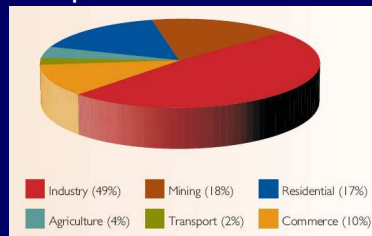


Unlocking DSM Opportunities

Mark Tanton
CEF Sustainability

Overview of DSM

- DSM focus
 - Lowest cost approach, low hanging fruit
 - Incentives biased towards large industrial users
 - Limited success in other sectors
 - Focus on the private sector



Energy Consumption in SA

The public sector



- The role of local authorities
 - Distributors
 - reduce distribution losses
 - Consumers
 - reduce internal consumption
 - the largest industrial user
 - Sellers
 - influence consumption
- Very limited DSM success – WHY?

Public sector barriers



- MFMA
- Energy efficiency not core business
- Capacity constraints
- Budgeting issues – lead times for approval
- Contradicts current business model
- Complex, cross-departmental type projects
- Buy-in at all levels
- Risk

Public sector opportunities

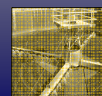
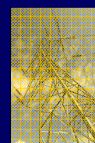
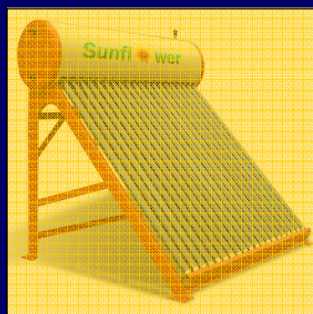


- Public lighting
- Water pumping
- Waste water
- Municipal Building retrofits
- Domestic projects
 - Large-scale solar water heating
 - CFL roll-out
 - Ripple control
- Distribution loss reduction

The DSM Target



- Target = 3000 MW by 2012
- Major cities consume say 10 000MW
- 10% EE = 1000MW = 1/3 of target



Creative DSM solutions



- Combined CDM and DSM roll-out
 - CFL
 - Large-scale SWH
- Load control programmes – power alert
- Time of use tariff
 - Intelligent household

Overcoming the barriers



- Aligning incentives
- Intelligent project structuring
 - Financing
 - CDM
 - DSM
 - Technology
- Partnerships
 - Public-public partnerships
 - Supplementing capacity
- Capital
- Scale
 - From marginal to attractive
 - Requires partnership

Theory into practice



- Nelson Mandela Bay Municipality
 - Contractual arrangements
 - Schedule 2, state owned entity
 - Financial implications
 - No cost to council
 - Shared savings

Contact details

tsitsic@cefsustainability.org.za

