MINISTRY FOR ELECTRICITY AND ENERGY

Ministerial Media Briefing

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21 October 2024

GENERATION UPDATE

GENERATION PERFORMANCE

KEY HIGHLIGHTS

Unplanned Capacity Loss Factor (UCLF)

On 19 September 2024, Eskom recorded another milestone with the **longest stretch of uninterrupted power supply in five years.**

For the financial year to date (01 April 2024 to 17 October 2024), **UCLF is at 25.5%, improving from 33.79%** in the corresponding period last year, representing a 8.3%pt improvement

The unplanned outages of the generation units averaged **10 508MW during the past 7 days* compared to 15 605MW** in the corresponding week last year.

Sustained Energy Availability Factor (EAF) improvement

The year-to-date (01 April 2024 to 17 October 2024) **EAF is at 63.0 %,** a significant **improvement of ~7.5%pt** compared to the same period last year (55.5%).

The weekly* EAF has marginally **improved from 57.0% at the beginning of the financial year to 61.9%** from 14 October to 17 October 2024, an improvement of 4.9%pt.

The OCGT load factor for 01 October to 17 October **2024 was 4. 59%, significantly lower than the 8.95%** for the same period last year. **Diesel usage remains below the year-to-date budget**..

Day 208

Planned Maintenance

Ongoing planned maintenance is at 5 798MW, aligning with our summer maintenance strategy to further increase the reliability of the stations in preparation for winter 2025 and beyond.

For the week ending Fri 18-Oct '24

IPP PROGRAMME UPDATE

IPP PROCUREMENT PROGRAMME

Dash Board as at October 2024.

9 — **IPP Bid Windows procured** since inception of IPPPP

141 — Preferred Bidders appointed totalling **13 422 MW**

7335 — MW Operational from **95 projects including 2 Peaker projects (1005MW)**

1897 — MW **in construction from 17 projects**

1183 — MW from **9 projects preparing to reach commercial and financial close**

8231 — MW **capacity currently in the market,** to be evaluated in 2024/25

26 — **Refinancing Applications approved to-date resulting in 5.1 Billion savings** over the remaining terms of the respective PPA's (Sellers that have been operational for a number of years, are able to negotiate better debt terms and conditions with their respective financiers)

IPP PROCUREMENT PROGRAMME

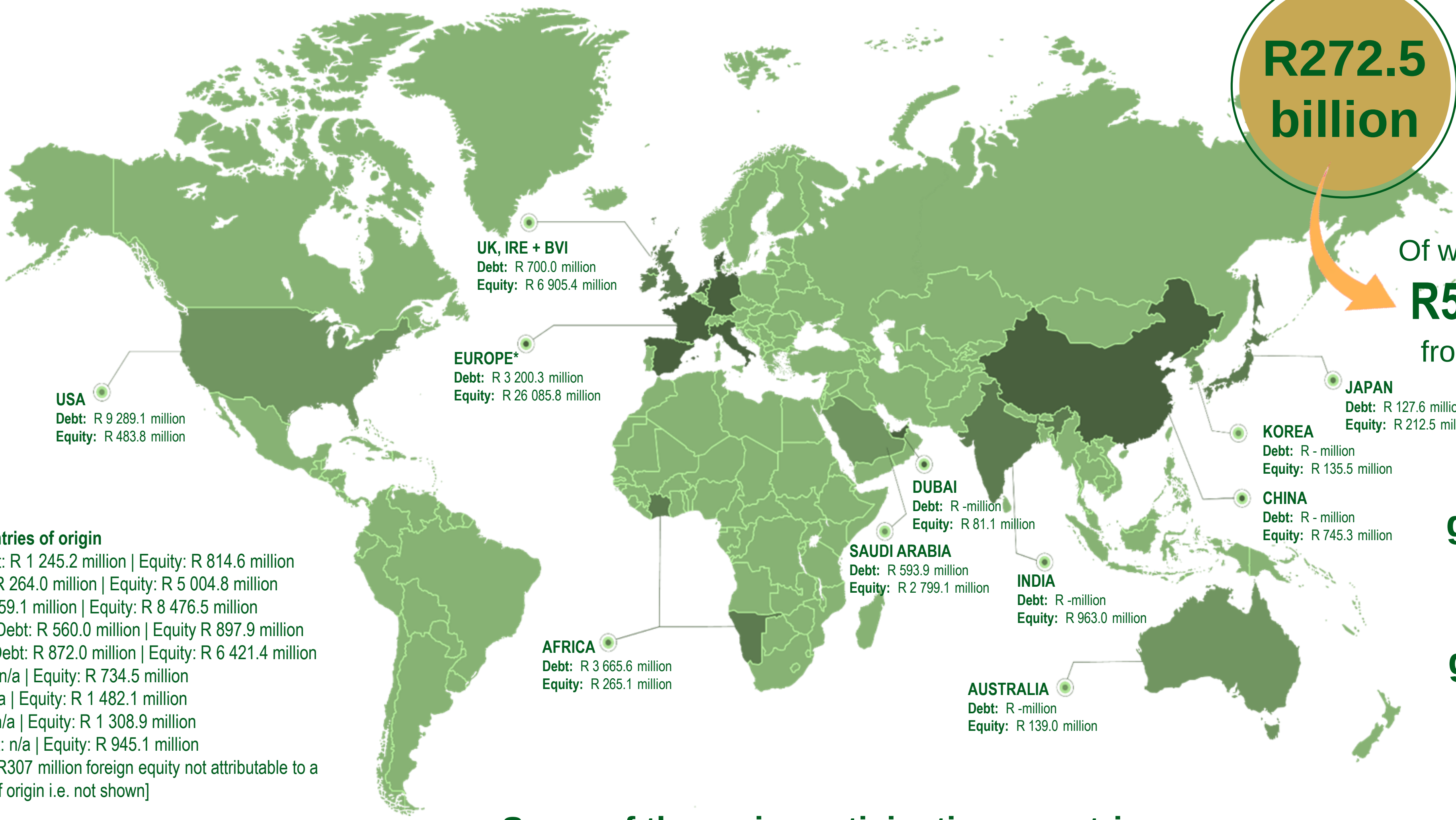
Investment attracted

R272.5 billion **investment attracted from renewable energy projects that reached financial close** in all bid windows

Of which

R50.3 billion (18%)

from foreign investors



European countries of origin

Germany | Debt: R 1 245.2 million | Equity: R 814.6 million
France | Debt: R 264.0 million | Equity: R 5 004.8 million
Italy | Debt: R 259.1 million | Equity: R 8 476.5 million
Luxembourg | Debt: R 560.0 million | Equity R 897.9 million
Netherlands | Debt: R 872.0 million | Equity: R 6 421.4 million
Norway | Debt: n/a | Equity: R 734.5 million
Spain | Debt: n/a | Equity: R 1 482.1 million
Turkey | Debt: n/a | Equity: R 1 308.9 million
Denmark | Debt: n/a | Equity: R 945.1 million
[Approximately R307 million foreign equity not attributable to a single country of origin i.e. not shown]

Enabled by the growth potential, the programme's transparency, and government support

Some of the main participating countries are Germany, France, Italy, Spain, and USA.

IPP PROCUREMENT PROGRAMMES

Projects in operation & construction – 8250 MW

Total Projects	Procured	Online	Construction
Eastern Cape	1809	1510	299
Free State	519	204	315
Gauteng	13	13	0
Limpopo	118	118	0
Mpumalanga	25	25	0
North West	395	275	120
Northern Cape	4146	3616	530
Western Cape	1225	592	633
RSA (107)	**8250**	**6353**	**1897**

Number of Projects **(3)**	**3**
Capacity Procured **(118 MW)**	**118**
Capacity Online **(118 MW)**	**118**
In Construction **(-)**	**-**

Gauteng	**LG**
Number of Projects **(1)**	**1**
Capacity Procured **(13 MW)**	**13**
Capacity Online **(13 MW)**	**13**

North West	**PV**
Number of Projects **(5)**	**5**
Capacity Procured **(395 MW)**	**395**
Capacity Online **(275 MW)**	**275**
In Construction **(120 MW)**	**120**

Mpumalanga	**BM**
Number of Projects **(1)**	**1**
Capacity Procured **(25 MW)**	**25**
Capacity Online **(25 MW)**	**25**
In Construction **(-)**	**-**

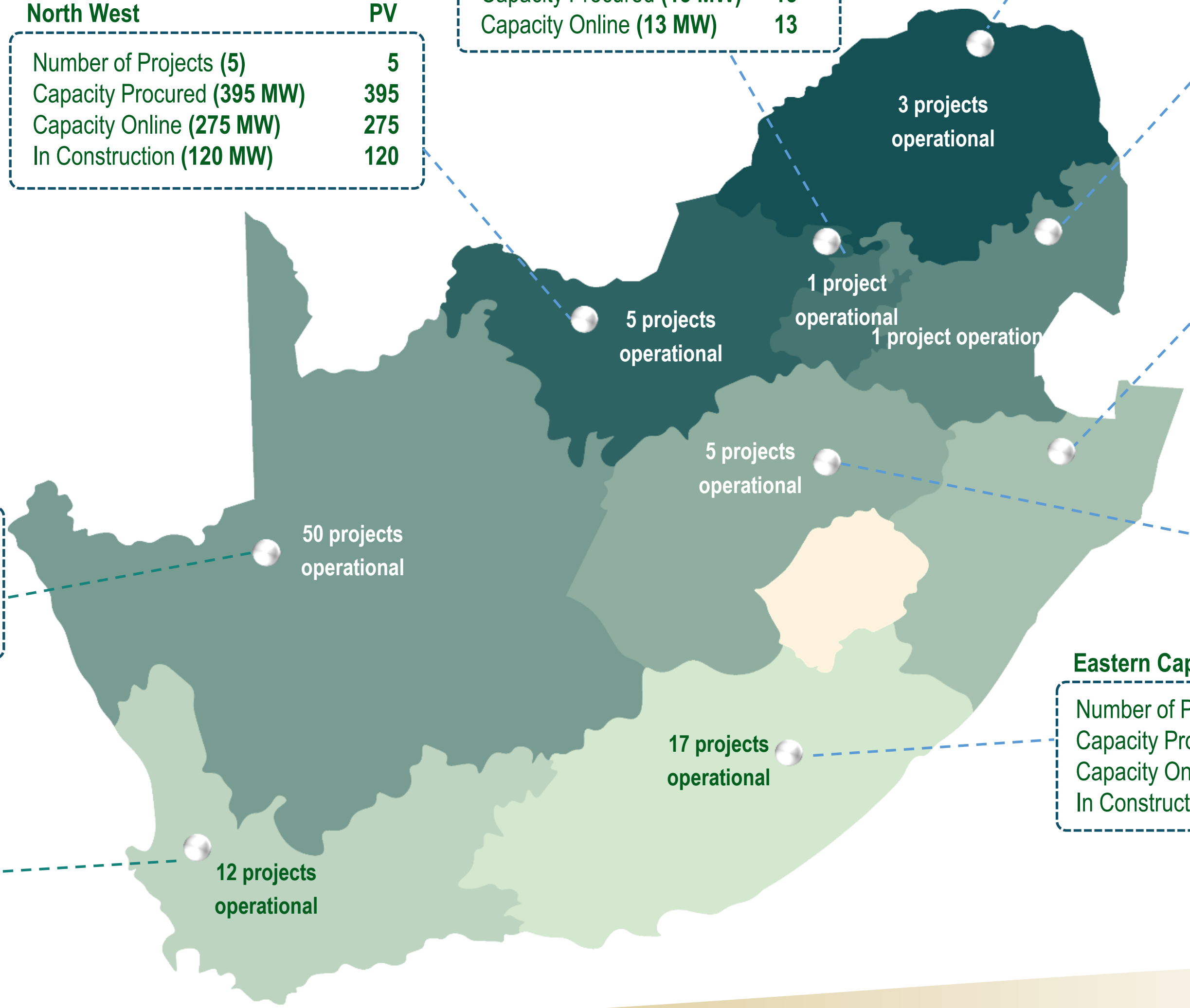
KwaZulu Natal
Number of Projects **(-)**
Capacity Procured **(-)**
Capacity Online **(-)**
In Construction **(-)**

Northern Cape	**PV**	**CS**	**OW**	**SH**	**PV & BESS**
Number of Projects **(54)**	**29**	**7**	**14**	**1**	**3**
Capacity Procured **(4 146 MW)**	**1 572**	**600**	**1 739**	**10**	**225**
Capacity Online **(3 616 MW**	**1 497**	**500**	**1 459**	**10**	**150**
In Construction **(530 MW)**	**75**	**100**	**280**		**75**

Free State	**PV**	**SH**
Number of Projects **(6)**	**4**	**2**
Capacity Procured **(519MW)**	**511**	**8**
Capacity Online **(204 MW)**	**196**	**8**
In Construction **(315 MW)**	**315**	**-**

Eastern Cape	**PV**	**OW**	**HYB**
Number of Projects **(20)**	**1**	**18**	**1**
Capacity Procured **(1 809 MW)**	**70**	**1 664**	**75**
Capacity Online **(1 510 MW)**	**70**	**1 440**	**-**
In Construction **(299 MW)**	**-**	**224**	**75**

Western Cape	**PV**	**OW**	**HYB**
Number of Projects **(17)**	**8**	**8**	**1**
Capacity Procured **(1 225 MW)**	**359**	**738**	**128**
Capacity Online **(592 MW)**	**134**	**458**	**-**
In Construction **(633 MW)**	**225**	**280**	**128**



Legend
BESS – Battery Energy Storage System
BM – Bio Mass
HYB – Hybrid
LG – Landfill Gas
OW – Onshore Wind
PV – Photovoltaic
SH – Small scale Hydro

BESSIPP PROCUREMENT PROGRAMMES

Bid Windows 1-3

MEGAWATTS (MW) PER BID WINDOW

- BW1 = 513 MW
- BW2 = 615 MW
- BW3 = 616 MW

TOTAL = 1 744 MW

BW1 PROJECTS – CC REACHED

BW1 PROJECTS – Working towards CC

BW2 Sub Stations (Bids in Evaluation Phase)

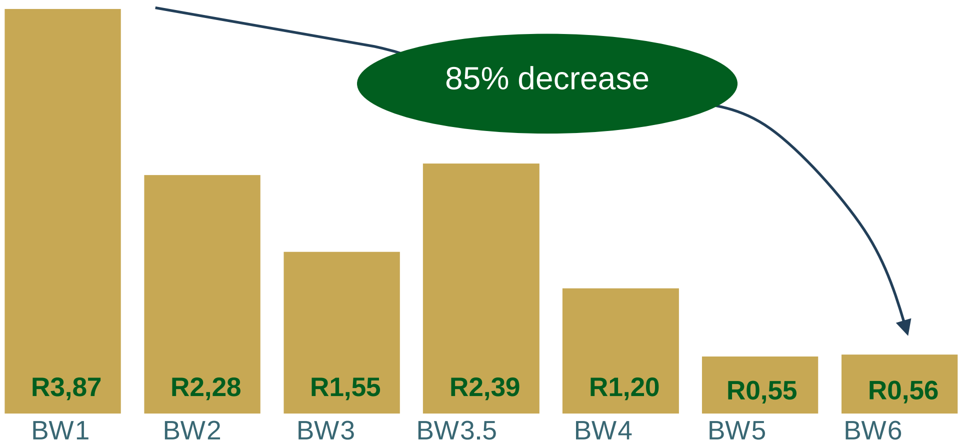
BW3 Sub Stations (Bid Submission – 31 Oct 24)

IPP PROGRAMME

RENEWABLE ENERGY PRICE TRENDS

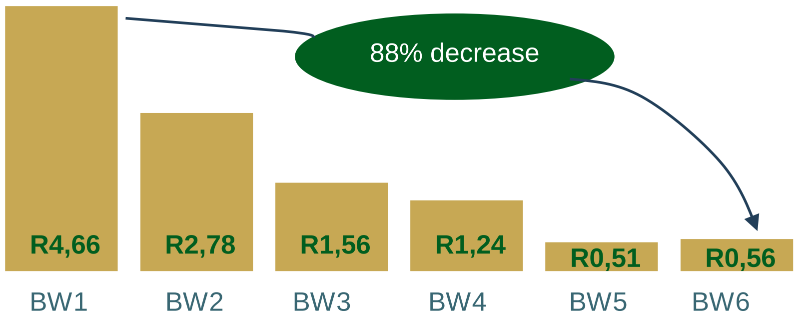
Through the competitive bidding process and increase in market confidence, the IPPPP effectively leveraged rapid, global technology developments and price trends

PRICE TREND (R/KWH) ALL TECHNOLOGIES



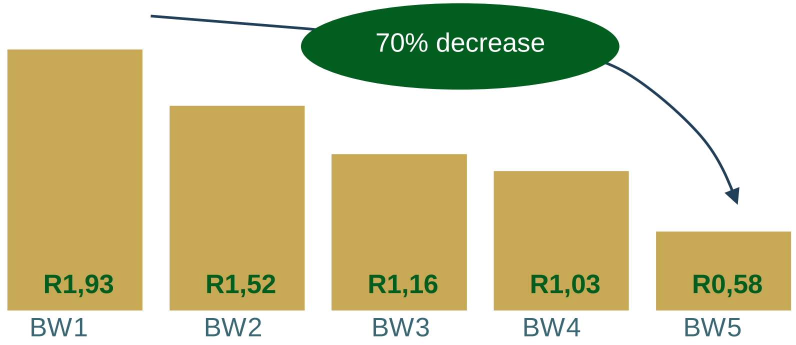
Reflects average price in April 2024 terms

SOLAR PV PRICE TREND (R/KWH)



Reflects average price in April 2024 terms

WIND PRICE TREND (R/KWH)



Reflects average price in April 2024 terms

IPP PROGRAMME

National Economic and Socio-Economic development impacts

A significant feature of the IPPPP is a focus on economic and socio-economic development impacts that IPPs commit to over the lifetime of the project

85 830
job years
Employment opportunities created for South African citizens during construction and operations

R3.8
billion
(actual) contribution realised for **Socio-Economic development end Enterprise Development**

114.8
Mton CO_2 offset
By electricity generated by these projects (REIPPPP only)

135.7
Million kiloliters
Water savings since programme inception (REIPPPP only)

37.7%
Shareholding
by **black South Africans achieved**

9.0%
Shareholding
by **Local communities achieved**

R76.6
billion
Actual Local Content spend, which amounts to around 49% of total project value

R105.5
billion
(actual) **BBBEE spend to date which is 76% of total project value realised**

All data as at June 2024

EXPONENTIALLY GROWING IPP/RENEWBALE STOCK

Key interventions following industry engagement

Work with Eskom to find alternative ways to reduced CEL and BQ timelines

Over 10GW Determined RE capacity is currently available for re-allocation in new bid windows

The next Bid Windows to target Projects that already have secured grid (with BQs).

Geographically targeted procurement rounds. Programmes that are aligned with the Transmission Development Plan.

Establish solar and / or wind parks to greatly improve state of readiness and success. Could include Programmes that are combined with Transmission Strengthening plans.

Release separate RFPs for Wind and PV to manage competition for grid.

Consider technology agnostic, system requirement focused bid windows.

On-line auction models from international experience have been investigated – will greatly reduce cost and time of bid evaluations

Develop credit see-through for IPP programme and work with DTIC to develop supplier develop programmes to support localisation requirements.

Need to constantly communicate with the market in order to mobilise potential Bidders to start the required processes, for e.g. CEL and/ or BQ applications and environmental authorisations.

THANK YOU