



SAWEA CEO REPORT FOR AGM, 29 SEPTEMBER 2011

EXECUTIVE SUMMARY

The first year during which SAWEA had a permanent staff and office has proven to be a very eventful one, with much activity surrounding the roll-out otherwise demise of the REFIT. An office has been established in Rosebank, Johannesburg and the bulk of IT and administrative capacity required have been created. While intensive lobbying failed to save the REFIT, valuable relationships have been built with Government, NGO's, NERSA, and other industry associations for renewable energy. SAWEA has become a prominent spokesperson not just for wind but for renewable energy. On the financial front SAWEA appears to be robust and ready for another financial year. The membership base has been growing steadily and includes most prominent local and international role players in the industry. Our annual conference Windaba looks set to be a success in terms of content, awareness raising and fund raising. The working groups produced a volume of pertinent work of high quality over the past year that has contributed significantly to removing the barriers to wind power in the country. The website was well maintained and public and media liaison well covered. In general the Board was very supportive and competent.

The most important considerations for the next 12 months are:

- To keep the momentum of SAWEA going;
- Transforming SAWEA to be more demographically representative;
- Lobbying Eskom to ensure coherent planning around grid expansion and availability for wind projects;

- Ensuring that IRP 2012 does not take away what has been won for wind and renewables in IRP 2010;
- Resolving the DAFF issue re Act 70/1970;
- Formulating a strategic vision on where SAWEA is going and how it can collaborate with similar organisations in getting there so that fragmented, ill-informed government decision-making around critical issues can be avoided in future and there can be a real partnership between government and industry.

List of acronyms and abbreviations

CDM	The Clean Development Mechanism
DAFF	(National) Department of Agriculture, Forestry and Fisheries
DEADP	(Western Cape) Department of Environmental Affairs and Development planning
DOE	Department of Energy
IDC	Industrial Development Corporation
IPPASA	Independent Power Producers' Association of South Africa
NERSA	National Energy Regulator of South Africa
NGO	Non-governmental Organisation
REFIT	Renewable Energy Feed-in tariff
SAPVIA	South African Photo Voltaic Industry Association
SASTELA	South African Solar Thermal and Electricity Association
SAWEA	South African Wind Energy Association
SESSA	Sustainable Energy Association of South Africa
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WASA	Wind Atlas of Southern Africa

Background

Until April 2011, SAWEA was run admirably by a Board working without compensation in their free time. Subsequent to a special AGM of 28 February 2011 in Cape Town it was decided to change the membership structure so that fewer members paying more could fund a permanent SAWEA office and personnel. Marilize Stoltz and I were appointed as from 15 April 2011, Marilize as PA to the CEO and I as CEO.

Terms of reference/goals for years 2011 and 2012

The SAWEA goals agreed upon during the time of Marilize and my own appointment were as follows:

- Set up functional office and systems
- Build relationships with key people in government, industry, NGO sector, other renewables, CDM, UNEP, UNDP
- Lobby to ensure successful REFIT (IRP, MYPD, new generation regulations, REFIT scorecard, EIA process, DAFF process, CAA process etc)
- Facilitate a co-ordinated effort to optimise chances of CDM additionality for wind/REFIT
- Build relationships with other, similar organisations in wind and renewables locally and internationally
- Facilitate success with Windaba
- Strengthen the financial feasibility of SAWEA by good service to members and the investigation of donor funding
- Other or alternative goals as formulated by the Board

Assessment of progress

At the start of our term there was no permanent office, no auditors, and very incomplete systems in place. After the investigation of various options including taking up office space with IDC, it was decided that a distinct office would take too much time and effort to set up and that SAWEA should share office space. When the IDC option proved unworkable Warburtons Attorneys/Imbewu Environmental specialists were approached and a 12 month agreement was reached where office space could be shared for an amount of ZAR 6,500 per month. Marilize Stoltz shares in open office space while I have an office. The hosts supply us with all required logistical services.



The arrangement has worked out well. If it is possible to extend the agreement in Q1 of 2012, it is recommended that this be done.

Once the office was established, good progress was made with the following:

- Acquisition of laptop for Marilize Stoltz
- Acquisition of software licences
- Printing of business cards for Board and CEO
- Appointment of Auditors
- In the process of registering for PAYE/UIF
- In the process of registering for VAT
- The bank account was transferred from CT to Jhb
- Finalized change in signatories
- Set up internet banking

Marilize Stoltz has been doing excellent work particularly in the setting up of the office and systems and needs to be commended.

- Build relationships with key people in government, industry, NGO sector, other renewables, CDM, UNEP, UNDP; Lobby to ensure successful REFIT; Facilitate a co-ordinated effort to optimise chances of CDM additionality for wind in REFIT; Build relationships with other, similar organisations in wind and renewables locally and internationally.

The start of my term unexpectedly coincided with the first concerns about whether REFIT would proceed or be replaced by something else. In the course of these events, close relationships and/or working understandings were established with NERSA, DOE, DAFF, DEADP, National Treasury, IDC and several members of the media.

Supported throughout by Board members, various meetings were attended with representatives of the above bodies. Extensive and elaborate lobbying resulted to try and ensure that REFIT persists. These efforts included two letters to the Minister of Energy, several meetings with national treasury, a formal meeting with DOE, a meeting with the Parliamentary Portfolio Committee on Energy as well as meetings with all the major banks plus several press releases and comment in the media about the issues at stake. NERSA's public meeting on the REFIT was attended and oral and written presentations made on behalf of SAWEA. Various interactions with specific members can be noted, either to provide requested information or to elicit thoughts on the way forward.

When National Treasury eventually announced that they deemed the REFIT illegal and favoured a bidding system, an urgent meeting was set up at which all their legal concerns were noted and they were informed that in the opinion of SAWEA, the REFIT was legal.

SAWEA was invited to get legal opinion on the matter and advise treasury of the outcome.

Subsequent to this, Dewey Leboeff was engaged as legal advisors and through them, Advocate Wim Trengove SC was briefed to investigate the matter. SAPVIA and SASTELLA were engaged together with GreenCape to request co-funding the legal opinion. All the above agreed and I wrote the draft brief to counsel to contain costs. The legal opinion was received on urgent basis about ten days later and largely supported the conclusion that REFIT was legal and that the single point of doubt could be overcome.

The opinion was forwarded to all major roleplayers including NERSA, DOE and Treasury. The latter two did not change tack but seemed intent on pursuing a bidding system nevertheless. NERSA on the other hand stood firm in supporting the REFIT and only concurred with the Ministerial decision to favour a bidding system some two months later.

The final outcome was that a bidding system was followed rather than a REFIT. This meant that the original SAWEA aim to ensure a successful REFIT as it manifested in goals for the year had fallen away and been implicitly replaced by an aim to ensure that the bidding system leads to success in establishing a wind industry in South Africa.

Much good ensured from the original efforts to facilitate REFIT. Amongst the benefits and successes can be counted an excellent working relationship with SASTELLA and SAPVIA, a growing relationship with SESSA and IPPASA, and a good understanding with WASA/UNEP RISO and UNDP. Relationships with all the key people in government remain good despite the travails of the REFIT.

More work needs to be done to engage the NGO sector but a good start has been made in compiling the Windaba programme and ensuring NGO participation in key sessions.

The non-progression of REFIT and limited time after the announcement of REBID have obviated ambitions to address CDM additionality concerns in a coordinated fashion.

Windaba has laid the foundation for closer collaboration with EWEA (speaker on Programme) and this will be pursued and expanded in the time to come.

- Facilitate success with Windaba

Windaba was organised in collaboration with G-Wec and their local partner Omega. While there were some teething problems in the relationship, the overall synergy was excellent. Valuable input from the Board led to a conference programme that avoided the common pitfalls and managed to address a host of highly pertinent issues. Exhibition space was sold out. Excellent, high level speakers were secured, the request for abstracts was more than 100% over-subscribed, and good attendance was secured.

A special training session targeted the media and parliamentarians to elevate the national debate around wind energy and also catered for people new to the field.

The gala dinner at Madame Zingara proved to be a real draw card and SAWEA hosted several dignitaries at the event.

While the looming REBID deadlines probably caused some industry representatives to stay away, Windaba succeeded admirably in securing funding for SAWEA while addressing the pertinent issues facing the industry and building bridges to other important organisations and role players.

It is recommended that the partnership with G-Wec/Omega be continued for 2012.

- Strengthen the financial feasibility of SAWEA by good service to members and the investigation of donor funding

SAWEA managed through its working groups to address many of the stumbling blocks facing the industry and for the greater part led the renewable energy industry in these efforts. More detail appears from the reports of the working groups. The outcomes were communicated to the members through the data base.

A specific effort to recruit more members was launched with a breakfast event in Sandton where Board Members addressed invited guests about the state of play on the procurement of renewable energy, explained what SAWEA is about and invited the guests to become members. This membership drive met with success and some prominent new members ended up joining SAWEA as a direct result.

Donor funding was applied for through the Prosperity Fund but did not get awarded.

As appears from the Treasurer's report, SAWEA's financial standing as at the end of Windaba is sound and can support the budget for the next year.

- Other or alternative goals as formulated by the Board

The in-coming Board will be engaged to formulate a vision and set of priorities going forward.

Reports from Working Groups

SAWEA's board members and co-opted committee members can be commended for a Herculean effort in the past months to address an array of issues important in the further development of our industry. Several working committees engaged with government and Eskom and filed comprehensive and detailed reports, which will be alluded to in reports by the working groups to the AGM. Each of the working Groups has summarised its activities for the year in a report attached hereto as Annex A (1) – (9).

Notable progress was made on almost all fronts. The one exception has been DAFF's continued inertia in Act 70/1970 applications and this will be taken up with them soon.

The members of the working groups should be commended for excellent, selfless and high-quality work the fruit of which will still be enjoyed by the industry decades from now.

Website

The website was very competently managed by Nicolas Roland as assisted by Marilize Stoltz. Their efforts are appreciated.

Media and public liaison

Ian MacDonald liaised with media and was always available at short notice to ensure that statements and press releases were correct, diplomatic and where possible, non-confrontational. His efforts are appreciated.

Succinct thoughts on the year ahead

It is suggested that the most pressing concerns for the next 12 months will include the following:

- To keep the momentum of SAWEA going as an institution that pursues the common good for the wind industry especially now that a procurement system is in place, people are even busier and competition for PPA's is very tangible;
- Getting the same quality and quantity of time from Board members as was the case in anticipation of the procurement programme;
- Transforming SAWEA to be more demographically representative;
- Lobbying Eskom to ensure coherent planning around grid expansion and availability for wind projects;
- Ensuring that IRP 2012 does not take away what has been won for wind and renewables in IRP 2010;
- Resolving the DAFF issue re Act 70/1970;
- Formulating a strategic vision on where SAWEA is going and how it can collaborate with similar organisations in getting there;
- Finding a way to create an "Energy Nedlac" so that fragmented, ill-informed decision-making around critical issues can be avoided in future and there can be a real partnership between government and industry;
- Raising the level of the energy debate in the country;
- Considering a succession plan for SAWEA CEO

These discussion points will be discussed further with the incoming Board.

General word of thanks to the out-going Board

The SAWEA Board has been exceptional in their diligence, commitment to the common good and the quality of their work. Working with such a Board has been a pleasure and privilege. I wish to thank each Board member for the hard work, dedication and support and I hope most sincerely that some of you will remain on the Board for the next year.



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Johan van den Berg
CEO, 16 September 2011

INDEX

1.	Land rights-zoning	A1
2.	Wind Farm Logistics	A2
3.	Education & Training	A3
4.	Bird & Bat Ad Hoc Working Group	A4
5.	Strategic Environmental Framework for Wind (SEF) Ad Hoc Working Group	A5
6.	Technical Working Group	A6
7.	Policy	A7

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LAND RIGHTS-ZONING REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Land Rights- Zoning

People driving/assisting

Lance Blaine and Methuli Mbanjwa. Assisted by Anton Lotz (WC Town Planner) and Johan van der Westhuysen (EC town planner)

Aim

To get clarity from the provincial departments of planning on the preferred approach to zoning for wind farms in Northern, Western and Eastern Cape and to get DAFF's views on these approaches.

Activities during the year

Meetings with Northern, Western and Eastern Cape heads of provincial planning and summary of their views on zoning required for each province captured. Meeting with DAFF to discuss the zoning approaches for each province but no official reply to date from DAFF on this meeting.

Assessment of successes

Successful to a degree with regard to the provincial planning departments but not with regard to DAFF. With the Provincial Planning Departments even though the head planner gave their input this is not always what has filtered down to the municipalities so what was captured is not necessary what is happening on the ground.

Challenges

To get DAFF to state their views on the different types of rezoning proposed in the provinces and possibly to go further and to engage DAFF on how they assess rezonings and even possibly Act 70 of 70 applications.

Important points for the year ahead

Engage DAFF on their views on the different proposed provincial rezoning approaches and how they assess rezonings and even possibly Act 70 of 70 applications.

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WIND FARM LOGISTICS REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Wind Farm Logistics

People driving/assisting

Green Cape Initiative / SAWEA – Nicolas Rolland

Aim

Streamlining and coordinating all logistics issues related to wind farm construction

Activities during the year

SAWEA has engaged since several months with the Green Cape initiative, provincial lead initiative with the aim to establish the upcoming needs and possible bottleneck related to the shipping, national transport and installation of wind turbine components.

The working group constituted by national organisation Transnet, Provincial Government Western Cape, DT&PW & DEA&DP – spatial planning, local industry representatives (cranes and transport) and national road agency, Liaised with the industry via SAWEA, port authorities and road authorities to ensure that scheduling issues relating to the construction of renewable energy power plants are dealt with efficiently.

Assessment of successes

The preliminary studies helped to identify the priority harbour and possible related needs (cranes and lay-up areas) as well as geographical areas likely to be most affected by the upcoming project construction. Hauling routes have been identified resulting in some of which being given particular attention as far as permitting, possible upgrades or adjustment (e.g. traffic signs) as well as logistics (advertising and notification to users, travelling hours, escort and traffic officials needs) are concerned.

The working group has the aim to follow on the development of wind farm authorizations and adjust as projects receive approval.

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Challenges

- Taking caps into account there is a total of 1528.5MW of wind sites as of August 2011 that are ready for the RFP with more than 50% of these in the Eastern Cape
- About 75% of the allotted 1850MW may go into the first round
- About 16 farms have EIA approvals, which may go to 20 by November 2011
- Possibly 900 turbines over 2 years – losing about 180 days between farms for site establishment over 2 years

To meet the deadlines sites must erect 3 turbines per day, transporting 24 turbine combinations per day whilst spending 4-5 days on the road for each convoy

Important points for the year ahead

Secure full cooperation of the parties involved

Optimize the schedule as soon as preferred bidders are announced

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EDUCATION AND TRAINING REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Education and Training

People driving/assisting

Prof Wikus van Niekerk (Stellenbosch University)

Dr Francois du Plessis (GreenCape Initiative)

Daniel Werner (GIZ)

Dr Manfred Dutschke (GreenCape Initiative/Bavarian Government)

Aim

To focus on the on the development of human resources for the wind energy sector, ranging from skilled workers, artisans, technicians and engineers all the way to postgraduate teaching and research. SAWEA's role is to ensure that the appropriate skills are available for its members to employ to plan, construct, commission, operate and maintain wind farms. In the longer term skills may also be required by a wind energy manufacturing industry which will also be addressed.

Activities during the year

The flagship project of this working group is the development of the South African Wind Energy Centre (SAWEC). In this regard the following activities have been undertaken:

- a) The GIZ sponsored a delegation of German and Chinese experts to visit SA in December 2010 to engage with various stakeholders on the concept of SAWEC and share their experiences in setting up a similar centre, The Chinese Wind Energy Centre.
- b) The report of this delegation was unfortunately delayed but it was released in April and presented to stakeholders in Pretoria and Cape Town in May.
- c) A Steering Committee for SAWEC was formed, see attached table.
- d) The GreenCape Initiative took on a leading role in the development of SAWEC and undertook to deliver a business plan for SAWEC.
- e) Dr Manfred Dutschke started with a review of the existing curricula at the universities of technology to match the existing curricula with what will be required for wind energy technician training.
- f) A visit to the Eastern Cape was undertaken to discuss a satellite SAWEC in either East London or Port Elizabeth.

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Assessment of successes

The visit of the German and Chinese experts was well received and their report forms a useful base document to take the discussion forward. With the imminent deployment of wind turbines the urgency to get the training of technical staff off the ground is becoming more urgent. During the past year the “buy-in” to a SAWEA significantly increased with entities such as Eskom and the unions also engaging with the process.

The review of the technical curricula is nearly complete and the initial results indicate that the most appropriate training route will be the National Diploma in Mechatronic Engineering with additional training particular to wind turbines.

The GreenCape Initiative is actively pursuing a “home” and funding for SAWEA with a number of discussions with various government departments completed. GreenCape is also in the process of obtaining a preliminary design for the SAWEA complex and will submit a proposal to the Jobs Fund to fund the basic infrastructure.

The support from the GIZ in this effort has been very helpful to take this effort forward. The GIZ is prepared to make some funding available for this programme but mostly their contribution is in the form of making experts available to support of the development of SAWEA, training material and even training the first group of technicians.

Challenges

The most significant challenge to establish SAWEA remains the funding thereof. Although various funding opportunities have been explored there is no firm commitment from any source at this stage. The National Skills Fund may be the most likely funding source but accessing this Fund may be problematic as it needs to be done through a SETA.

In the discussions with the various government departments it became clear that it will be difficult to identify a “champion” in government driving this initiative. It is very important that such a champion be identified and supported in order to unlock funding and other issues pertaining to the development of the SAWEA.

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Important points for the year ahead

The following activities are planned for 2012

- a) A meeting between DHET, DoE, DST and the SAWEA team is being organised to discuss the cooperation and funding model.
- b) Another Feedback Session to the general wind energy sector will be held in November.
- c) The curriculum for the training of wind turbine technician needs to be finalised
- d) Negotiations with a higher education institution (CPUT, NMMU, or WSU) to make the required changes to their programmes to incorporate the additional material will be held
- e) A group of students already in the system will be identified that can be fast-tracked, probably by sending them abroad for additional training
- f) The funding for the training programme/s of SAWEA needs to be secured
- g) The collaboration within SAWEA between the various role-players will be formalised

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BIRD AND BAT AD HOC WORKING GROUP REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Bird and Bat ad hoc working group

People driving/assisting

Duncan Ayling (RES SA) and Nicolas Rolland (G7)

Aim

1. Provide strategic industry view to avifauna and wind energy issues.
2. Refine bird and bat monitoring guidelines.
3. Promote sustainable and responsible wind energy development that respects biodiversity and the environment.

Activities during the year

1. BAWEWG formed

SAWEA have formed the Birds (+ bats) and Wind Energy Working Group (BAWEWG) with the Birds (+ bats) and Wind Energy Specialist Group (BAWESG). The group will meet on a regular basis - every 6 months or when a need arises.

2. Bird guidelines consultation and revision

BAWESG have agreed to revise the guidelines with various changes and with the lessons learnt from the first year of their use. The revised guidelines are expected to be ready for viewing in January 2012. SAWEA will be involved in their revision and therefore will be fully consulted on any changes.

3. Cost benchmarking for bird and bat monitoring.

A total of 25 quotes were collected. It was immediately apparent that many lower cost/turbine figures were associated with larger wind projects where economies of scale are at work. Most quotes are between R1-7000/turbine but highest was approx R22k/turbine.

4. Bird and Bat training courses

BAWESG will be running training courses/workshops in October (for birds) and in January (for bats) in order to build up specialist capacity. SAWEA will provide a presenter to show support and give an update on SA wind with Q&A. SAWEA will circulate information on these courses to our members when available.

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5. **Bat guidelines consultation**

BAWESG publicly supported the bat guidelines which some SAWEA members felt were onerous and impractical. Through SAWEA's involvement with BAWEWG we were given the opportunity to comment to the authors. This will be debated at the next BAWEWG. The hope is to revise the guidelines to become practical best practice that developers are able to practically and economically follow.

Assessment of successes

Very good. (See activities)

Challenges

1. **Capacity issues**

Lack of bird and bat specialists available in South Africa – hence training courses. BAWESG will provide a list of consulting bird and bat professionals to put on SAWEA website. This is expected after the workshop(s) and will be updated as required.

2. **Data Sharing**

SAWEA will discuss internally the principle of (bird and bat) data sharing between developers or the submission of this data to an independent 3rd party.

3. **Arbitration**

The BAWEWG have offered to arbitrate if disputes arise between developers and specialists. How this would happen is not certain and may be difficult.

4. **Practicalities**

RES and G7 have been paying for room hire for the meetings. Attendee numbers have varied from 7 to 15. Costs are not large but accumulate over time.

Important points for the year ahead

Recommendation

SAWEA form an 'Environmental Working Group' to lead on issues such as birds, bats, and whatever else 'environmental' that comes up over time (e.g. noise, visual, games farms, fynbos, moles, bees etc). Environmental regulatory issues (e.g. SEF) would remain with the Regulatory Working Group but with support from the Environmental Working Group.

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STRATEGIC ENVIRONMENTAL FRAMEWORK FOR WIND (SEF) AD HOC WORKING GROUP REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Strategic Environmental Framework for wind (SEF) ad hoc working group

People driving/assisting

Duncan Ayling (RES SA) and Johan van den Berg

Aim

To engage the DEA on the proposed Strategic Environmental Framework for wind and ensure it is acceptable to the wind industry.

Activities during the year

1. SEF 1 consultation

SAWEA members were consulted on the SEF 1 document and a detailed submission made to the DEA.

2. A meeting with DEA was held on Friday 19 August 2011 in Pretoria.

- a. SEF1 has no official status. SAWEA was invited to write a letter asking for clarification of the status of SEF 1. DEA will officially respond to say that it is not signed off and official and it should not be referred to. DEA assured us that their case officers are not using the SEF 1 and should not be. Applicants must report it to DEA if they feel that a condition was entered unjustly based on the SEF.
- b. No retrospective application of the SEF would be allowed should it proceed;
- c. DEA do not have funding for phase 2 so cannot say how it will work or when yet. For the time being each EIA will be assessed on its own merits;
- d. DEA do not want to edit/revise the SEF 1 document but will make corrections in SEF 2 if/when it happens.
- e. SEF 2 will be much more participative if/when it happens.

Assessment of successes

Satisfactory - Until further notice each EIA is supposed to be assessed on its own merits.

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Challenges

DEA are not easily accessible to the wind industry. Efforts to engage and consult should be taken and encouraged.

Important points for the year ahead

While the SEF has no official status we as SAWEA members and wind stakeholders must be vigilant to ensure it does not get used on the ground as a guideline. SAWEA should maintain vigilance for SEF 2 however no further action is recommended at this time.

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TECHNICAL WORKING GROUP REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Technical Working Group

People driving/assisting

Francis Jackson

Aim

Interface with stakeholders and membership on wind industry concerns of a technical nature. Input to other SAWEA working groups where technical considerations are a factor.

Activities during the year

1. Established database of parties willing to contribute to Technical Working Group on a collaborative on-demand basis
2. SAWEA membership drive to technical and OEM contacts
3. DEA, Strategic Environmental Framework
 - a. attendance of SEF workshop
 - b. proposal to compile wind zones
4. Eskom
 - a. Strategic Grid Plan engagement
 - b. Coordinated Spatial Wind Capacity Distribution Assessment
 - c. GCCA-2012 feedback, queries and Eskom response to members
5. SABS
 - a. Engagement regarding requirements of testing facilities for IEC certification
6. Fielding of ad-hoc enquiries from members and members of public on issues such as
 - a. Land use policy
 - b. Wind data
 - c. WASA
 - d. Grid Code
 - e. ...other miscellaneous

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Assessment of successes

1. Successful solicitation of several key SAWEA memberships
2. Database for collaborative input
3. Good relationships established with stakeholders, in particular SABS, Eskom, DoE, DEA
4. Successful release of key documents for membership:
 - a. GCCA-2012 Discussion Document
 - b. SGP Scenarios: Spatial Distribution of Wind Capacity

Challenges

1. Coordinating wind zone information was naturally a challenge given the sensitive nature of such. Hence this was not a deliverable in time for SEF 1
2. Communication between Board and Technical Working Group could be improved – on the above issue a Board view was formulated without practical interface with feasibility of the concept.
3. Collating information from contributors – always a challenge to gather on time.
4. Grid Code review did not progress due to difficulty soliciting input at the time. Paid review would be most effective in some cases, however no budget established for such.
5. Review of technical components of IPP Procurement Programme a challenge due to all volunteer contributions from industry players tied up with execution of bids.

Important points for the year ahead

1. SEF 2 possible
2. Multiple aspects of IPP Procurement Programme will merit Technical Working group engagement
3. Practicalities of procurement and construction process for Preferred Suppliers.
3. Practicalities of procurement and construction process for Preferred Suppliers.

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REGULATORY & POLICY WORKING GROUP REPORT FOR THE YEAR ENDING SEPTEMBER 2011

Name of working Group

Regulatory and Policy

People driving/assisting

Davin Chown/Johan

Aim

The aim of the regulatory working group/team is to ensure that SAWEA is able to identify the key role players, and to engage with them on behalf of SAWEA in order to shape the short term and long term development of regulatory and policy environment so that it is conducive to the long term development and roll-out of the wind energy industry.

Activities during the year

For the year under review, it has been an extremely busy and important one. A number of key activities and interventions have been conducted in order to achieve the above objectives:

1. Establish contact and links with various key roles players across various levels of Government, in particular the Departments of Energy, Environment, Finance and National Treasury.
2. Ongoing dialogue with the National Energy Regulator with a view to garnering information regarding the development of the REFIT
3. Development of a collaborative platform for SAWEA, SASTELA and SAPVIA to engage with Government.
4. Facilitate several rounds of discussions between SAWEA itself, and then later in conjunction with SASTELA and SAPVIA, with NERSA and the National Treasury with a view to developing the REFIT and subsequently the bidding frameworks.
5. Preparation of a position paper and subsequent presentation at the REFIT revision hearings on behalf of the industry.
6. Lead the commissioning of a review paper of the legality of the REFIT in order to inform discussions with NERSA and National Treasury.
7. Provide inputs to the modeling for the IRP2010 and lobby government with regard to a greater uptake of wind energy in the 2011 to 2016 window. Presentations were made to the IRP review teams in Johannesburg and in MidRand during the latter half of 2010.
8. Ongoing discussions with Government on the potential development of a renewable energy umbrella body that will act as a 'council' to secure the interests of the broader renewable energy sector in South Africa.

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9. Intervention made to secure information, and engagement with the cross-departmental working committee) Eskom, NERSA, DoE, DAFF, provincial Governments, etc) dealing with the strategic environmental framework for the siting of wind farms.
10. Facilitated the set up of a meeting between Eskom and industry members in order to commence the process of engagement around grid development strategy.
11. Represented the wind industry's view at numerous industry fora and energy conferences.
12. Working with SAPVIA and SESSA, have developed a position paper and set of proposed commitments from the industry to be included in the Green Economy Accord via NEDLAC.
13. Participated in, and advised on, the development of the SA Renewables Initiative with the Department of Trade and Industry.
14. Participated in TIPS/DTI workshops to shape the IPAP2.

Assessment of successes

SAWEA has met with success at a number of levels and also come up against some significant barriers in others:

- Achievements
 - We are now a well know entity and respected across Government, and often called on to present to various Government for a on a range of issues from energy policy to industrial development and trade policy.
 - We have managed to increase the allocation of wind energy under the revised 'Policy Adjusted' IRP2010.
 - Influenced the Government to reconsider their approach in dealing with EIA's and EA's leading up to the bidding process.
 - Represented the industry's view on numerous
- Barriers
 - Encountered a great deal of resistance to engaging directly with certain Government role players.
 - Lack of real knowledge in Government, in particular Ministerial level, on the value of wind energy to South Africa.
 - Lack of public awareness re the value of wind, and what it is/how it works, is creating resistance at community level, and this is playing in ot the hands of people in Government who do not support wind energy as a supply source. We need to actively counter this and counter the flow of mis-information to Government.

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Challenges and Important points for the year ahead

One of the key challenges that remains is to convince Government, in particular the Department of Energy, that wind energy can play a major role in the development of South Africa's economy. Significant lobbying needs to be done at this level. Other key challenges:

- Strengthen engagement with Government, in particular DoE and National Treasury
- Facilitate the implementation of the joint industry-Government energy council
- Continue to develop links with other business associations e.g. BLSA, BUSA
- Ensure that we are able to develop more in-depth research work in order to strengthen our lobbying position with Government
- Prepare for IRP2012
- Continue with high level dialogue with social partners via NEDLAC.
- Commission research/position papers on key critical topics in order to educate Government counterparts.
- Intensify and better structure our engagements with civil society and other structures.
- Ensure the industry association becomes more representative of South African society and embraces transformation.