



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

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Memorandum from the Parliamentary Office

National Assembly Question : 2454

2454. Mr G Mackay (DA) to ask the Minister of Energy:

(1) With reference to the Mmamabula Power Purchase Agreement drafted between Eskom and the independent power producer (IPP), CIC Energy, that allowed for a potential electricity supply of 4 800MW and the proposed Mmamabula Energy Project emanating from the specified agreement; (a) what were the detailed reasons for aborting this project so suddenly and completely and (b) was her department involved in the decision making process responsible for aborting this project; if not, why not; if so, to what extent;

(2) is it her standpoint that the utilisation of the IPPs is of utmost importance to alleviate the electricity crisis currently experienced in the country; if so, how will her department ensure that future IPP programmes do not follow the same road as the Mmamabula Energy Project? NW2822E

Reply:

(1) Eskom did not have the financial capacity to conclude the transaction and hence the project negotiations were aborted. However, the IPP office has revived the project.

(2) Yes, IPP's play an important role, side by side with Eskom, in bringing more MW into the grid. The current RSA IPP programme has been acknowledged as one of the best IPP programmes globally.