

NuRa Energy Pty Ltd
ERF 11731 Old Main Road
Hluhluwe 3960



Reg no.1999/025581/07
VAT no 4210193597

NuRa Energy started in 1999 as a Utility provider for rural areas in North KwaZulu Natal. The name in the early days was NUON/RAPS (Pty) Ltd. It was a partnership between NUON (Dutch grid supplier) and RAPS, a South African company and developer of the ICT 'Fee for service' business model used by 5 other concession owners.

The company was supplying relatively small Solar Home Systems for the Department of Energy to the rural households in a concession area in North KwaZulu Natal. The sales were based on a 'Fee for Service' business model: Customers were paying a monthly fee for the replacement and maintenance of the systems. NuRa Energy grew to a base of around 22000 customers by 2015.

The company built the infrastructure in the concession area ranging from the Hlabisa-Mtubatuba line to the Mozambique border line, Ingwavuma- Manguzi on the right side of the N2 to serve those customers. 9 Energy Stores were set up to allow people to buy the credit for their SHS and allow operations for maintenance and replacements from the Energy Stores. About 100 staff members were employed in the company with a fleet of 30 motorbikes, 10 bakkies and a 4- ton truck.

FRES (a Dutch foundation) was set up when NUON decided to move away from Africa to concentrate their business on Northern Europe. FRES set up 4 other solar companies in Africa running similar businesses on the same business model, 'Fee for Service'.

FRES was managing NuRa Energy on behalf of NUON but never owned the company. FRES supported their solar companies, including NuRa Energy in South Africa, to set up the companies, do improvements, buy assets or pay for operational expenditure, and was using money from donors like World bank, NUON and the Dutch Government among others (www.fres.nl).

FRES employed Peter de Wit to start up and manage their fourth solar company in Africa in Uganda in 2010.

After the setup of the company with a Head Office in Mbarara, 4 Energy Stores and a customer base of 1500 customers, the management of the company was handed over to a local General Manager.

NuRa Energy

As mentioned, the company was set up in 1999 by NUON Renewables (80%) and RAPS (20%) and grew into NuRa Energy (Pty) Ltd with a customer base of 22,000 customers registered on their database in the concession area by 2015. The company had massive growth.

from 2010 -2015. The Department of Energy approved contracts for NuRa Energy to install 3,000 to 4,000 Small Solar Home Systems per year.

An interim Operational Manager, Peter de Wit was employed by FRES to better and streamline the operations in 2013-2014 to be able to handle the growth of the business. Next to installing the

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new systems the company needed to service their customer base from the Energy Stores with maintenance and replacements. The company was not making a profit but came close in 2015. The future of the company was finally getting brighter.

This all changed when the concession area was developed, and infrastructure was put in place by the South African Government and the local Municipalities. Eskom introduced grid electricity to the rural areas. The small Solar Home System were becoming redundant, and the customer base of NuRa Energy was seriously reduced.

By 2016 the customer base was reduced to 16,000 and only 50% of the clients were paying the fee. The company started with retrenchment of staff at the end of 2016 to stop the loss- making activities.

In 2017 FRES employed Peter de Wit (again) to stop the process of loss making and restructure the company into a stable entity. The company did not tender for the DOE tender (2017-2019) to install SHS in SA. The development of the North KwaZulu Natal area and no further support from DoE and/or FRES made it clear that there was no future for NuRa

Energy in its current form.

The company again restructured by retrenching staff to cut cost and started with the sale of (returning) assets and re-use of batteries. By 2018 the customer base was reduced to 4,000 of which 70% of the customers were paying their fees.

By 2019 the customer base was getting too low to continue the company and the owners wanted to close the company because of the bleak future for NuRa Energy.

The company was taken over by Petoet Holding BV (Peter de Wit and Trienke Lodewijk) after 6 months of negotiating, with the aim to change it into a reliable Solar and Back up Energy service provider in KZN (concession area).

COVID-19 – After the takeover of the shares of NuRa Energy in early February 2020 the company, like many others in the economy, was faced with a different and difficult situation than ever envisaged when the 'lock down' regulations came into effect in late March 2020.

The COVID-19 restrictions caused a serious impact on the trading conditions and on the financial situation of NuRa Energy. A cost reduction in the company was inevitable to maintain the possibility to turn around the business as previous planned.

The revenue streams from the "Fee for Service" model, EMU sales and the limited sale of refurbished products were not enough to cover the operational costs of the company. The EMU sales were steadily dropping with declining customer numbers. Personal, fleet and replacement cost of batteries are major components of the operational cost of the company in the 'Fee for Service' business model.

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The turnaround plan where NuRa Energy needed to change from a rural electrification company with one business model (“Fee for Service”) to a Solar and Backup Energy provider in the area, needed to change to be in line with the company financial means.

The strategy developed during the negotiating process - to transform NuRa Energy from being a concession holder for DoE on a ‘Fee for Service’ business model into ‘New NuRa Energy’ being a reliable solar energy and back-up power service provider with a different business model - was part of the sale agreement and the only way forward for the company to survive in the changing South African and north KwaZulu Natal business environment.

Using “Old NuRa” with all it has developed over 20 years to create a “New NuRa” should be the driver of this transformation. But the company again needed to retrench staff to reduce costs and was bound to the sale agreement with the previous owners, the rules during COVID-19 and the labour law in South Africa.

At the end of 2020 the company was left with 10 staff members and a customer base of 3,000 customers of which 70% were paying. The company was at the brink of collapsing.

Bleak future and how to move forward?

The NuRa Energy concession area was slowly being grid electrified. Few areas in North KZN

remain without grid electrification with only a limited number of customers wanting to keep the supplied solar system, very often as a back-up system.

During the last couple of years (2020-2021), NuRa Energy was able to provide an acceptable service to customers despite a massive decline in their customer base. The decline in the customer

base resulted from legal and illegal grid encroachment and eliminating customers with bad payment histories.

The company was able to get into the market of Solar and Back up Energy although COVID-19 put a hold on investment in the two markets NuRa Energy wanted to go into: Farmers and Tourism. Some installations were done, and staff slowly adapted to the ‘New NuRa’.

In 2021 the company was fortunately successful in a DMRE (Department of Minerals, Resources and Electricity) tender issued in October 2019. NuRa Energy was selected to be on the panel of service providers for DMRE to execute the installation and honour a two- year warranty of Solar Home Systems in KwaZulu Natal. This created the much-needed projects for NuRa Energy. The company received two orders from DMRE to install 935 SHS (8,7 million) in 2021 and 522 SHS (4,9 million) in 2022. Funnily enough it was the DMRE who Were the catalyst of the ‘collapse’ of the company and the ‘rise’ of the company.

The last order to install 1800 SHS (17 million) is awarded to NuRa Energy, awaiting final paperwork to be signed. The project will end 31 March 2023.