



# Just Energy Transition (JET) Fact sheet #005

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



Welcome to our 5th edition of the JET Fact Sheet that focuses on highlights from Week 2 at COP27, which ended on Friday 18 November 2022. In this feature Eskom Guardians can gain critical insights from the various interviews and panel discussions that took place with the Eskom Board Chairperson, Mpho Makwana, and Eskom GCE, André de Ruyter .



Over the past week, ministers from various African countries met in Sharm El Sheikh, Egypt, with the aim of ensuring that the continent speaks with one voice in response to issues raised at COP27. The Business Community from South Africa had a briefing last week at COP27 to discuss **South Africa's strategy** and plans to ensure that we address the need for more Renewable Energy, as shared by the President Cyril Ramaphosa last week. The **JET Investment Plan** that was presented by the President at COP27, marks good progress towards building the green growth and future energy security that we all want in the country, the continent and the globe. Eskom's GCE André de Ruyter stated "What we need as a country is **additional capacity** and quickest way in which we can deploy this capacity is by implementing the sort of strategy that was announced at COP27, this is the **solution to our energy needs**. We have funding lined up, we got investors lined up and of course we have the ability to connect to the Grid. In Mpumalanga we have the heart of coal energy fleet and it is critical that we make this energy transition a 'Just' one. The release of SA's JET Investment Plan means our work as Eskom now turns to implementation and getting funding moving will be vital."



[COP 27 Summit | André de Ruyter speaks about energy supply - YouTube](#)

Eskom Guardians can click on this link to listen to the full SABC interview with the Group Chief Executive André de Ruyter held on Monday, 14 November 2022.

## The clock was ticking for South Africa's negotiators at COP27



South Africa's negotiating mandate at COP27 focused on **adaptation, finance, mitigation, and the Just Energy Transition**. In respect of adaptation, the focus was on a work programme which sets clear goals and targets for adaptation, which is linked to concrete numbers for finance requirements.

On the financial side, anticipated adaptation costs for Africa from 2020 - 2030 are estimated to be USD259 - 407 billion, while loss and damage costs for the same period are expected to be approximately USD289 - 440 billion. The scale of these costs underline the significance of the financial support required from developed nations and this will be key for the successful implementation of **South Africa's Just Energy Transition Financing Framework**, which was approved by SA Cabinet last month.





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The Eskom Board Chairperson, Mpho Makwana, and Eskom GCE, André de Ruyter, hosted a session titled "Releasing JET project funding for the Developing World" at the South African Pavillion at COP27

For the COP27 Energy Day on 15 November 2022, Eskom hosted a session titled "Releasing JET project funding for the Developing World". Eskom's GCE, André de Ruyter, shared Eskom's Just Energy Transition strategy and financing requirements. The Eskom GCE also emphasised the **need for concessional funding** to be used for projects that are catalytic in nature and enable public and private sector investments. Successfully achieving a Just Energy Transition will require that the **challenges faced in accessing funding** be addressed, such as (1) The significant gap between funding required and what has been made available, (2) Majority of funding requires government guarantees, which there is limited capacity for, and (3) Available funding is mostly loans, which raises question of affordability of new debt.



*Eskom Board Chairperson, Mpho Makwana, and Eskom GCE, André de Ruyter, at the SA Pavilion*

Eskom further mentioned that unlocking investments in Mpumalanga to **enable and accelerate public and private sector participation** will be critical and the following key initiatives were highlighted:

<p><b>Land leasing scheme</b></p>  <p>31 000 hectares of Eskom land with potential PV capacity of ~7 GW made available</p>	<p><b>Strategic infrastructure investments</b></p>  <p>Eskom makes grid investments that will unlock 17 GW of grid capacity by 2027</p>	<p><b>Coal station repowering and repurposing</b></p>  <p>Repower decommissioned coal plants with renewables and repurposing facilities, e.g. Komati R&amp;R Project</p>	<p><b>Virtual LV wheeling agreements</b></p>  <p>Eskom offers virtual wheeling agreements to link renewables producers to end users</p>
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*GCE André de Ruyter speaking at the South African Pavilion*

Some of the **global financial partners** that joined Eskom in this critical conversation was Marie Françoise Marie-Nelly - Country Director for Africa at the World Bank Group; Leslie Maasdorp - Vice President at the National Development Bank; Dr Daniel Schroth - Director of Renewable Energy at the African Development Bank; Dr Heike Henn - Director for Climate, Energy and Environment at the German Federal Ministry for Economic Cooperation and Development (BMZ). Many of these financial institutions emphasised the importance of Eskom's (and South Africa's) Just Energy Transition as a **flagship project** for the world and they also acknowledged the importance of continued collaboration to continue to unlock financing.



*Eskom Board Chairperson, Mpho Makwana, closed off the session*

Eskom Board Chairperson, Mpho Makwana, closed off the session by highlighting the importance of a stable South African electricity grid for ongoing power reliability for Southern Africa Development Countries (SADC) neighbours and therefore, the benefits of investments made will spread beyond South Africa. Mr Makwana also stated "There is a long road ahead...but if we all work closely together to achieve a Just Energy Transition we will accelerate the realisation of South Africa's emission, generation, and socio-economic development goals."



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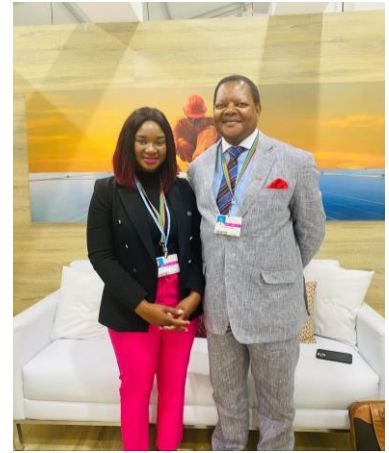
*Re-invigorating, rejuvenating and redefining Eskom's destiny as we lead the energy transition into the future*



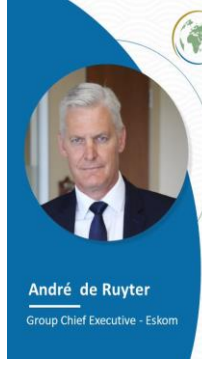
## An Eskom delegation attended COP27 and actively participated at the South African Pavilion



*Eskom's Dr Vikesh Rajpaul, Noella Molefe, Priscilla Jezi and GCE André de Ruyter were part of the Eskom delegation at COP27*



*JET Snr Advisor, Noella Molefe and Eskom Board Chairperson, Mpho Makwana, at the COP27 SA Pavilion*



“South Africa's coal-belt is a priority region for Eskom's Just Energy Transition (JET) strategy. The region has the renewable resources, grid capacity and people to become a renewable energy hub faster than elsewhere in the country. At COP27, I am hoping to see more concrete commitments to JET projects to help accelerate the decarbonisation of the economy, while ensuring that the people who are a part of the coal value chain are not left behind.”

## Eskom GCE, André de Ruyter in a panel discussion with National Business Initiative



*GCE, André de Ruyter, in a panel discussion at South African Pavilion @ COP27*  
The Eskom GCE, André de Ruyter, was quoted saying **“if we want to solve the energy crisis, renewable energy is the way to go particularly solar and wind.”**

**Total funding required by 2035 amounts to R1.2 trillion, according to Eskom's financial estimates.**

- This includes an additional generation capacity of about 57GW and 10GW of storage to address energy security challenges for about \$55 billion or around R947 billion.
- Eskom also needs to strengthen and expand its transmission lines by 8 000km and adding 100 substations at an estimated cost of \$7 billion or R120 billion.
- The distribution network also needs to be strengthened - which would cost \$3 billion or R52 billion.

<https://www.youtube.com/watch?v=2v11HUfsxtE>



Click on this link to watch the Eskom GCE interview with the Boston Consulting Group (BCG) at COP27 on the topic “Learning By Doing”





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WORLD BANK GROUP

World Bank hosted Eskom at a COP27 panel discussion on 16 November 2022



## TOPIC: Mobilising Finance and Know-how for a People-centered Just Transition

At COP27, the **World Bank** hosted a panel discussion on the steps countries can take to prepare for a just transition away from coal, with insights from South Africa, India, and Poland. This event also presented the objectives of an **upcoming initiative** that will help countries phase down their coal dependency and navigate the social, political, and environmental challenges in shifting to cleaner alternatives.

- Eskom Group Chief Executive, *André de Ruyter*
- *Srestha Banerjee*, Director for Just Transition, iFOREST
- *Grzegorz Trefon*, Advisor, Trade Union Alliance (KADRA)
- *Sirpa Jarvenpaa*, Fund Director, Energy Transition Partnership
- *Demetrios Papathanasiou*, Global Director, Energy and Extractives, World Bank
- *Louise Cord* (moderator), Global Director, Social Sustainability and Inclusion, World Bank

Eskom Guardians can click on the below link to access a recording of this video

[Mobilizing Finance and Know-how for a People-centered Just Transition \(worldbank.org\)](https://www.worldbank.org)



The World Bank recently extended \$497 million or R8.6 billion to Eskom as a **concessional loan to repurpose and repower Komati**. The coal-fired power station, which decommissioned its last unit in October '22, will have a **second life** producing renewable energy – which includes 150MW of solar, 70MW of wind and 150MW of battery storage.



Komati Power Station

Komati Power Station will also include a **Microgrid assembly line**, providing additional employment opportunities. “The World Bank's \$497 million, or R8.6 billion, in funding for Komati, is the bank's first venture into financing the decommissioning and repurposing of a power station”, according to the country director for Africa, Marie Francoise Marie-Nelly.





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Eskom and Sweden actively participated in a side event at COP27 focused on "Ensuring a Just Energy Transition"

**TOPIC: Swedish companies are ready to take the lead on climate change during COP27, the UN climate conference**



*GCE, André de Ruyter, with the Swedish delegation at COP27 side event "Ensuring a Just Energy Transition"*

"One of the most important focus areas for the EU and Sweden during COP27 is to do what we can to reach a decision concerning the **work programme** for emission reductions. But many countries also see this year's COP27 as important for putting clearer focus on support for loss and damage, climate adaptation and financing – all aspects must be included. Each COP is an opportunity, so our countries need to work hard to fulfil our commitments," says Ms Pourmokhtari - **Sweden's Minister for Climate and the Environment**.

Swedish companies are **accelerating the climate agenda** and have an important role to play in the green transition. We have world-leading solutions that can have an impact at an international level, and in order to strengthen Sweden's position within global climate cooperation and increase our contribution to the Paris Agreement, we will attend COP27 with a business delegation. "Together, we want to accelerate the innovative solutions required to achieve the goals of the Paris Agreement", says Jan Larsson, **CEO of Business Sweden**.

Sweden attended COP27 with a negotiating delegation and a large business delegation coordinated by **Business Sweden**. Interest in the climate conference from the trade and industry, and business communities has been significant across the globe. All companies participating in this year's climate conference are leaders in the green transition. With outstanding green innovations and ambitious climate goals, they are paving the way for green growth.



*Eskom's GCE, André de Ruyter, with the Swedish delegates at a panel discussion at this COP27 event*





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**Eskom was proudly represented and actively participated at COP27, in a panel discussion on "JET in South Africa: Case study on Komati Repowering and Repurposing Project".**

## Panel Discussion JET in South Africa: Case study on Komati Repurposing & Repowering



**Joanne Yawitch**  
CEO



**André de Ruyter**  
Group Chief Executive



**Dr Thuli Khumalo**  
Chief Operations Officer



**Marie Françoise Marie-Nelly**  
Country Director, Africa



**Dr Leon Clarke**  
Director of Decarbonization Pathways



*Eskom's Group Chief Executive André de Ruyter presented at the panel*



On the 17 November, the Eskom GCE André de Ruyter was part of the panel discussion on – JET in South Africa: Case study on Komati Repowering and Repurposing Project. **Eskom will be repowering and repurposing existing coal stations to preserve jobs and utilise existing transmission capacity.** Starting with Mpumalanga's oldest coal plants, Eskom will:

- Repower coal plants by leveraging existing infrastructure to build new generation capacity including solar, wind, gas turbines, or synchronous condensers.
- Repurpose coal plants into new centres of economic activity including training centres, water treatment facilities, manufacturing plants, microgrid assembly and modern farms.
- Unlock transmission and distribution capacity by investing in sub-stations and transformers in a province where solar resources are high by global standards.
- Ensure a Just Transition for local communities through the Repurposing and Repowering activities that will help to retain economic activity, creating jobs and new economic opportunities.

Komati is one of Eskom's oldest power plants and has reached the end of its technical life expectancy. **Komati Repurposing and Repowering project consists of 3 main components:**

### A | Decommissioning

- Expected to take 4-5 years and will be supported by an Owners Engineer and EPC company
- Will begin within the power plant and ash dam

### B | Repowering

Consists of 2 phases:

- Phase 1 - conducted in parallel with decommissioning - includes: 100 MW PV, 50 MW wind, 150 MW batteries and 100 MVAR synchronous condenser
- Phase 2 - conducted post-decommissioning- includes: 50 MW PV, 20 MW wind, and 2 x 100 MVAR synchronous condensers

### C | Opportunities for Workers and Communities

Consists of 3 elements:

- Support for permanent workers, contract workers and suppliers
- Development of agrivoltaics, microgrid assembly facility and Komati Training Facility as part of Repurposing activities
- Establishment of Eskom JET Taskforce to drive stakeholder engagement and community empowerment



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## Highlights from the panel discussion on "JET in South Africa: Case study on Komati Repowering and Repurposing Project"



André de Ruyter  
Group Chief Executive

Komati is a very exciting project for Eskom and gives us an **alternative for shutting down a plant and a town** that has served Eskom and South Africa since 1961. We had this opportunity to transition smoothly into a new and better alternative, which we believe allows us to embrace a greener and cleaner future.

The **Training Centre at Komati Power Station** will be replicated at Grootvlei Power Station. The Funding is about 10 million euros from KfW German Development Bank. This is another positive step towards investing in our people to make this transition a "Just" one, stated the GCE André de Ruyter.



The Eskom Chairman, Eskom Group Chief Executive and other panel members.

### The GCE André de Ruyter played a very interesting, informative and empowering video on Komati Power Station's history and the intention of the repowering this station as a renewable energy site.

Eskom is changing the face of electricity generation. **With all endings comes new beginnings** - Komati will be repowered as a renewable site. This will be seen as the rebirth of Komati.



Eskom Guardians are encouraged to click on the link below to access this exciting video on Repurposing and Repowering Komati Power Station



<https://eskom.sharepoint.com/v:s/hrect/ER17OHMrw49JoqgS1nZPEkBuildV6dLykAWQKQFkXKGkEQ?e=XObnSf>



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## Eskom Board Chairperson, Mpho Makwana closed the panel discussion at the JET in South Africa: Case study on Komati Repowering and Repurposing Project.



Eskom Board Chairperson, Mpho Makwana

Lessons from Komati are being integrated into the blueprint for our coal station decommissioning. Komati is Eskom's blueprint for, Camden, Grootvlei and Hendrina power stations, which have also been designated for decommissioning.



Komati



Camden



Grootvlei



Hendrina

South Africa is a gateway to 250mn people in Southern Africa, our JET programme will benefit South Africa directly and our neighbours indirectly through improved energy availability.



Eskom Guardians can click on this link to listen to the panel discussion : Case study on Komati Repowering and Repurposing

[Day 11: Solutions - Session Two - YouTube](#)

Eskom Board Chairperson, Mpho Makwana, closed off this session by thanking the panel for joining the conversation and for their participation. He highlighted that the **Repurposing and Repowering of Komati is an important flagship for Eskom and our country and a first in the world**, to repurpose a coal-fired station into a renewable energy power station contributing towards cleaner energy within our base load. The need for multiple key stakeholders' commitments and ongoing engagements will be key to achieving ongoing success as Eskom embark on this journey of repowering and repurposing. Skills development and reskilling are important catalysts in achieving the sustainability of the JET Programme.

Eskom Guardians can click on the link below to view some of the closing remarks from the Eskom Board Chairperson, Mpho Makwana and Eskom Group Chief Executive, André de Ruyter from COP27, Egypt:

<https://youtu.be/YDj75CF1 IM>



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