



Eskom Land Leasing Programme

Date: 14 October 2022

Background



- In response to the President's call for "an ambitious, bold and urgent response
 to the energy crisis", Eskom has piloted the the commercial lease and use of
 land parcels at two of its power stations in Mpumalanga province for the
 construction of new clean energy generation capacity.
- By making Eskom land available close to the power stations, where there is sufficient grid capacity, Eskom taken an innovative step to find the quickest way possible and within our scope of influence to boost the country's generation capacity
- Eskom's land leasing programme is a first of its kind and can be used as a
 case study in the electricity supply industry (ESI) in terms of partnering with
 private electricity generators to accelerate the connection of additional capacity
 to the national grid to improve the reliability of supply.
- The fact that these land leases will attract an estimated investment of some R20 billion to areas traditionally associated with coal-fired electricity generation makes this a compelling proof point for the just energy transition to a lower carbon economy

The objectives



The following are the main objectives of the land leasing programme:

- To support Government in strengthening electricity generation. Our intent is to get megawatts on the grid as quickly as possible.
- To position Eskom as a solutions driven company via the land leasing project to accelerate generation capacity in order to restore reliable electricity supply for the country – to reduce instances and duration of load-shedding
- To fast track the introduction of renewable energy sources to the country's energy mix, linked to the JET programme.
- To assist IPPs by proving land and giving them easier access to the grid to evacuate the power.

The objective is to accelerate the connection of additional capacity to the national grid to improve the reliability of supply and to participate in the open energy market

Tender process



- The first round of land parcels identified around Majuba and Tutuka Power
 Stations were issued to the market on 8 April 2022 and closed on 17 May
 2022. Evaluations commenced on 18 May 2022, and a mandate to negotiate
 and conclude agreements was approved on 22 June 2022.
- Tenderer have to be an active Independent Power Producer.
- Eskom considered the MWs to be generated, time to connect to the grid,
 confirmation that the plant could operate for 20 years and the pricing.

Successful Independent Power Producers in Phase 1



25 – 30-year lease contracts are being concluded with 4
Independent Power Producers.
At Majuba there are 13 farm portions with a total size of
3 850 hectares. At Tutuka there

Collectively, electricity to the extent of 2000 MW will be produced once the IPP projects on the sites are fully developed.

are 8 farm portions with a total

size of 2 334 hectares.

The successful bidders are:

- HDF Energy South Africa Pty Limited
- Red Rocket SA Pty Limited
- Sola Group (Pty) Ltd
- Mainstream Renewable Power
 Developments (Pty) Ltd



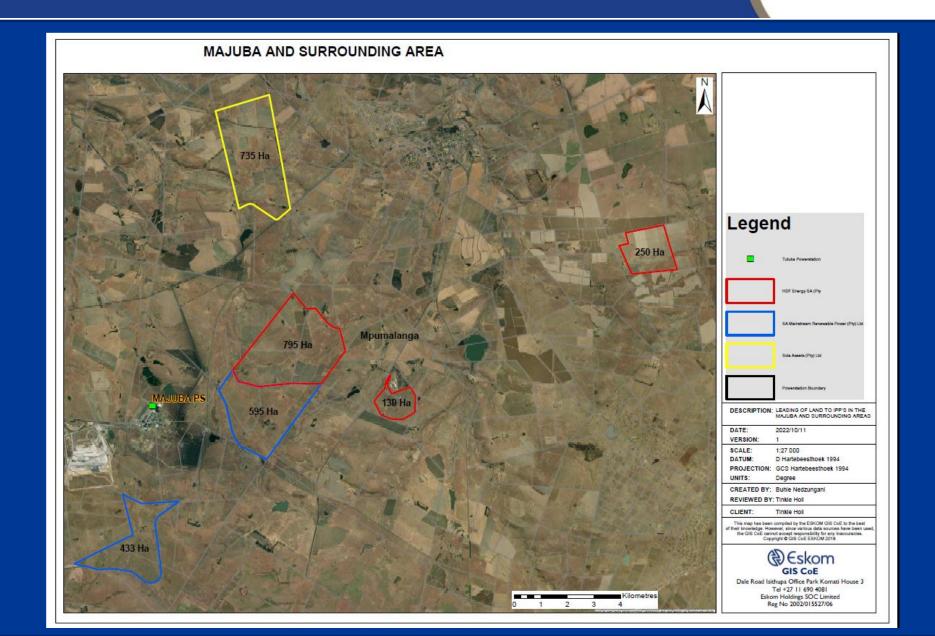






Land allocations - Majuba





Land allocations - Tutuka



