

Energy Roundtable Summary

Background and Objective

The Manufacturing Circle facilitated an Energy Roundtable on 14 March 2023, hosted by Business Leadership SA (BLSA) at its Sandton offices in Johannesburg.

Attendees included member companies, affiliate members and subject matter experts.

The objective was to introduce the MC's Energy Strategic Project and focus areas comprising energy security, energy efficiencies, renewables and sustainability.

Energy Project Charter

- Overview and Status Update *(presentation attached)*

Energy Management and Energy Systems Optimisation

NCPC-SA OFFER TO MC MEMBERS

Free training on energy management or energy systems optimisation

Choose 1 of Chillers and Refrigeration, Pumps, Air Conditioning or Compressors
Or Resource Efficiency and Cleaner Production

Choose 1 of waste management, water management systems or biomass gas

If you want more than 1 opportunity, you pay for 1 and get two sites for free

We offer any of the training for free to relevant employees in your entire company on condition that your company signs up as a host plant.

I.e., we use the plant for expert level training site which allows for the company to receive energy efficiency implementation support. I.e. support you to become ISO 50 0001 Compliant or to target a plant system that requires retrofitting to become efficient to be a case study

The implementation support and training are available for free as part of the DTIC industry support programmes. NCPC-SA is also available for advisory support on various environmental policy and legislative compliance.

Details including contacts available on www.ncpc.co.za
Or speak to Manufacturing Circle to introduce you to NCPC-SA to claim the offer



South African Renewable Energy Masterplan (SAREM)

- Overview and Status Update *(presentation attached)*

Gaylor Montmasson-Clair, Senior Economist, Trade and Industrial Policy Strategies, TIPS

Business Insights

- Localisation Opportunities in the Solar PV Value Chain *(presentation attached)*

Virgilio da Molo, BUSA Localisation Project Manager

Eskom Engagements

- Preparations are underway for the BUSA-led engagement with Eskom Board members and Execs for the Eskom DSM Indaba (date TBA) and Business Roundtable (date at time of writing set for 19th April)
- To this end, the MC is working together with SEIFSA and has developed a joint position regarding:

Demand-side management measures

- **Loadshedding:** visibility and predictability. This is of critical importance, which in turn enables manufacturers to plan shifts and operations accordingly
- **Curtailment:** staggering industry operations to smooth demand requirements. There is merit in exploring different options for industry to assist in staggering operations to smooth demand requirements. However, a 'one-size-fits-all' approach is not feasible, and visibility from an Eskom grid operation perspective is important, to understand what is possible when assessing viable proposals

Supply-side initiatives

- **Grid constraints:** Transmission. Visibility of Eskom's Transmission Execution Plan and contracting methodology is of critical importance to enable supply-side manufacturers to plan according to anticipated demand
- **Capability:** Transmission. Local manufacturing capability exists in pylons, conductors, transformers and insulators. Capacity is a function of attaining visibility of demand
- **Visibility.** Understanding Eskom's Transmission Execution plan, contracting structures, and position on local manufacturing content is paramount. This work is being driven through the MC's involvement in the Steel Masterplan Demand Implementation workstream, and MC/SEIFSA BUSA engagements

Philippa Rodseth, Executive Director, Manufacturing Circle

NBI Report

- The report on Decarbonising South Africa's Heavy Manufacturing Sector is in the process of being finalised. It assesses opportunities for the heavy manufacturing sector to decarbonise by accessing renewable energy resources

Geeta Morar, Programme Manager- Climate and Sustainability

DISCUSSION ITEMS

Member Company Insights



Saint Gobain *(Carol-Anne Grimshaw, Sector and Market Intelligence Manager)*

- Saint-Gobain has led projects on Just Transition in climate change to develop decarbonisation strategies, with reports available on www.saint-gobain-africa.com



KAP Industrial Holdings *(Penwell Lunga, Executive: Corporate Affairs)*

- KAP's manufacturing divisions are primarily focussed on exports, therefore it is critical that the energy situation is fixed
- In addition, the carbon border adjustment mechanism, (CBAM) which is a carbon tax at the EU border, needs to be anticipated. Gaylor-Montmasson Clair (TIPS) explained that a transitional period will apply from October 2023 and the main sectors in SA that will be initially impacted are aluminium, iron and steel, and possibly chemicals



PFG Building Glass *(Jurgen Kruger, MD)*

- The PFG Building Glass factory is one of the 5 main energy users in the Springs area, City of Ekurhuleni. These 5 energy users amount 80% of the electricity supplied by the Springs JVA Substation
- For PFG Building Glass, operations are not severely affected by loadshedding, unless stage 6 is reached
- Losing electricity supply for longer than an hour however has significant impact

- The Springs JVA substation has had numerous problems over the past three years including vandalism and theft, compounded by poor security and maintenance which has led to fires and downtime
- When this substation caught fire three years ago, the factory was without power for 53 days
- Generators have been used as a back-up, with high additional costs
- Alternative energy solutions that could be procured on an aggregate basis by a group of high energy users and ways to enable industry to be more involved in the management and maintenance of the substation are currently being explored



MULTOTEC

Multotec *(Thomas Holtz, CEO)*

- Solar PV with battery storage has been installed across factory sites, and Multotec is actively pursuing the feed-in-tariff as part of their engagements with the City of Ekurhuleni
- Key to discussions is establishing how to be producers and consumers at the same time. More can be done on an aggregate basis and collaboration is key to drive the initiative forward as industrial users when engaging with government



Cemza *(Rahul Godbole, CEO)*

- Cemza's plant is based in the Coega SEZ. Arrangements between the Coega Development Corporation (CDC) and the Nelson Mandela Bay Municipality (NMBM) assist in managing loadshedding and operations are protected from power cuts up to stage 5
- Wheeling is important to consider in addressing power shortages- this is not difficult to put into practice as infrastructure is already in place, and will move power from the source of generation to where it is needed

Actions and next steps

- MC to facilitate introductions for member companies to NCPC-SA training offer on Energy Management and Energy Systems Optimisation
- MC to conduct an electricity survey to better understand member companies' footprint by factory location and power demand. This in turn will enable demand-side management discussions with Eskom and provide some visibility on aggregate power procurement opportunities (<https://www.surveymonkey.com/r/MBYH7VS>)
- MC to share information on the Carbon Border Adjustment Mechanism (CBAM)
- MC to circulate the final NBI report on Decarbonising South Africa's Heavy Manufacturing Sector

Attendees

Actom
Business Unity South Africa (BUSA)
CCBA Group

Cemza
CSIR/ NCPC-SA

Kap Industrial
Localisation Support Fund (LSF)
Macsteel
Manufacturing Circle Advisory
Manufacturing Circle

Mervyn Naidoo
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Nyamezela Metering

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PG Group
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Saint-Gobain
Trade and Industrial Policy Strategies (TIPS)
Webber Wentzel

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