



Participation Rules

Distribution

Title: **Load Management Programme
(Load Shifting and Clipping)**

Participation Rules

Alternative Reference **N/A**

Number:

Area of Applicability: **ESKOM HOLDINGS SOC LTD**

Functional Area: **Distribution**

Revision: **1 July 2024**

Total Pages: **9**

Next Review Date:

Disclosure **Controlled Disclosure**

Classification:

Compiled by

Recommended by

Authorized by:

Jerome Pakkiri
Project Manager
IDM CoE

Pradesh Mewalala
Programme Manager
Eskom Dx – IDM CoE

Al'Louise Van Deventer
General Manager (Acting)
Dx Tech and Engineering

Date: 20 December 2023

Date: 20 December 2023

Date: 20 December 2023

Table of Contents

1. Introduction	3
2. Purpose of the Load Management Programme Rules and overview	3
3. Definitions and Interpretations	3
4. Qualification and Participation Requirements	5
5. Project Developer's obligations.....	7
6. ESKOM's obligations	8
7. Safety	8

1. INTRODUCTION

The content within this document describes the rules that govern the Load Management Programme.

2. PURPOSE OF THE LOAD MANAGEMENT PROGRAMME RULES AND OVERVIEW

2.1. Purpose of the Load Management programme rules are to:

- 2.1.1. Set out a mechanism whereby Eskom can provide an incentive to project developers for reducing electrical load during Eskom defined evening peak periods (2 hours). A project developer may be an Eskom customer or a customer who is fed from a municipality or specialist service provider who is appointed by a customer.
- 2.1.2. Set out the minimum requirements for project developers to participate in the programme.
- 2.1.3. Provide structure with regards to project developer participation and how they can benefit from the programme.

2.2. Overview

- 2.2.1. To achieve the objectives of the Load Management Programme the project developer will be required to comply with the Rules to determine performance with respect to demand reduction as outlined within the agreed contract.

3. DEFINITIONS AND INTERPRETATIONS

- 3.1. **Annual or per Annum** – a consecutive 12-month calendar period.
- 3.2. **Business Day** - means any day during which banks are open for business in the Republic of South Africa, excluding a Saturday, Sunday, or public holiday.
- 3.3. **Compensation for Reduced Demand**- means the arrangement in terms of which ESKOM shall pay the Project Developer for the energy reduced during the specifically agreed Time Periods within the Contract Period, due to the reduction of demand with reference to the Customer Base Load Profile.
- 3.4. **Compensation Rate - means** the rate at which ESKOM shall pay the Project Developer for the Demand reduction.
- 3.5. **Condonable Period** – A period excluded from consideration within a performance period.
- 3.6. **Contract Period** – The contract period is the total period of the contract between ESKOM and the Project Developer.

- 3.7. **Customer** – An electricity consumer facility supplied by ESKOM from the interconnected grid including customers supplied by a Municipality where the Load Management initiative will be implemented.
- 3.8. **Customer Base Load (CBL)** - means a daily profile (from Monday to Friday), derived from the CUSTOMER's previous year's summer and winter profile representing the amount of electricity the CUSTOMER would have consumed in each Integration Period for the days
- 3.9. **Demand Reduction - means** the resultant reduction in the energy consumption
- 3.10. **Demand Reduction Period** – ESKOM evening peak defined periods for summer and winter (2 hours)
- 3.11. **End Date** – The contract closure date.
- 3.12. **Force Majeure** - Unforeseeable circumstances that prevent the customer from fulfilling the terms of the contract.
- 3.13. **High-demand season** - means the TOU Period from 1 June to 31 August of each year.
- 3.14. **Integration Period** - means 30 consecutive minutes over which the load at a particular metering point is accumulated.
- 3.15. **Load Shifting** – means moving demand (MW) from Eskom peak defined evening period to off peak or standard periods
- 3.16. **Low-demand season** - means the TOU Period from 1 September to 31 May of each year.
- 3.17. **Metering Data** – Measured half-hourly integrated energy consumption data supplied from an approved electricity meter, verified through the ESKOM process.
- 3.18. **Municipality** - A town or district that has local government and is a reseller of electricity.
- 3.19. **Peak Clipping** – means reducing demand (MW) during Eskom defined evening peak period.
- 3.20. **Point of Supply** - Means either a single point of supply or a specific group of points of supply on ESKOM's System from where electricity is supplied to the customer.
- 3.21. **Project Developer** -means the entity that will implement the project in accordance with the terms of the Contract
- 3.22. **Starts Date** –means the contract inception date.
- 3.23. **Time of Use (TOU) periods** – Defined times of day/week in an electricity tariff as approved by NERSA.

4. QUALIFICATION AND PARTICIPATION REQUIREMENTS

- 4.1. The Load Management programme is open to all Project Developers including customers that meet the qualification criteria whether supplied by a municipality or ESKOM.
- 4.2. The programme will be open to all electricity consuming sites within South Africa.
- 4.3. Project Developers must reduce a minimum of **0.2 MW** of their consumption baseline during **periods 6-8pm during low demand season and 5-7pm during high demand season**.
- 4.4. Aggregation up to a maximum of 4 sites will only be applicable to commercial facilities of the same entity.
- 4.5. For purposes of Measurement and Verification, aggregation of sites is limited to a single technology/process.
- 4.6. All electricity consumers that qualify to participate in the programme can submit the relevant documentation for evaluation within the open window period.
- 4.7. The participation conditions are:
 - 4.7.1. A minimum demand reduction of 0.2MW is required to participate; demand reduction must be achieved in the specified evening peak period.
 - 4.7.2. The Project Developer must respond to the call for proposals providing the project information, the value of load (MW) to be reduced for the specified period, utilising the templates provided
 - 4.7.3. The maximum contract duration for the Load Management programme is 30 months.
 - 4.7.4. Contracting
 - ESKOM and the Project Developer shall enter a maximum 30-month contract, where the end date will remain fixed.
 - The Project Developer will be allowed a maximum of 6 months from the start date of the contract to commence with the load shift. The 6-month period is to allow the Project Developer sufficient period to implement Load Management measures so that demand reduction measurements may commence.
 - The performance measurement will only start at the beginning of a calendar month.
 - The Project Developer has a maximum allowed period of 6-months to complete implementation, should the Project Developer fail to meet the

6-month implementation period then the sustainability period will be deemed to commence on the 1st day of the following month.

- An authorized Measurement and Verification (M&V) body will be appointed to conduct all measurement and verification functions and to report on the performance of the project.
- Eskom shall measure the demand reduction and provide quarterly reports indicating demand reduction achieved against contracted value.
- Demand reduction will be reported quarterly for 24 months i.e. 8 quarterly reports.
- The Project Developer must notify Eskom within seven business days of a force majeure event occurring.
- Eskom will evaluate the request for force majeure applicability and has the right to accept or reject the force majeure period request.
- The Project Developer must provide all electrical metering equipment for the purpose of measurement and verification of the project and comply with requirements set out by Eskom and/or the M&V body.
- A signed Measurement and Verification Plan and Baseline must be in place prior to signing of the contract.

4.7.5. Compensation

- The contract compensation will be weighted equally over 8 quarterly periods.
- No compensation for over performance will be allowed, payments will be capped at a maximum performance value of 100% per quarter.
- Upon receipt of the quarterly performance assessment report from the M&V body, Eskom would then calculate the applicable rebate payable to the Project Developer for the quarter.
- Calculations are based on the approved compensation rate.
- Eskom will then issue the Project Developer the value to be invoiced for that quarter, as per the Assessment Period (AP) performance reflected in the Performance Assessment Report.
- On receipt of a valid invoice from the Project Developer, Eskom will within 60 calendar days from date of receipt of the valid invoice, make payment to the Project Developer.
- The Quarterly payments will be based on the formula:

- $[\text{Actual Performance (MW)} \times \text{Approved Compensation Rate (Rm/MW)} \times 1/8]$.

4.8. Measurement and Verification

An independent Measurement and Verification body will be appointed to perform the following tasks:

- Develop a measurement and verification scope and plan.
- Determine the customer base load and obtain sign off.
- Verify demand reduction achieved in each quarter.
- Provide the relevant performance reports.

4.9. Measurement to start at the beginning of a calendar month after the completion certificate is received.

4.10. Participating customers' electricity payments must be up to date to participate in the programme.

4.11. Project Developers may participate in the programme under the following conditions:

4.11.1. No double compensation with any other ESKOM incentive programme or special electricity pricing agreements with the particular site or premises, unless with written permission from ESKOM is granted.

4.11.2. Project Developer must notify ESKOM of any special electricity agreements in place at the particular site or premises.

4.12. Reference Period for Baseload

4.12.1. The CBL for a customer group point of supply shall be determined if necessary.

4.12.2. The latest annual baseload will be utilised but not limited to determine baseload profile. (This will take into consideration seasonality)

4.12.3. The M&V body has the right to incorporate adjustments and utilise historical usage patterns necessary to establish the baseload.

5. PROJECT DEVELOPER'S OBLIGATIONS

5.1. Commence and complete the Approved Project at the Facility at its sole cost and risk, upon Contract start date.

5.2. Ensure that ESKOM and the M&V body, upon reasonable notice (5 working days) given, have access to the Facility for the duration of this contract.

5.3. Ensure that the necessary equipment required by the M&V team is available at the project site.

5.4. Ensure that necessary site permits, induction requirements are provided for necessary site visits

5.5. Provide and install the required M&V equipment.

- 5.6. Maintain the accuracy of the M&V Equipment, at own cost, for the duration of the contract.
- 5.7. Provide a Completion Certificate to indicate that all work has been completed for the commencement of measurement and verification.
- 5.8. Comply with all applicable legislation which relate to the implementation and continued operation of the contract.
- 5.9. Do all that is reasonably required and necessary to give effect to the terms and spirit of the contract.

6. ESKOM'S OBLIGATIONS

- 6.1. To compensate the Project Developer for the evening peak demand reduction in accordance with the terms of the contract.
- 6.2. ESKOM to contract with the Measurement and Verification (M&V) body and pay fees to the M&V body as per the contract between the parties.
- 6.3. Perform all other functions reasonably required and necessary to give effect to the terms and spirit of this Contract.

7. SAFETY

- 7.1. The Project Developer must provide a safety plan and agree to operate according to the minimum safety requirements as set out by ESKOM and to comply fully with the relevant Safety Act governing the industry.

This document was influenced by the following:

Name	Designation
Pradesh Mewalala	Distribution-IDM Programme Manager
Arvin Lankesar	Distribution-IDM CoE Project Manager
Jerome Pakkiri	Distribution-IDM CoE Project Manager