

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 4379**

**QUESTION:**

 **4379. Mr F Essack (DA) to ask the Minister of Public Enterprises:**

With most renewable energy projects that are currently under development across the Republic located far from Eskom’s major transmission network, what (a) steps has Eskom taken to ensure that it will have the requisite transmission infrastructure in place when renewable energy projects start generating power and (b) is the current state of Eskom’s transmission expansion projects to date? **NW5505E**

**REPLY:**

**According to Information Received from Eskom:**

1. The Transmission Development Plan (TDP 2022) identified the new infrastructure required to implement the Integrated Resource Plan (IRP) 2019 and Eskom’s 2035 Corporate Strategy. However, it takes time to establish new transmission infrastructure (especially the building of long lines and substations), mainly due to servitude acquisitions and constructability challenges. Eskom is aware of these challenges and is making every effort to expedite the build programme by engaging key government and private stakeholders.

 In the interim, Transmission has taken the following steps to assist Independent Power Producers (IPPs) and expedite the TDP implementation programme:

1. The Grid Connection Capacity Assessment (GCAC 2024) document on Eskom’s website provides an indication of available network capacity elsewhere on the system that could be considered for integration of renewable energy (RE) projects.

While network capacity may be limited/restricted in the broader Cape areas, there is available capacity inland, for example, Free State, North-West, Mpumalanga, and Limpopo provinces, that can be considered for the integration of future RE IPPs.

1. Transmission is currently taking measures to “fast-track” projects across the network, especially in areas with interest and potential to integrate RE resources. These include the following:
	1. A Programme Management Office (PMO) has been established that tracks, monitors, and reports on the deliverables from the various work streams.
2. There is positive movement in the engagements with DPE/DPWI to address servitude challenges by implementing expropriation with compensation at market value. Steps are in place to expedite the process going forward.
3. Engagements with the dtic/NT to address opportunities for localisation and in cases of challenges with the local manufacturing and industry capacity, for example, for large transformers, exemptions are being considered to source from international suppliers.
4. Engagements with industry associations, for example, The Powerline Association of South Africa (POLASA) and the Steel Manufacturers Association (SMA), to increase preparation capacity to meet the TDP build requirements,
5. The majority of the capital expenditure for the first five years of the TDP was secured from Corporate Finance.
6. Supplier engagement forums were held with industry participants to share the transmission build programme.
	1. The TDP prioritised list of projects has been escalated to the PICC and SIP10 as critical infrastructure requirements for the country.
	2. Ongoing and close working relationships with the DFFE to expedite the Environmental Impact Assessments (EIA) processes.
	3. Ongoing discussions with DMRE/IPPO on the transmission network requirements to meet the RE procurement programmes.
	4. Transmission is represented on the Electricity Crisis Committee (Natjoints Stream1) that was recently established to address Transmission grid strengthening challenges.
	5. Finalising the Owner’s Engineer (OE) and EPC (turnkey) strategy to leverage our in-house capability to expedite the TDP roll-out programme.

(b) Eskom is placing a strong focus on the implementation of projects over the next five years. The analysis carried out reflects a requirement of approximately 2 890 km of extra high voltage lines and 60 transformers, requiring a capital investment of approximately R51 billion by FY2027. This requires that some challenges beyond Eskom’s full control, such as the lead time to obtain servitudes, among other relevant authorisations, and the country’s resource capacity be urgently addressed.

As at the end of October 2022, the total portfolio of Transmission’s expansion projects equated to 224 and is summarised as follows:

* There are 45 projects in the execution phase that are under construction.
* There are 56 projects in the definition phase that are finalising servitude acquisitions and detail engineering designs before achieving execution release approval.
* There are 123 projects in the pre- and concept phases, that are projects in the early stages of development requiring EIA and conceptual level designs.

**Remarks: Approved / Not Approved**

**Jacky Molisane Pravin Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**