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Water and Sanitation  
REPUBLIC OF SOUTH AFRICA



# STRATEGIC OVERVIEW: DWS REQUEST FOR WATER USE LICENCE APPLICATIONS FOR HYDROPOWER GENERATION

## PUBLIC BRIEFING SESSION

**Dr. Sean Philips**  
**Director General: Water and Sanitation**  
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**Protea Hotel, O R Tambo, Ekurhuleni / Virtual link**

## LAYOUT

- Background
- Our Mandate
- Policy positions on hydropower
- Key principles of the hydropower water use licence application initiative

## BACKGROUND

- The National Development Plan set a target of 20 000MW of **newly-build generation capacity** from renewable sources by 2030. The introduction of **renewable energy as an alternative source of energy** can contribute not only to Strategic Infrastructure Projects but also to **electricity generation** in remote areas.
- On 25 July 2022 President Cyril Ramaphosa announced an '**Energy Action Plan**' to tackle South Africa's power crisis. Among other interventions is to accelerate the procurement of new generation capacity and massively increase private investment in generation capacity by:
  - **Removing the licensing threshold** for embedded generation completely and tabling special legislation in Parliament on an expedited basis to address the legal and regulatory obstacles to new generation capacity for a limited period.
  - **Waiving or streamlining certain regulatory requirements** “where it is possible to do so within existing legislation”, which could include reducing the regulatory requirements for solar projects in “areas of low and medium environmental sensitivity”
- In responding to the above, DWS revised its hydropower policy to enable **utilization of DWS infrastructure and water resources for renewable energy generation**. The policy empowers DWS to remain within its mandate while supporting the much-needed investment in renewable energy generation in the country.



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## OUR MANDATE

### a) The Constitution of the Republic of South Africa

**Section 24 and 27: The rights to have the environment protected and sufficient food and WATER;**

### b) National Water Act, Act 36 of 1998:

**Section 2: To ensure that the nation's water resources are **PROTECTED**, used, developed, conserved, managed and controlled in ways which take into account amongst other factors –**

- (a) meeting the present and future basic human needs
- (b) promoting equitable access to water;
- (c) promoting the efficient, sustainable and beneficial use of water in the public interest;
- (d) facilitating social and economic development;
- (e) protecting aquatic and associated ecosystems and their biological diversity;
- (f) reducing and preventing pollution and degradation of water resources;
- (g) meeting international obligations



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# POLICY POSITIONS

## SCOPE

- The provisions within this policy will be applicable to prospective and existing hydropower, solar and wind generators wishing to develop projects on [DWS-owned infrastructure and utilising rivers](#).
- The policy defines the DWS [authorisation process](#) that shall be followed for renewable energy development within DWS-owned infrastructure and utilising rivers.
- It identifies [infrastructure](#) such as dams, barrages, weirs, irrigation systems (canals & conduits) as well as run-off river schemes as potential sites for hydropower, solar and wind generation. Usage of water resources for hydropower, solar and wind generation will follow the currently existing regulatory [framework defined in the National Water Act, 1998 as amended](#).
- This Policy also addresses [the authorisation process](#) for all hydropower, solar and wind types of renewable energy as recognised and adopted by the Department of Energy White Paper on Renewable Energy of 2003 and reviewed in 2021.

# KEY POLICY POSITIONS

The following policy principles will apply to all institutions (Private or Public) in the interest of balancing sustainable water resource protection, water and sanitation provision and hydropower generation:

## 1. WATER SUPPORT FOR INTEGRATED AND SUSTAINABLE POWER GENERATION

- *DWS will support the development of hydropower as part of both social and economic development within the context of water scarcity and water infrastructure challenges without compromising sustainable protection of water resources and water and sanitation services provisions.*
- *The role of DWS is to approve water use licences and grant access, under stipulated conditions, to the Department's infrastructure for the purpose of renewable energy generation and related technologies (e.g. floating solar and wind turbines). This encompasses all stages from Planning, Construction/Development, Operation & Maintenance and Decommission stages satisfying all required activities, including the application of recognised Private Public Partnership (PPP) models.*

# KEY POLICY POSITIONS

## 2. ENSURING RENEWABLE ENERGY PRICING

*The Department will charge cost-reflective tariffs for the usage of the water infrastructure and the water resource. The tariffs will be informed by water resource management, infrastructure management principles and optimum functional requirements. The tariff will also be aligned to the maximum plant capacity.*

*Non-consumptive water use charges for both hydropower and floating solar photovoltaic technologies will be guided and achieved through DWS's Pricing Strategy in consultation with National Treasury and relevant institutions (as and when amended).*

## 3. COMPULSORY COMPLIANCE WITH DAM SAFETY STANDARDS AND OTHER NECESSARY SAFETY REQUIREMENTS, WHILE SECURING THE INTEGRITY OF INFRASTRUCTURE AND SUPPLY REGIMES

*Compulsory compliance and non-negotiable adherence to all DWS dam safety standard requirements will form part of water use licence and/or concession agreements related to renewable energy generation using DWS infrastructure. DWS will inspect facilities regularly to monitor risks of compromising water security and dam safety. The inspection process will, amongst others, look at instrumentation, equipment maintenance, reading frequency and procedures, including activity level procedures. In the rare event that safety is compromised, such should be reported to DWS in the prescribed format.*

## 4. PROTECTION OF WATER RESOURCES

*The protection of water resources is covered under all the provisions informing the licencing processes as well as policy position 6.1 in the White Paper on the National Water Policy for South Africa.*



# KEY PRINCIPLES OF THE WINDOW FOR WULA APPLICATIONS FOR HYDROPOWER



DWS will not in any way be in a position to take ownership during the operation or post-closure of the hydropower plant that will be constructed as a result of this RFA.

DWS will not provide any financial support to the applicants, during application, construction, operations and maintenance.

The developer/applicant is responsible to apply for a water use licence and request for permission to use DWS infrastructure, procure and operate its equipment, and make arrangements for the sale or use of the power generated.

The application and assessment process will be managed in line with the National Water Act.

The process is competitive, fair, transparent and underpinned by the spirit of equity allocation of water resources

The Department will ensure that there adequate and ring fenced resources for applications to ensure that the committed timeframes are met.





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