27th MARCH 2009

PRESENT:

Dwayne Baker	Umhlathuze
Ken Tupper	Abaqulusi
Peter Fowles	AMEU
Rens Bindeman	SARPA
Mondli Mavimbela	EDI Holdings (present day 2)
Victor Mzulwini	EDI Holdings (present day 2)
Jay Kalichuran	eThekwini
Sandile Maphumulo	eThekwini
Nathi Nkwanyana	eThekwini
Ivan Laban	eThekwini
Roy Wienand	eThekwini
Veer Ramnarain	eThekwini
Jayshree Pershad	eThekwini
Manoj Singh	eThekwini
Maxwell Mthembu	Msunduzi
E S Myende	Msunduzi
Marius Koekemoer	Utrecht
Mark Donaldson	Endumeni
Rolf Niemand	Ladysmith
Rodney Goosen	Newcastle
Jaap Le Grange	uMlalazi
D Barker	Kokstad
Bheka Kanyile	Umhlathuze
Dolf Marais	Umhlathuze
B Cebekhulu	Umkhanyakude 9present day 2)
Derek Watson	Beka
Brent Killian	Beka
Krishie Gounden	Conlog
Pamela Rajah	Conlog
Benjamin Bosch	Conlog
Krish Govender	Alstom
Scotty Pillay	Alstom
Leon Fourie	PB Power
Guy Vaughan	CBI-Electric
Dirk Taljaard	CBI-Electric
John Wilkes	Locksecure (present day 1)
R S Jean	Nu-Lec Africa (present day 1)
Wendy Long	Elster Kent Meters
Neil vd Merwe	KV 3 Engineers
Danie Van Wyk	Motla Engineering
M vd Bank	TIS (present day 1)
Scott Morrison	Aberdare Cables (present day 1)
Henry Swanepoel	Aberdare Cables (present day 1)
L Steyn	Aberdare Cables (present day 1)
Gerald Brown	Schneider Electric (present day 1)
Gary Dawson	Genlux (present day 1)
Nkosana Ntlekeni	Eskom
Nyadi Mkulisi	Eskom
Danny K	Eason (present day 2)

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APOLOGIES:	Sew Harilal	eThekwini
	Bob Wallis	Affiliates
	Pradesh Ramsunder	Ladysmith
	Claudia Coetzer	ICS
	Tony Coetzer	ICS
	Gerhard Balzer	Umvoti
	Ron Millard	PB Power

1. WELCOME AND OPENING OF MEETING

Dwayne Baker formally opened the meeting and welcomed all to the meeting.

2. NOTICE OF MEETING

The notice of the meeting was duly served.

3. APOLOGIES

Apologies were noted.

4. ADOPTION OF THE AGENDA

The agenda was approved and adopted.

5. CONFIRMATION OF MINUTES OF THE MEETING HELD ON 27th and 28th November 2008 at Didima Camp.

Copies of the minutes had been circulated to all members. Minutes were then confirmed as correct and was then proposed by Peter Fowles and duly seconded by Ken Tupper.

6. MATTERS ARISING FROM THE MINUTES

None

7. REPORT FROM MEMBER OF EXECUTIVE COUNCIL

Peter Fowles reported back from the Committee meeting that was held on 10/11/12 February 2008.

➤ **Strategic Planning Committee**

- Looked at the output of the Scenarios workshop.
- The focused areas that the AMEU would like to look at in 2010.
 - Improved marketing of the AMEU. The AMEU has finally established itself as a leader in the electrical distribution industry.
 - Racial and gender representation on the Executive.
 - Clarification of areas of supply with Eskom/NERSA.
 - Politicians are getting involved in areas where Eskom has the supply authority.
 - Supply chain management blockages

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➤ **Skills Retention Workshop**

- A presentation was done by consultants on the remuneration and rewards processes.
- The consultants were tasked to create a plan on attracting and retaining skills in the Municipal environment, which is to be produced for circulation to all parties.

➤ **Legal & Statutory Committee**

• **Installation Regulations**

- Still no progress

• **Renewable Energy**

- NERSA held public hearings on REFIT on 5/6 February 2009.
 - There was significant stakeholder interest.
 - Concerns that the tariff levels will not promote renewable energy sources.
- Draft regulations (GG 31849) to apply to all generation of IPPs including renewables.

• **Power Conservation Programme (PCP)**

- The letter from the AMEU to the Chairman of NERT to withdraw the rules was declined.
- A number of meetings was held between Eskom and Municipalities to discuss the rules and the implementation.
- On the NERSA consultation paper comments were invited.
- A stakeholder workshop was on 10 February to discuss issues. (presentations are on the NERSA website)
- Provisional timelines suggested in the consultation paper:
 - 2nd draft consultation paper on 19 February 2009.
 - Comments are needed by 17 March 2009.05.30
 - Public hearing to be held on 2 April 2009.
 - NERSA decision by 30 April 2009.

• **RED Establishment Bill**

- No progress.
- A SALGA workshop was held on 17/18 November 2008.
 - Concept of the "Consolidator" was introduced.
 - A Deal document (23 issues around restructuring) was still not released by EDI Holdings.

• **Supply Chain Management**

- Discussions on delays in expenditure arising from SCM processes.
- Noted that:

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- The process works well in some Municipalities.
- The issue has been identified as a strategic issue by the AMEU Standing Committee.

- **Regulations on Compulsory Norms & Standards (GG 31250 of 18 July 2008)**

- A query from Mangaung on action to be taken on Implementation of efficient street lighting.
- It was resolved to obtain clarification from DME on the perceived restrictions on the operation of load management systems.

- **Maintenance Implementation Plan**

- Noted that NERSA have produced a plan to implement the resolutions of the 2008 summit.

➤ **Tariffs Committee**

- **Electricity Pricing Policy**

- DME's Electricity Pricing Policy was promulgated on 19 December 2008 (GG No. 31741).
- It seeks to obtain balance: which is affordability vs cost reflectivity.
- It provides direction and principles for electricity prices in South Africa.
- NERSA still has to develop the rules, regulations, plans and standards etc.

- **Multi Year Price Determination (MYPD2)**

- Public hearing was on held on 5 February 2009.
- No comments were submitted by the AMEU.

- **Eskom Tariff Restructuring**

- Was approved by NERSA in January 2009.
- The implementation date is 1 April 2009 and 1 July 2009 for the Municipalities.
- Want to link with the general price increase.
- Letters to the Municipalities are being drafted.

- **NMD RULES**

- Approved by NERSA.
- Demand from some Municipality >NMD.
- To be implemented on 1 April 2009 – shown on the bill but no charged raised initially.
- Customers to be given six months grace to apply for the increase in NMD and network upgrade if necessary.
- Intent: not to raise charges but encourage customers to apply for correct NMD.
- Letters are being sent to the Municipalities.

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- **Load Shedding**
 - NRS 048-9 workgroups established to define critical loads and guidelines on load shedding.
- **Renewable Energy Feed-In Tariff**
 - Was a well attended NERSA public hearing on 5/6 February 2009.
 - 22 presentations by stakeholders strongly urge appropriate tariff but all reject current proposals as being inadequate.
- **Environmental Levy – 2c/kWh**
 - Implemented was delayed to July 2009 and not yet gazetted.
 - Recovery mechanism to be split.
 - Pass through of 2c/kWh to customers.
 - Costs involved (e.g. losses) to be recovered as normal part of the tariff regulation process.
 - Process was approved by the Eskom Board.
 - The copy of the implementation document is to be sent to the AMEU shortly for distribution to Municipalities.
- **Regulations on New Generation**
 - Government Gazette 31849 (Notice R.79 of 30 January 2009).
 - Regulations to:
 - Procurement of new generation capacity from IPPs.
 - Ensure fair treatment of IPPs relative to Eskom generation.
- **Education & Training Committee**
 - **AMEU/Eskom Training Standardisation**
 - No progress with ETQA tender but Eskom is developing NQF 3 & 4 training material.
 - Roy Nolan to assist Naude van Rensburg.
 - **Electrical Engineering Skills Shortage**
 - No progress with the National Technical Development Forum (NTDF).
 - National Skills Development Indaba now only taking place ± June 2009.
 - EDI Holdings gathering skills shortage data as part of the ringfencing process.
 - The AMEU to conduct its own survey.
 - **Master Artisan Programme**
 - There was nothing to report on this.
 - **Training Fund for Artisans**
 - There was no response from ESETA to the mechanism to access the funds.

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- A focus on the Skills Indaba and the NTDF.
- There was a problem for smaller Municipalities to fund S&T expenditure for staff training. Issue to be raised with LGSETA.
- **MERSETA Qualifications**
 - Response from ESETA:
 - The matter was referred to SAQA and DOL
 - In the interim scrutinise applicants training credential before employment and test competency if any doubts.
 - Has ESETA accredited materials and facilities of MERSETA.
 - MERSETA certificate is for "Construction Electrician" and not Distribution.
- **Restructuring Committee**
 - **EDI Restructuring**
 - Good progress with the accession agreements.
 - 86 ringfencing projects scoped.
 - EDI Restructuring Bill, the March 2009 target is not likely to be achieved.
 - DEAL issues is still a high level negotiation.
 - TLRs has agreed to three HR proposals.
 - **Consolidator Principal**
 - Presented at the SALGA 2008 workshop and based on Eskom being the only structure 100% ready.
 - Eskom participation is suspended until suspensive conditions are met.
 - Will be only attending the Sponsors Committee meetings.
 - Concern that information from some Municipalities is outdated due to delays.
- **Technical Committee**
 - **Green Power & IPPs**
 - Public hearing on REFIT held on 5/6 February 2009.
 - Significant support for the provision of green energy.
 - Amatola Green Power was granted a licence to trade green energy.
 - **2010 ESI Forum**
 - Involvement of the National Treasury 2010 Unit with a Consultant from Germany.
 - Regional Task Teams becoming more active.
 - Confusion around DME procurement of stadium generation.
 - Load shedding during 2010 is a key concern.
 - LOC Technical Power Forum has not been operating to produce required stadium and overlay specifications.

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- **AMEU Representatives**

- Hannes Roos appointed to take over from Vally Padayachee on the Eskom/Industry Task Team.
- Representatives for NERT Workgroups:
 - Paul Vermeulan – DSM Implementation Co-Ordination
 - Roy Wienand – Legal & Tariffs
 - Tshwane to nominate a legal expert

- **Load Shedding**

- NRS 048-9 workgroup was established to define critical loads and guidelines on load shedding.

- **Distribution Grid Code**

- NERSA have advised Municipalities the Grid Code implementation would commence in November 2008 in two stages.
 - The first year to prepare for the implementation.
 - Licensees with demand >100MVA required to comply by November 2009.

- **Compulsory Norms and Standards for Reticulation**

- Restriction on operation of load management system to be clarified with DME.

- **Publicity & Papers Committee**

- **Convention 2009**

- Schedule to take place from 28 to 30 September 2009 in Port Elizabeth.
- Call for papers have been issued.

8. E-BULLETIN & AMEU NEWS

E-Bulletin articles of interest to be fwd. to Peter Fowles. Max Clark needs articles of interest for the AMEU News.

9. REPORT FROM THE AFFILIATES REPRESENTATIVE

Bob Wallis did the report back for the affiliates.

- Membership numbers are increasing.
- Increased participation by the members.
- Gave a feedback on the finances for the Affiliates.

10. Presentation by Locksecure – Electricity Supply Padlock & Fireball

A verbal presentation was done by Neil McDonald of Locksecure.

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DAY 2

All the members who went on the boat cruise had a lovely time and enjoyed a very relaxing evening at dinner.

A short video of the wetlands of St Lucia was shown by the owner of the conference venue.

11. Presentation by KV3 Engineers – The Maintenance of Electrical Supply Infrastructure

Presentation can be obtained on request.

12. Presentation BY EDI Holdings

Presentation can be obtained on request.

13. Presentation by Peter Fowles on the Power Conservation Programme

Presentation can be obtained on request.

14. Presentation by eThekwini on Energy Saving

Presentation can be obtained on request.

15. Presentation by Umhlatuze on the Engineering Services Contributions Policy

Presentation can be obtained on request.

16. Vote of Thanks

Ken Tupper thanked the presenters, sponsors for their contributions and the delegates for attending.

17. Closure

Dwayne thanked everyone for attending the meeting and wished everyone a safe journey back home.