



THE STANDARD OFFER

INTRODUCTION

The Standard Offer is to enable the procurement of additional capacity and add more kilowatt-hours to the Grid. New and existing generators can now sell their new and surplus production to Eskom.

THE PRICING MODEL

Two pricing models are available to choose from that are the **static and dynamic options**.

The **static option** is established for each Eskom financial year (April to March) based on the regulatory approved cost recovery and covers the average variable cost of generation. The static price structure will reflect the time-of-use structure as approved by the Eskom Board. Its prices will be determined on an annual basis, and published on the Eskom website by 28 February of each year.

The **dynamic/variable price** is determined on a day-ahead basis. The dynamic price is an hourly price determined in the Eskom Dynamic Energy Market (EDEM) as per the EDEM rules. The prices are calculated by 14h00 on the day preceding the actual day of operation and shall be provided to the generator. The dynamic prices reflect the marginal cost of generation in each hour up to a market cap of R1093.20/MWh.

A generator is required to decide on the static or dynamic pricing model at the start of the contract. Once a selection has been made, changes to the price model are possible after 12 months. If the generator decides to terminate the power purchase agreement but later wishes to re-enter the programme during the same financial year, their previous price selection will apply.

PARTICIPATION

To participate, a generator enters a contractual energy purchase agreement with Eskom for 3 years with or without a baseline. Generators need to be registered or are shortly anticipating a licence. Licensed Traders with a mandate from generation owners can also participate. The contract has a maximum purchase contract value with a minimum 3-month review period.

QUALIFICATION CRITERIA

Some of the key qualifying criteria are outlined below and expanded on in the contract proforma available after application:

- The generation facility must be in prime condition and have sufficient capacity;
- Must be able to connect to the Eskom or Municipal grid;
- The applicant must comply with all the regulatory requirements, such as: Environmental Impact Assessment (EIA); NERSA regulations; electricity generation licence/certificate of registration; certificate of compliance; and possess registration licence and Authority to Sell issued by the Department of Minerals and Energy; and
- The seller must be able to provide daily and emergency operational support to the Utility, as and when required.

START ADDING KILOWATT-HOURS TO THE GRID

Download an application form from the Eskom website at www.eskom.co.za/distribution/standard-offer and submit the completed form together with all specified and required documentation to DET@eskom.co.za

Once the application is received, it will be processed with continuous updates and engagement with an Eskom official through to contracting and execution.

CONTACT DETAILS

For more information, you can contact us through one of the following:

 **Email:** DET@eskom.co.za

 **Website:** www.eskom.co.za/distribution/standard-offer

