



CHAIRMEN’S REPORT – AGM 2020

MAY 2019 – MAY 2020

As I reflect on the previous year, I cannot help but focus on where the year has ended and how things have changed in such a short space of time. It wasn’t long ago that we, as a board, were operating and functioning as we have done for the last 26 years yet now we find ourselves in a nationwide lockdown and having to conduct business in a very different manner due to the COVID-19 pandemic – extraordinary times indeed.

As an association, we embarked on a several key activities during the last year primarily focussed on our marketing campaigns, Key Management Centre (KMC), TID Rollover program, legal governance and continuous enhancements to our specifications and other associated documents.

Our active membership, as at April 2020, stands at 189 which is down from 214 in the previous year. The slight decrease is due to some 25 memberships having been suspended or lapsed due to non-payment of fees. The accumulative growth year on year is shown in Figure 1.

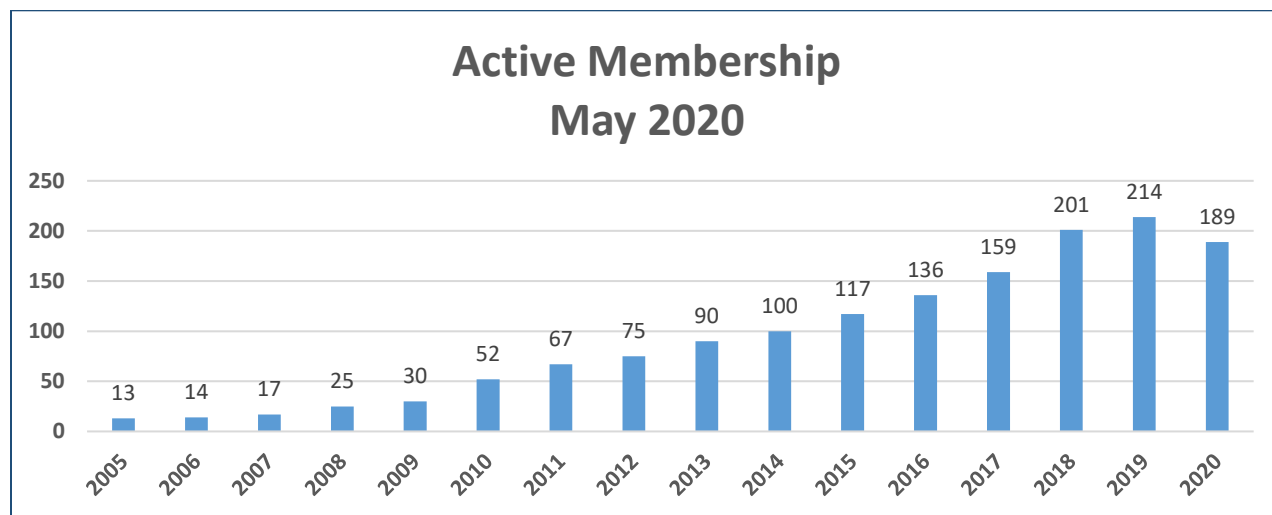


Figure 1: Accumulative Year on Year Membership Growth

Membership contributed 5.8MZAR against a budget of 5MZAR for the year ending 2019 with 724KZAR coming from new members.

Financially the Association remains in a healthy position which has allowed us to continue with various work efforts to ensure the continuous improvement of the standard. Audited financial results, which will be tabled at the Annual General Meeting in May 2020, reflect a positive surplus of 1.4MZAR. Aligned to our strategic intent for 2019, 3MZAR was spent on our marketing campaigns, 209KZAR on upgrades and enhancements to the KMC and 476K on legal fees.

The marketing team led by Mr. Dave Tarr, has met regularly over the last year to ensure a strong focus on marketing activities and to keep members and users of the STS technology up to date on latest industry events, specifications and continually highlighting the importance of implementing the TID rollover project. Predominant marketing initiatives for 2019 are shown below.

- The STS website (sts.org.za) and TID rollover microsite (tidrollover.com) were updated with enhancements for ease of use, user interaction and information access.
- STS online platforms such as Facebook, Twitter, YouTube and LinkedIn were leveraged for continuous marketing and communication updates.
- A STS TID Rollover and STS TID Rollover Pilot / Case study video were developed to assist users of STS with their TID rollover implementation.
- Several industry meetings and events were used as platforms to communicate and share information on topics such as STS Edition 2 and STS TID Rollover. Unfortunately, events such as AUW, AMEU, SARPA and PEISA had to be cancelled due to the coronavirus outbreak.

The marketing team will endeavor to make full use of digital platforms such as webinars and virtual meeting rooms to reach out to the STS community.

This year saw the official start of our internal TID Rollover program with Mr. Don Taylor taking on the role of Project Manager. The focus of the program is to demonstrate that the STSA has acted diligently in making STS users aware of the TID rollover process and the implications and financial risks that will arise if no action is taken. The first phase of the program will involve sending out TID Rollover communication and information packs to each Supply Group Code Owner. The STSA will make use of auditable delivery services so that we have traceability of information delivered. The target is to complete this phase within a period of one year and within a budget of 1.8MZAR. In line with the TID rollover program, several meters have been received from the field for TID rollover testing. To date, 19 non-STs Edition 2 meters have been tested and found to support the TID rollover functionality. The uptake by STS users to begin the program has so far been slow.

The KMC remains a key component within the STS ecosystem and as such continues to be a major focal point of the board. Risks with regards to business continuity and security have been mitigated by the

installation and commissioning of a Disaster Recovery system that is updated and synchronised with the live KMC. The system has been audited by an external security expert and found to meet the necessary security requirements. Eskom, operates the KMC on behalf of the STSA, under the leadership of MR. Deon Van Rooi, and as such a contract in this regard has now been signed between the two entities. The board approved further enhancements to the KMC that includes amongst other things, an automated Key Load File process for 24/7 support, enhanced administrative security using 3 key custodians and updated system reports.

Working group activities for 2019 are being driven by the WG8 committee. Actions include workshopping of the following KMC items for future implementation:

- A strategy to support a distributed KMC architecture
- Best practice infrastructure and technology required to support the KMC
- 24/7 availability for Key Load requests
- Security policies for KMC operation
- KMC code of practice (COP)

On 1 June 2019, the grace period for STS Edition 2 compliance came to an end and saw the introduction of mandatory STS Edition 2 testing for product certification. To date, 35 electricity meters, 3 water meters, 1 gas meter, 1 hardware security module and 14 vending systems have been tested and certified against the latest standard.

The STSA Memorandum of Incorporation was updated to allow co-opted directors and elected directors to serve terms of 2 years each. This change was made to ensure that the Association continued to function optimally and that having directors on the board change annually was proving to be disruptive to the activities of the Association.

Lastly, I would like to take this opportunity to thank the current board for their continued support throughout the year. The 2019 STSA board was constituted as follows:

- Mr. Lance Hawkins-Dady (Conlog and chairman)
- Mr. Don Taylor (Itron)
- Mr. Shawn O'Neil (Security Module Manufacturers)
- Mr. Deon van Rooi (Eskom)
- Mr. Richard McCurrach (Alternate Eskom)
- Mr. Dave Tarr (Landis+Gyr)
- Mr. Lee Naicker (Alternate Landis+Gyr)
- Mr. Lebina Tsepe (Vending System Manufacturers)

- Mr. Mohammad Manouchehri (Meter Manufacturers)
- Mr. Andy Stoner (Independent co-opted Director)
- Mr. Franco Pucci (Technical Consultant)
- Mr. Kobus van den Berg (Association of Municipal Electricity Utilities)
- Mr. Vally Padayachee (Alternate Association of Municipal Electricity Utilities)
- Mr. Jean Venter (Secretariat)

Many thanks and stay safe,



Lance Hawkins-Dady
STSA Chairman
11 May 2020