



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

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Memorandum from the Parliamentary Office

250. Mr O S Terblanche (Western Cape: DA) to ask the Minister of Energy:

(a) How much electricity is currently generated from other suppliers other than Eskom, (b) her department hoping to outsource and (c) for how long? CO506E

Reply

a) The Department has procured renewable energy from Renewable Independent Power Producers amounting to 6300MW. About 2800 MW has already been supplied into the grid whilst some 1000 MW is still under construction because it was procured in different phases. An additional 2 421MW to still be signed off by Eskom in terms of Power Purchase Agreements. The current operational power plants have managed to be produce approximately 11 784 Gwh to date.

In addition to the renewables, the department procured about 1000MW generated through diesel fired power plants to address the electricity demand during peak time (morning and evening). Two power plants were procured in this regard and both plants are in operation. The first plant started operation last year on 30 September 2015 whilst the other plant commenced operation in September of 2016.

The Department has also committed to a procurement process for 3726 MW of gas fired power plants. The project will serve as an anchor for the gas infrastructure around ports and such infrastructure will also provide for third party access.

The procurement of the additional MW will be guided by the IRP taking into account the future electricity demand of the country. The IRP is currently under review and will be finalised during the course of 2017. It will provide guidance in relation to the generation capacity to be constructed in the country.

- b) The final determination of the split between Eskom and IPP related projects will be known once the IRP Update is promulgated. This split is informed by consideration of the financing requirements, the impact on the tariff, and the financial situation at Eskom.
- c) The term of the power purchase agreements is typically 15 years for renewables and between 20-30 years for gas and coal.