STELLENBOSCH
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2024-03-04

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MINUTES

URGENT MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2025-03-04 AT 09:00

M I N U T E S

URGENT MEETING OF COUNCIL

OF STELLENBOSCH MUNICIPALITY

2024-03-04

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MINUTES **URGENT MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY** **2025-03-04**

PRESENT

The Speaker, Cllr Q Smit [Chairperson]
The Executive Mayor, Ald JS Fasser
The Deputy Executive Mayor, Cllr M Slabbert
The Council Whip, Cllr P Crawley

COUNCILLORS

RA Adams
Ald JC Anthony
R Cupido
MM Danana
JA Davids
I De Taillerfer
R Du Toit
A Ferns
AJ Hanekom
RB Hendrikse
SC Heneke
J Joon
O Jooste
X Kalipa
TO Kumm
EP Masimini
NM Mkhontwana
L Nkamisa
M Nkopane
N Ntsunguzi
N Olayi
GA Petersen
RO Pheiffer
WF Pietersen
SR Schäfer
A Tomose
M Van Stade
E Vermeulen
J Williams

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OFFICIALS

Municipal Manager (G Mettler)
Chief Financial Officer (K Carolus)
Director: Corporate Services (A De Beer)
Director: Community and Protection Services (G Boshoff)
Director: Infrastructure (S Chandaka)
Director: Planning and Economic Development (A Barnes)
Chief Risk Officer (H Priem)
Acting Chief Audit Executive (M Krige)
Senior Administration Officer (T Samuels)

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1.	OPENING AND WELCOME

The Speaker welcomed all present at the Urgent Council meeting.

2.	COMMUNICATIONS BY THE SPEAKER

NONE

2.1	COMMUNICATIONS BY THE MUNICIPAL MANAGER

The Municipal Manager communicated the sudden passing of a colleague in the Law Enforcement Section, Mr Cycil Abrahams. She expressed her heartfelt condolences on behalf of Council and the Administration to the family, colleagues and friends of Mr Cycil Abrahams. The Speaker requested a moment of silence.

3.	DISCLOSURE OF INTERESTS

NONE

4.	APPLICATION FOR LEAVE OF ABSENCE

3.1 The following applications for leave of absence were approved in terms of the Rules of Order By-Law of Council:-

Cllr J Andrews	-	3 March 2025
Cllr E Groenewald	-	3 March 2025
Cllr Mananga-Gugushe	-	3 March 2025
Cllr C Manuel	-	3 March 2025
Cllr NE Mcombring	-	3 March 2025
Cllr WC Petersen	-	3 March 2025
Cllr MG Rataza	-	3 March 2025

3.2 **ABSENT**

Cllr XL Mdemka	-	3 March 2025
Cllr Ndalasi	-	3 March 2025
Cllr JP Serdyn	-	3 March 2025
Cllr R van Rooyen	-	3 March 2025

5.	**REPORTS BY THE MUNICIPAL MANAGER [G METTLER]**

5.1	**STELLENBOSCH MUNICIPAL INDEPENDENT POWER PRODUCER PROCUREMENT PIONEERING PROJECT - 50MW SOLAR PV & 15MWH BESS IPP FEASIBILITY STUDY REPORT CLARIFICATION**

Collaborator No:
IDP KPA Ref No: **Sustainable Valley**
Meeting Date: **04 March 2025**

1. SUBJECT: STELLENBOSCH MUNICIPAL INDEPENDENT POWER PRODUCER PROCUREMENT PIONEERING PROJECT - 50MW SOLAR PV & 15MWH BESS IPP FEASIBILITY STUDY REPORT CLARIFICATION

2. PURPOSE

For Council to take note of the clarification of the approved Feasibility Study Report (**Stellenbosch Municipal Independent Power Producer Procurement Pioneering Project – T008/23)** report approved by Council in August 2024.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

Before embarking on a procurement process, it was deemed necessary to conduct a feasibility study to investigate, amongst others, the technical and financial viability of technical solutions, staff implications as well as the legal and regulatory environment. The Transaction Advisor has previously completed the Feasibility Study report, which is attached as **Annexure B.**

"The Feasibility Study for the 50 MW IPP project revealed that the most feasible options for the Municipality to pursue are:

- Option 1: Solar PV of 50MW only, or;
- Option 2A10S: Solar PV of 71MW and Battery Energy Storage System BESS of 10MW (at a reduced size).

The Western Cape Government undertook, in parallel to the above processes, a formal Eskom confirmation on Grid Capacity, as well as a formal Eskom confirmation on how they view aggregated supply between the Municipal Points of Supply ("PoS").

Within the Feasibility Report it was specifically pointed out that:

"It is also noted that the large batteries (e.g., Options 2A/B and 3A/B) required for significant loadshedding reduction, **are not economical** (with due consideration of the profit benefit associated with lower unserved energy), given low utilisation levels (batteries substantially used for dispatch during load-shedding) and high capex cost.

A smaller battery, as modelled in Option 2A10S, can provide savings, as well as some contribution to reducing unserved energy under a no-loadshedding scenario".

This feasibility report therefore revealed that the Municipality's requirement to commence with the investigation to generate at least sufficient electricity such that the municipality will *have the benefit of two levels lower from any Eskom loadshedding levels* **could not be met** as it would not be financially viable for the municipality.

Furthermore, Council at a Special Council meeting on 14 August 2024 noted this condition. Since the Council resolution of 14 August 2024, the Directorate commenced with the procurement processes and therefore wishes to remind Council

that the 50MW Solar PV and 15 MWh BESS Project is being embarked upon with the procurement process which is at the Bid Specification stage at this moment.

Benefits of implementing the *50MW Solar PV and 15 MWh BESS Project* would be:

- Procurement of electricity from the IPPs will be at a lower tariff than Eskom's tariff.
- The 15 MWh BESS will be charged by the PV Solar Plant during peak hours thus saving on consumption from the Eskom supply.
- Maintenance & repairs of Solar PV and BESS plants will be the responsibility of the IPP.

This Item therefore seeks to remind Council of the above approvals provided in the Feasibility Study Report, as well as approved by Council in August 2024, so that expectations from Council are properly adhered to in the Bid Preparation Process.

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NOTED

(a) the clarification of the Feasibility Study Report (**Stellenbosch Municipal Independent Power Producer Procurement Pioneering Project – T008/23)** approved in August 2024;

(b) the project is in the Bid Specification phase of the procurement process of the 50MW Solar PV and 15 MWh BESS Project;

(c) that Council be reminded that the chosen option and size of battery energy storage, as per the approved Feasibility Study by Council in August 2024, will unfortunately not contribute to the Municipality reducing Eskom loadshedding levels, but is projected to significantly contribute towards electricity costs savings to the Municipality and ratepayers; and

(d) that should no responsive bidders be found, it will result in the tender cancellation, whereafter Council will be informed.

FOR FURTHER DETAILS CONTACT:

NAME	***Nombulelo Zwane***
POSITION	***Senior Manager: Electrical Services***
DIRECTORATE	***Infrastructure Services***
CONTACT NUMBERS	***021 808 8324***
E-MAIL ADDRESS	***nombulelo.zwane@stellenbosch.gov.za***
REPORT DATE	***27 February 2025***

The meeting adjourned at 09:20.

CHAIRPERSON: ……

DATE: ……

Confirmed on ……