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SAREC WELCOMES NERSA CONCURRENCE FOR THE PROCUREMENT OF 11 813 MW OF POWER

The South African Renewable Energy Council (SAREC) welcomes the announcement by The Department of Mineral Resources and Energy (DMRE) of the NERSA concurrence to Ministerial Determination for the procurement of 11 813 MW new generation capacity. The determination allocated a capacity of 4800 MW to wind, 2000 MW to solar PV and 513 MW to energy storage, amongst other technologies.

As South Africa continues to face the energy crisis characterised by the ever-increasing risk of load shedding, this announcement is a welcomed step for the country's economic recovery post Covid-19 and securing a sustainable energy future. The additional power will assist South Africa in transitioning to a cleaner energy mix while providing quick grid power to avoid future load shedding.

As the determination came ahead of its initially anticipated date, SAREC is hopeful that this will lead to expedited release of the REIPPPP bid window 5 RFP. The industry has been waiting for the past 5 years for a new bid window, which is essential to close the electricity supply capacity gap created by Eskom's reduced energy availability factor. The member associations (STASA, SAPVIA, SAWEA & SAESA) have stated unanimously that the renewable energy industry has been developing projects over the past 5-10 years and will ensure a positive response to the RFP in line with Government requirements. The advantage of procuring renewable energy plus storage is that it provides low energy tariffs whilst supporting local job creation, localisation of services and support for Economic Development and SMME support over the life of the projects.

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