

Assets Working Group Report

Report for the Year Ending December 2015

Activities during the 2015 financial year

Areas of work have emerged as the industry evolves. The following areas have required attention during the course of 2015:

Health, safety and environment

Health and safety is a major area of activity for wind industry associations in mature markets.

The members of the Assets Working Group believe that health and safety is sufficiently important to require a dedicated Working Group in its own right. The Assets Working Group will therefore promote and support the establishment of a dedicated Health and Safety Working Group to improve health and safety in the industry by sharing lessons from incidents, best practice, training programmes, development of standards and the like.

Environmental compliance is also an important area. The members of the Assets Working Group believe that co-ordination between industry members on environmental compliance should be achieved via either the Health and Safety Working Group or the existing Environment Working Group.

Compliance reporting on economic development

The achievement of economic development commitments, and particularly Socio-Economic and Enterprise Development programmes is a key reputational matter for the wind industry and the REIPPP programme. DOE's IPP Office is working to improve the standard of reporting on IPP compliance with Economic Development commitments. The Assets Working Group is well positioned to engage with DOE on the implementation of this system and the implications of reports emanating from the system.

The Assets Working Group is currently assisting the IPP Office with the pilot implementation of a web-based data collection and reporting system.

Evolution of the grid code and resolution of any outstanding temporary exemptions

A range of temporary grid code exemptions remain in place for most if not all operating wind farms. These exemptions represent a significant commercial risk to affected assets since any withdrawal of grid code compliance would have very serious commercial implications. Members have undertaken to share experiences from operating assets to promote industry interests in the evolution and application of the grid code.

Evolution of Operating Agreements with network operators

Eskom's national and regional network system operators continue to refine their approach to dealing with generation sources. Working Group members have undertaken to share information between assets where issues arise.

Application of municipal property rating systems

Jeffreys Bay Wind Farm has reported that in late 2014 Kouga Local Municipality applied for a massive property rates hike to the eight farms on which the wind farm is located. These increases had been contested and appealed. On examination there appears to be policy uncertainty as to how the Municipal Property Rates Act should be applied to land supporting this class of infrastructure. Other wind farms are likely to experience the same challenge. The Working Group will continue to share information and will consider engaging with government to clarify the policy.

The Assets Working Group will work closely with SAWEA's Land Working Group on this matter.

Intra-industry communication

The collapse of a turbine at Dorper Wind Farm led to media enquiries at other wind farms. A rapid intra-industry communication system will be established to disseminate facts between operating assets in the event of similar incidents.

Industry Key Performance Indicators

The Working Group agreed to establish and maintain a set of high level key performance indicators as a basis for comparing wind farm performance.

Energy Power Research Institute

The Working Group will investigate the possibility joining EPRI.

Tax concessions

The South African tax authorities have granted various concessions to stimulate investment in the renewables industry. The application of the tax code is relatively untested for wind farms and there are some potential grey areas that require clarification. KPMG have suggested that SAWEA establish a process to define these areas and to engage with the relevant authorities. A task team of tax experts from operating assets may need to be established. KPMG are busy drawing up a proposal in this regard.