

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2145**

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**QUESTION:**

Mrs E S Ntlangwini (EFF) to ask the Minister of Public Enterprises: (1) With reference to the hearings hosted by the National Energy Regulator of South Africa (Nersa) for the coal independent power producer (IPP) generation licence applications, where Eskom indicated that it did not support the coal IPPs and warned of the harm that the coal IPPs would cause for Eskom (details furnished), (a) does Eskom intend to sign the power purchase agreements with the coal IPPs; if not, at what stage will the specified requirements be assessed; if so, (2) has Eskom ensured that the Regulation 9 requirements of the New Generation Regulations, 2011, have been met, including that the power purchase agreements would be value for money; if not, what is the position in this regard; if so, what are the relevant details?

**REPLY:**

**According to the information received from Eskom**

**(1)**

Eskom understands that all future IPP programmes are on hold until such time as the Integrated Resource Plan (IRP) has been concluded.

**(1)(a)**

Eskom is obliged to implement Government Policy. Should Government instruct Eskom to continue with this programme Eskom will engage on the impact on Eskom and its requirements for the programme.

**(2)**

Eskom has not agreed to sign the IPP contracts and therefore the Regulation 9 requirements were not assessed by Eskom.

Should Government instruct Eskom to continue with this IPP programme, Eskom will then assess the Power Purchase Agreements against the Regulation 9 requirements of the New Generation Regulations 2011. A matter which requires further clarity and certainty is what constitutes a correct technical risk transfer to the new coal IPP in terms of Regulation 9 of the New Generation Regulations, 2011.

The full regulation document is attached.