

Energy Partners Solar

Rooftop PPA market in South Africa

15/11/2019

Our vision...

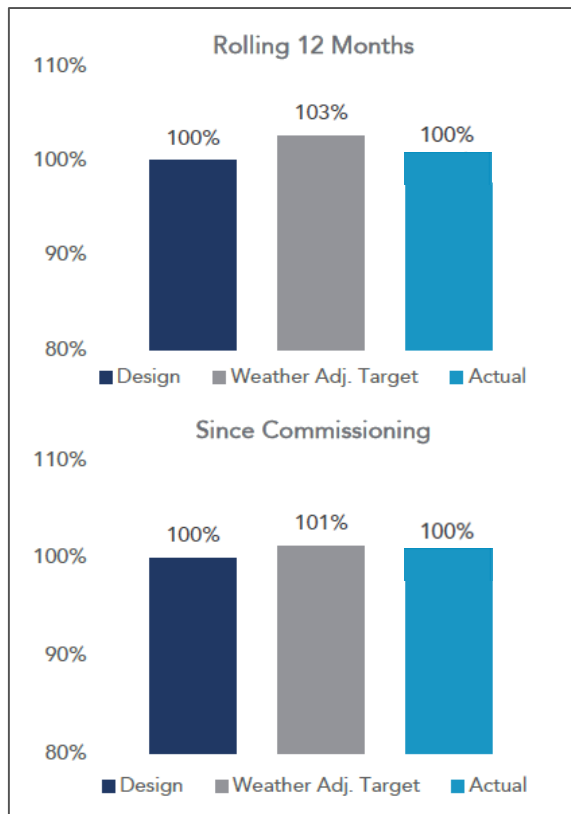
*“We aspire to sell
the most economical **Utilities**
in Africa”*



EP Solar is a leading Solar PPA provider in the Commercial & Industrial space

We own 20 MWp of solar
(performing on target for > 6 years)

We own the largest rooftop PPA in Africa –
PnP Longmeadow (2.4MW)



PICK 'N PAY LONGMEADOW DC

2400 KWP
INSTALLED CAPACITY

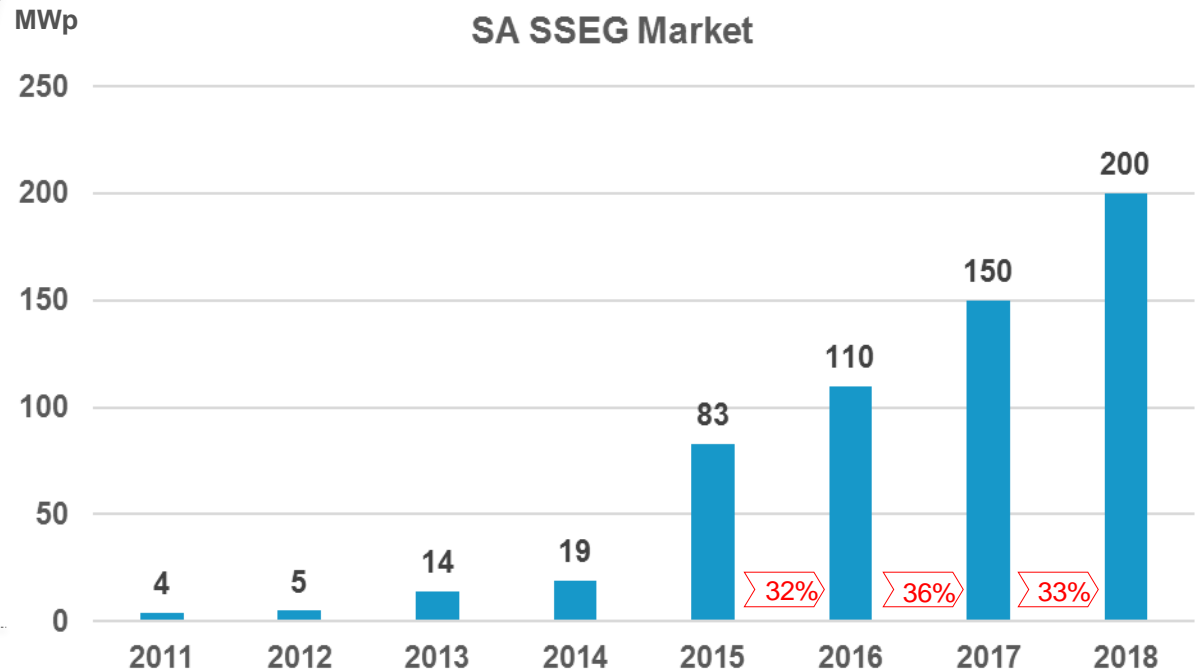


The **SA C&I market** is showing a consistent growth year on year – **still in early stages**.

SA Total C&I market
– **10 000 MWp**
(Value = ~R100B)

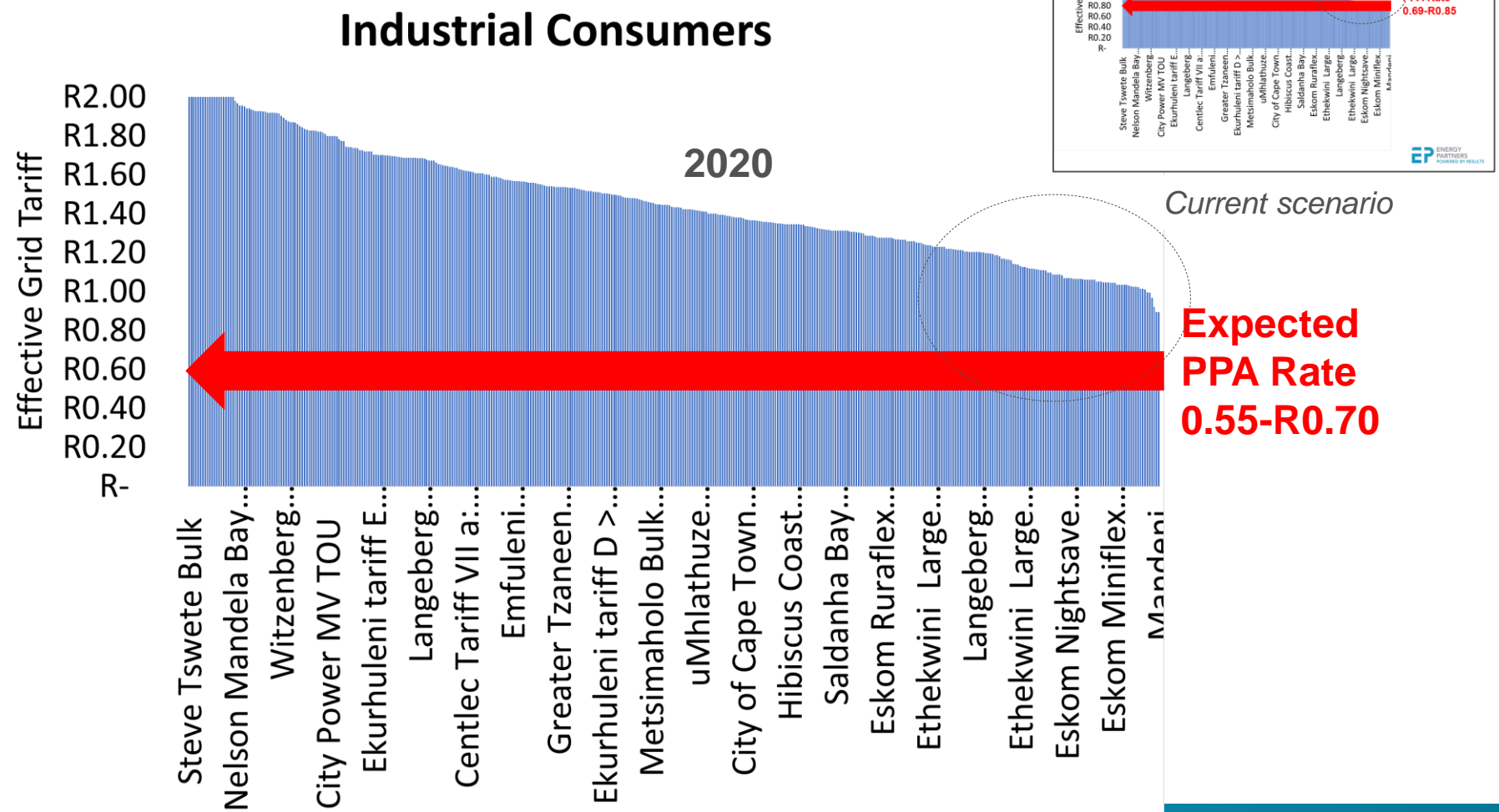


1GW completed
(Dec 2020)

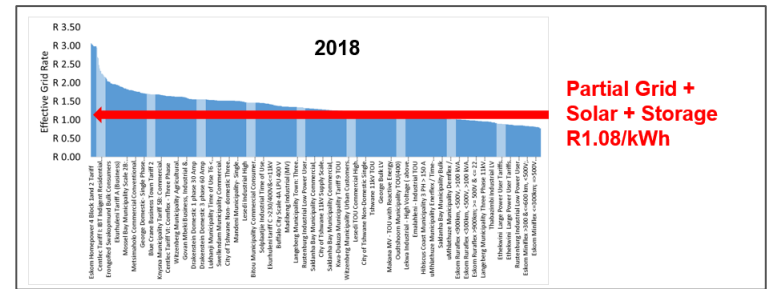


We estimate close to 1GW
built by end 2020

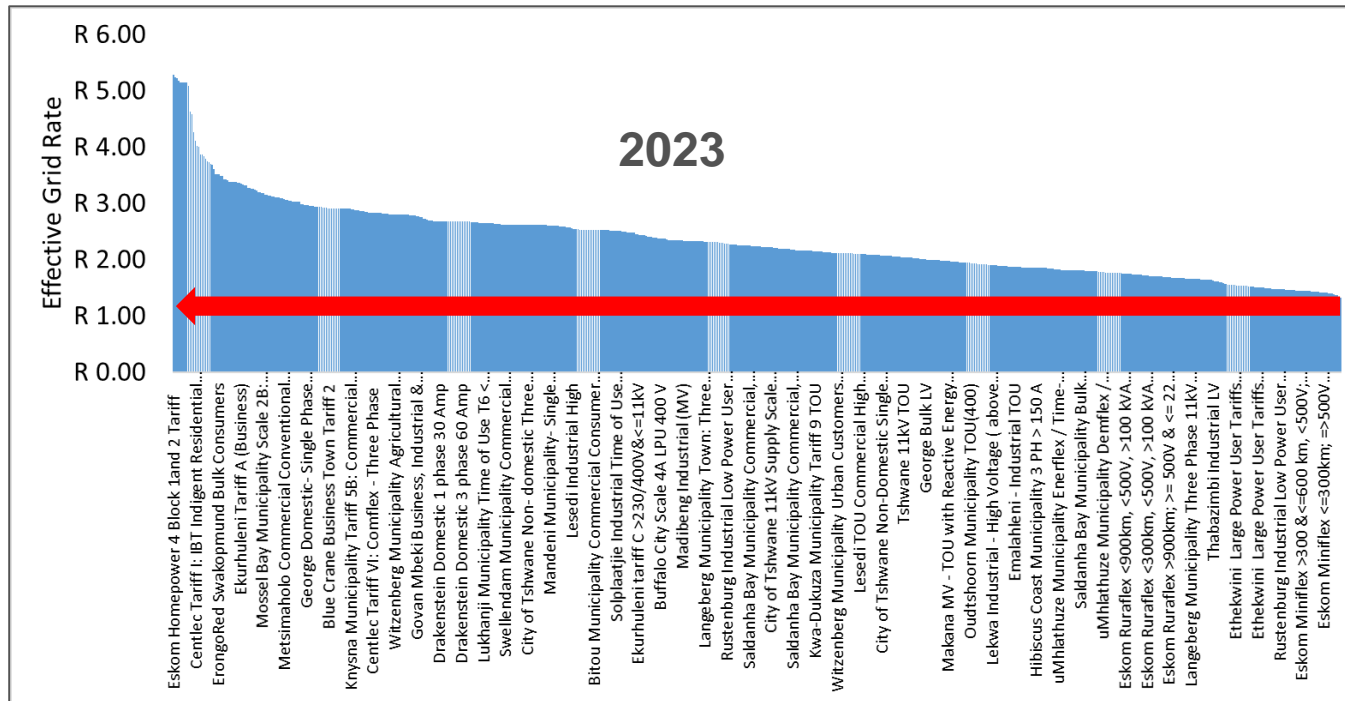
In less than 24 months ALL Industrial Consumers will pay more for grid power than solar rooftop PPA's can offer



In 5 years Partial Grid + Solar + Storage will be feasible all Time of Use tariffs



Current scenario

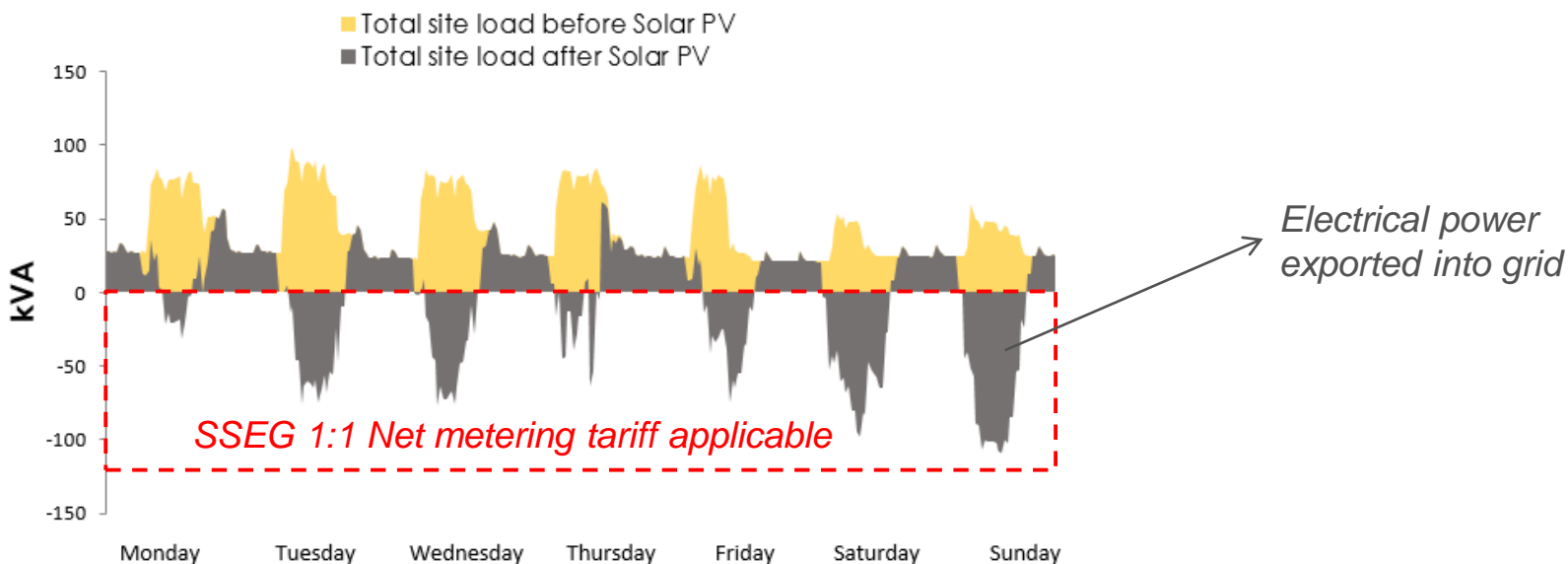


Partial Grid +
Solar + Storage
R1.09/kWh

Net-metering is slowly being implemented across SA - we leverage this to maximise system size

Municipality	Typical Tariff (R/kWh)	Net-Metering Tariff (R/kWh)	Client
Nelson Mandela Bay (PE)	1.27	1.27	Quantum Foods-Thornhill
Drakenstein (Paarl)	1.17	0.49	SAFT-Cold Harvest
COCT	1.20	0.74	TECO Manufacturing-Parow
City of Tshwane	1.13	0.10	
Breerivier	1.33	0.89	GRW, BBK, Pioneer Foods

Solar impact consumption at Quantum Foods - Thornhill - a typical week



The 1MWp NERSA limit has resulted in significant untapped potential (but also inhibits growth)



Client 1 - JHB
1.2MWp / 4MWp



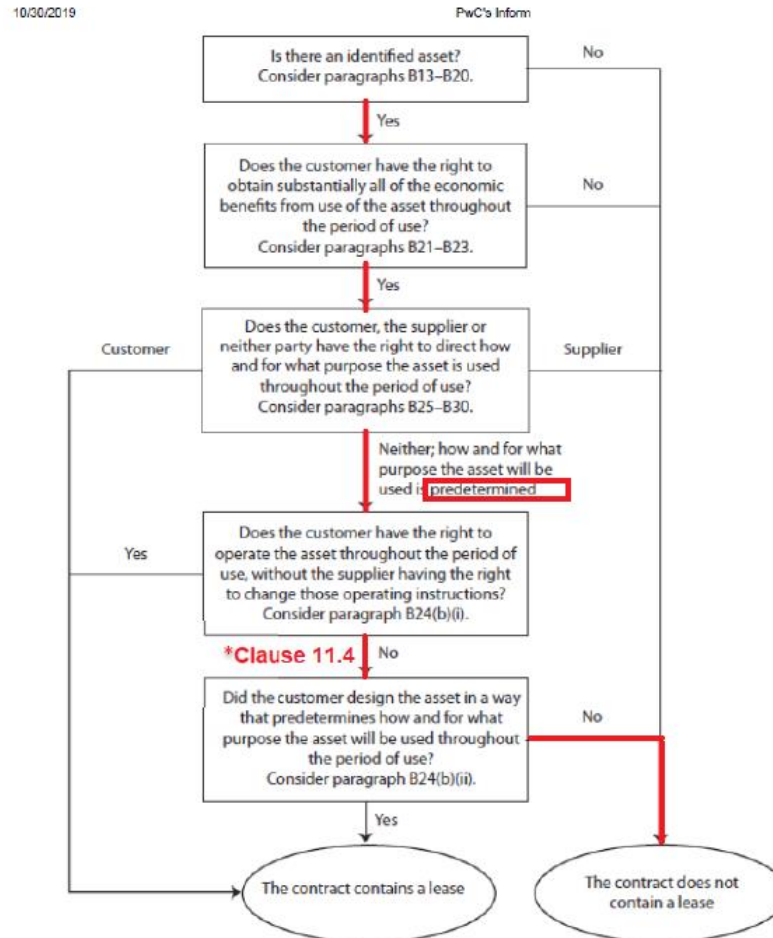
Client 2 - JHB
1.2MWp / 6.5MWp

C&I PPA's should be **flexible and transparent**

- **PPA vs Roof Rental vs Co-Own**
 - PPA's realise most value for client
 - Co-Own must be done in innovative ways – otherwise JV's can be very cumbersome and does not make sense <10MW
- **Tariff escalation clauses clearly defined - preferably fixed**
- **Annual buy-out values pre-determined and included in contract**
- **Minimum generation should be guaranteed**
- **MOST IMPORTANT: Verify suppliers 'demonstrable track record'**
 - Many suppliers promise the ability to do PPA's
 - **Verify actual Solar PPA's up and running – NOT total solar footprint built of supplier**

Confusion in the market on Accounting Treatment – PPA's does **NOT** go onto client Balance Sheet

The flow diagram below explains the rules around the accounting treatment of contracts for energy & power:



**Refers to the EP PPA contract specifically.*

Thank you

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