



IDC Energy Resilience Scheme to Mitigate Loadshedding

Western Cape DEDAT
ALTERNATIVE ENERGY SOLUTIONS FOR SMMEs
WEBINAR: FUNDING OPPORTUNITIES

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Loadshedding has become a significant business risk that threatens the survival of many SMEs.

To assist SMEs, the IDC has put together the **Energy Resilience Scheme** with the following concessionary funds:

1

Scheme for Energy Services Companies (ESCOs). The IDC is in the process of appointing several ESCOs nationally to help scale the response to loadshedding. The ESCOs will provide financed energy solutions to SMEs across all sectors. This will be primarily aimed at SMEs that prefer a financed solution rather than owing the energy solution asset.

2

Localisation of renewable energy components. To ensure that the loadshedding crisis becomes an opportunity for locally-based OEMs to manufacture/assemble solar PV panels, inverters, batteries and power-related components to generate, transmit, distribute, and regulate electrical power.

3

Township and rural energy support scheme. This is a grant scheme targeted at township and rural business to assist them with acquiring energy solutions to mitigate loadshedding. Intermediary service providers will be appointed after an open call process.



1 Scheme for Energy Services Companies

Scheme Objectives

- **Scaling rollout to SMEs nationally.** To assist IDC to reach as many SMEs as possible.
- **All sectors may apply to ESCOs.** Not limited to the usual IDC mandated sectors.
- **Provide competitive electricity tariffs to SMEs.** Leveraging concessionary funding to provide competitive electricity rates to SMEs.
- **Transitioning SMEs to renewable energy to make them more energy resilient.** Assist SMEs to become more energy resilient with renewable energy back up systems to mitigate loadshedding.

Type of ESCOs that will be appointed

- **ESCOs with a track record and financed energy solutions.** Should have systems and processes to provide financed energy solutions through contracts, preferably incorporating Operations & Maintenance (O&M) services.
- **Joint applications.** ESCOs that have established relationships, business development and credit management systems with commercial banks and other financial services providers may make joint applications.

How will they assist SMEs?

- **Power purchase agreements.** A long-term (10-15 years) contract between an ESCO and a customer. The ESCO owns and installs the equipment and charges the customer for electricity used. The ESCO also maintains the equipment.
- **Power lease agreements.** The customer leases the equipment from an ESCO over a long period with a monthly repayment.
- **Instalment sales agreements.** Customers purchase the energy equipment from ESCOs and pay it off over a period.

Where are we in the process?

- The rollout to appoint ESCOs began in May 2023.
- Expect to on-board our first ESCOs in July 2023.
- IDC will communicate with market who the appointed ESCOs that SMEs can apply to via our website www.idc.co.za.



2 Localisation or components

Scheme Objectives

- **Expand and deepen renewable energy component manufacturing.** To support locally-based OEMs with concessionary funding to manufacture/assemble solar PV panels, inverters, batteries and power-related components to generate, transmit, distribute, and regulate electrical power.

What does the scheme offer to OEMs?

- **Working capital for stock building and order book.** Support local OEMs to build stock due to high demand and to service current order book.

How will SMEs benefit from localisation?

- **Up to 15% grant funding for local products (T&Cs apply).** SMEs will benefit by getting up to a 15% grant against the value of locally produced products. So, when you approach and ESCO make sure they consider local as you may benefit from the grant scheme.

Where are we in the process?

- Scheme is open to local OEMs.



Scheme Objectives

- **Energy back-up support for township and rural businesses.** The will include providing solar and battery solutions for businesses with established infrastructure, generator and battery back up for micro/informal businesses.

How will businesses access the grants

- **Appointment of strategic integrated partners.** The IDC will appoint strategic implementing partners in each region where qualifying township and rural business can apply to for grant funding.
- Maximum grant of R250k per energy solution.
- Larger township and rural business should apply to ESCO funds or directly to IDC.

Which township and rural business qualify?

- Focus on businesses that were affected by the energy crisis
- Small traders, informal traders, social businesses, small retailers in townships, small towns and rural areas
- Business in existence or those recently closed due to the effects of the energy crisis

Where are we in the process?

- Scheme is not yet open.
- Awaiting board approval of grant funding.
- Expected launch in July/August 2023 after open call process.



Questions?



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