

How to stimulate the South African rooftop PV market without putting electricity distributors' financial stability at risk

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ABSTRACT:

In South Africa, embedded PV is at retail grid parity today. It is even cost-competitive to alternative new-build options ("new-build parity"). Many electricity customers are therefore already installing embedded PV. This would lead to an uncontrollable "under the radar" market for embedded PV, with potentially unsafe practices. Furthermore, it would lead to bankruptcy of many electricity distributors due to lost margins owed to self-consumed PV energy. It is better to embrace the development as an immense opportunity for quick, inexpensive ramp-up of significant amounts of additional energy supply. The CSIR Energy Centre therefore developed a Net Feed-in Tariff concept, in which electricity distributors are made financially indifferent to embedded PV, and the business case for the PV owner is de-risked at the same time. This all at no net costs to the system as compared to alternative new-build options. The concept is currently being discussed with the relevant government departments, the PV industry and with the regulator for potential implementation.

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