

Key role for independent system

In a move to entice private sector investors into electricity generation, the mooted independent system operator will play a central role in procuring electricity from the independent power producers (IPPs).say Energy Minister Dipuo Peters. The independent system operator will limit Eskom's power in the procurement of electricity from the private sector. In September 2007, the cabinet designated Eskom as the single buyer of electricity from IPPs. This has been a bone of contention, and several renewable energy players worry about Eskom's influence in buying from the IPPs. Its status as the single buyer of IPP power has also put Eskom in a tricky situation. The utility is not able to enter into long-term power purchase agreements with IPPs until its funding model has been finalized. Peters said there had been an "overreliance" on Eskom in the preparation of the power purchase agreements.

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