



Just Energy Transition (JET) Fact sheet #001

Re-invigorating, rejuvenating and redefining Eskom's destiny as we lead the energy transition into the future

What is the Just Energy Transition?

- Just Energy Transition is about a moving towards a lower carbon, greener future while enabling the creation of new job opportunities for those displaced by the replacement of coal by these cleaner technologies.
- Given South Africa's vulnerability to climate change, our energy future calls for a less coal-intensive mix, with significant increases in cleaner technologies.
- By following a Just Energy Transition pathway it will make it possible to simultaneously spur economic growth, create sustainable jobs and put emissions into structural decline – thereby ensuring an electricity supply that does not compromise economic growth.
- Eskom plays a pivotal role in shifting South Africa towards cleaner energy over time in a just manner, and our social compact with communities and employees is a key component of this pathway.



What are the benefits to Eskom?

- JET is part of the Eskom's long-term strategy to transition the business towards financial sustainability; achieve "net zero" carbon emissions by 2050, whilst managing Eskom's socio-economic impact and contribution to South Africa's Just Energy Transition.
- Some of the additional benefits of moving towards lower carbon technologies, is the positive impact on air quality and water usage, potential to create new and exciting jobs, and a greater preservation of biodiversity in South Africa.
- The increase investment in cleaner technologies will open the door for social upliftment through job creation in these industries and the creation for demand along the supply chain.
- A clear commitment to such a pathway has already attracted attention from global financiers. International and national funders are keen to support Eskom's JET vision.

How is Eskom aligning its JET efforts to what the country is driving?

- Eskom is actively engaging in national efforts through government and business key stakeholders to determine, shape and influence the Just Transition pathway for South Africa.
- This pathway cannot be achieved without policy support. Policies should not only enable the Just Energy Transition, but also reinforce and be complementary across government departments and among industry players such that fair opportunities are created.
- SA Energy, Environmental, Fiscal and Trade policies, among others, are aligned in driving the Just Transition goals so that we can successfully transition as a country, and Eskom is uniquely positioned to play a leading role in this success.





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What are the objectives of the Eskom JET?

In order to drive the JET Vision in a resolute manner, we have established an Eskom Just Energy Transition Office, a first among businesses in South Africa. The objectives of Eskom's JET office are as follows:

- **Accelerate**
 - Repurposing the power stations that are being decommissioned
 - Renewables through own build, partnerships and PPAs
 - Natural gas options as an enabling fuel
- **Catalyse**
 - The potential for local manufacture, optimizing on established special economic zones (SEZ) and renewable energy development zones (REDZ)
 - Supporting a reindustrialization agenda
 - The demand for electric vehicles
- **Scale-up**
 - Social impact work, including skills requirements, retraining
 - Researching new innovations such as new storage options and the hydrogen economy
 - Micro-grids for increasing access to electricity
- **Optimise**
 - Opportunities for Green and Climate Financing
 - Agreements with funders for repurposing, greenfield renewables, SSEG options, and grid strengthening
 - Partnerships for project implementation
- **Increase**
 - Transparency of Eskom's JET initiatives through-local, national, and international standards for disclosure and reporting

In addition, we have a bold plan for **"Firsts"** to be implemented in the next 1-3 years that is: First JET Climate Transaction of its kind to crowd in climate financing for decarbonising the grid; **First** repurposing and/or repowering project at the Komati Power Station; **First** Renewables Projects through partnerships; **First** Gas project; **First** Microgrid opportunity combined with SEZ local manufacturing.

Eskom's JET Vision:
Net Zero* carbon emissions by 2050 with an increase in sustainable jobs

What are the 4 main focus areas of JET?

- JET will focus on elements in four main areas over the next 5 years to drive "net zero" and social impact goals:

- Just:** *Doing better for people and the planet*
- Energy:** *Continued electricity provision*
- Transition:** *Transformational change of business models*
- Enablers:** *Creating a supportive ecosystem*





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Questions	Answers
What is a renewable energy?	Renewable energy is useful energy that is collected from neutral resources which are naturally replenished on a human timescale, for example sunlight, wind, rain, tides, waves, and geothermal heat.
What are lower carbon energy fuel sources?	Fuels that will produce the least amounts of CO ₂ emissions during their production compared to a fossil-based fuel e.g. Coal. Examples: Hydrogen, Biofuels, advanced diesel and natural gas.
What is a Photovoltaic (PV) system?	A photovoltaic system comprises of solar panels and invertors ,and converts the sun's radiation, in the form of light, into usable electricity.
What are Microgrids?	Microgrids are groups of electricity sources that are self-sufficient energy systems which can operate within or independent of a central grid, mitigating disturbances and increasing system reliability. Microgrids include PV systems, invertors, battery storage, and wind turbines etc .
Why does South Africa need renewable energy?	South Africa's contribution to greenhouse gas (GHG) emissions is ranked as high, and its per capita emission rate is higher than the global average. Energy demand within the country is expected to rise steadily and double by 2025, and this will have a significant impact on climate change.
What does "Net Zero" carbon emissions mean?	Net Zero implies still having some residual emissions over the next 30 years. The residual emissions will be reduced through carbon-absorbing technologies. This technology landscape will undoubtedly grow in the coming years, allowing us to achieve a net zero goal.
Is the JET strategy aligned to the Integrated Resource Plan (IRP2019) for SA	"South Africa's national power utility Eskom plans to decommission 5 400 Megawatts (MW) of electricity from coal generation by year 2022, 10 500 MW by 2030, and 35 000 MW by 2050" (IRP,2019).
What is reindustrialization agenda?	A policy of stimulating economic growth especially through government aid, to revitalise and modernize aging industries and encourage growth of new ones.
What are Special Economic Zones?	Geographically designated areas set aside for specifically targeted economic activities to promote national economic growth and exports, by using support measures to attract foreign and domestic investments and technology.
What are Renewable Energy Development Zones?	Geographical areas where wind and solar photovoltaic power development can occur in concentrated zones.





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What does repurposing mean?	Repurposing is the use of something for a purpose other than its original intended use. Repurposing an item can be done by modifying it to fit a new use, or by using the item in a new way.
Has a Socio-economic impact study been done for the power stations that are being repurposed?	Yes, a Socio-economic impact study has been done for the power stations that are being repurposed, and within this study 3 elements, i.e. People, the Economy and Environment were comprehensively being dealt with.
What are Eskom's repurposing plans for the Gx Power stations?	Eskom will decommission 10 power stations by 2040 and 2050, presenting an opportunity for repurposing and repowering these sites: Komati, Grootvlei, Camden, Hendrina, Arnot and Kriel by 2030. Komati will be the pilot site for repurposing and repower their plant.
How does Eskom's JET Office plan to support the employees impacted by this change?	A comprehensive JET Change Management and Communication Plan has been developed and is currently being implemented. This plan includes customized culture-change activities, key project initiatives, engagement platforms, and change management workshops to support employees and leaders through this transition.

Abbreviation	Definition
JET	Just Energy Transition
SEZ	Special Economic Zones
REDZ	Renewable Energy Development Zones
SSEG	Small Scale Embedded Generator
PPA	Power Purchase Agreement
GHG	Greenhouse Gas



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