MINISTRY OF
ELECTRICITY AND ENERGY

MEDIA STATEMENT

AN ADDITIONAL TWO GRID-SCALE IPP BATTERY ENERGY STORAGE PROJECTS IN SOUTH AFRICA REACH COMMERCIAL CLOSE

18 NOVEMBER 2024

The Minister of Electricity and Energy, Hon. Dr. Kgosientsho Ramokgopa, is pleased to announce the successful signing of Projects Agreements and Commercial Close of an additional two Projects appointed as Preferred Bidders under the first Battery Energy Storage Independent Power Producer Procurement Programme (BESIPPPP) Bid Window 1 on 18 November 2024.

Following the signing of the agreements with these additional two projects South Africa has secured a total of 360 MW/1440 MWh storage capacity under the country's first grid-scale bid window.

Both projects, developed by EDF International and their project partners, Mulilo, Gibb-Crede, Pele Green Energy, and a community trust, will be located in the Northern Cape Province and will contribute a total of 180 MW/720 MWh storage capacity on the national grid. Oasis Aggeneis, with a total capacity of 77MW/308MWh will be located at Aggeneis Sub Station close to the town of Aggenys. Oasis Nieuwehoop, with a capacity of 103MW/412MWh, will be located at Nieuwehoop Sub Station close to Kenhardt. Project construction is expected to take no more than 24 months and the storage capacity is expected to come online no later than November 2026.

The projects will attract a total investment of R4.7 billion. South African Entity Participation of around 42.23%, and BEE ownership of 40% has been achieved across both projects. In support of the current economic challenges that South Africa is facing, the two projects have committed a total of 487 job opportunities (measured in job years)

for South Africans, which includes 301 jobs during construction and 186 jobs during operations. The projects have committed to spending 20% of total project costs on local content during construction, and 20% on local content during operations.

The projects have also made commitments of over R43 million over their 15-year lifetime, to be spent in areas such as Skills Development, Supplier Development, Bursaries for Black Students, Enterprise Development, and Socio-Economic Development initiatives.

Battery Energy Storage System (BESS) technology plays a critical role for grid operation by storing energy during periods of less demand for electricity and releasing that energy when needed (for example, during peak demand periods). In addition, BESS provides grid stability through Ancillary Services for the System Operator. BESS further allows for more integration of renewable energy onto the grid.

Four (4) Preferred Bidders were announced under this first Battery Energy Storage Bid Window on 30 November 2023, and as of today these have all reached commercial close. A further fifth project was appointed later 28 March 2024, following value for money negotiations. This last project is finalising preparations and final conditions to reach commercial close in early 2025.

A further two Battery Energy Storage bid windows currently underway. Bid Window 2 (totaling 615M) is currently in evaluation phase with bid announcement expected within the next few weeks. Bid submission for Bid Window 3 is planned will be on 28th November 2024.

End

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