



New wind farm powers up

Tsitsikamma project enters full operation



POSITIVE ENERGY: Florence and Litha Msizi, the widow and son of Tsitsikamma Community Wind Farm founder Mike Msizi, with Cennergi chief executive Thomas Garner at the project site yesterday. Picture: GUY ROGERS

THE “sky’s the beginning” for the people of Wittekleiboschas the Tsitsikamma Community Wind Farm shifted into full commercial operation yesterday.

The 31-turbine project 30km west of Humansdorp will pump 95MW of wind energy into Eskom’s national grid, while also giving the community a huge boost.

They will benefit via a deal comprising 9% sharehold, 2.1% of revenue to go to socio economic development, and rental of the land where the turbines are sited.

Role-players at the celebration lunch at the site praised the commitment of the investors— Cennergie, Exxaro and Tata Power – the patience of the

community and the vision of project founder Mike Msizi, who died in a car accident in 2012. Msizi’s wife, Florence, and his extended family are 16% shareholders in the project.

Deputy Energy Minister Thembisile Majola said the project was a milestone in the department’s drive to establish a viable energy mix for the country.

Projects like this were invaluable in helping to electrify impoverished corners of the country, thereby freeing residents from the grind of survival without electricity and allowing them to explore wider job possibilities, she said.

“This project is not just about profit — it is making a difference in the lives of the local community and the sustainability of the planet through developing clean energy,” Majola said.

“The aim is meaningful participation for the local people so they are not just recipients. We’re hoping to see people move beyond menial jobs as they become part of this process.

“From here, we say – the sky’s the beginning”.

Majola said the project was the product of the government’s successful Renewable Independent Power Producers Programme (Ripp) which had mobilised R195-million in direct investment and brought 2 145MW into the grid. A leaked letter in July from Eskom chairman Ben Ngubane said the utility would not be signing any further Ripp agreements, sparking an outcry from the renewable sector. - *Guy Rogers, The Herald Live*

Moody's confident in SA renewable energy industry

RATINGS agency Moody’s Investors Service on Friday expressed confidence in the local renewable energy industry’s ability to raise debt.

The agency said these included a significant fall in renewable electricity costs, the growth of independent renewable power producers and the likely increased participation of institutional investors.

The Moody’s report came days after the agency dropped a bombshell when it announced on Wednesday that it had put on review for downgrade the ratings of Eskom, the Development Bank of Southern Africa, Industrial Development Corporation and the Land Bank.

“The South African renewable energy market has grown rapidly over the last five years or so and there is rising demand for renewables debt. South Africa was the continent’s largest renewables market in 2015 in terms of asset finance for utility-scale projects, and it saw the highest year-on-year growth globally,” said Christopher Bredholt, a Moody’s vice-president and senior analyst.

Moody’s said renewable energy projects were becoming less dependent on high levels of subsidy and had benefited from reductions in the price of equipment and installation costs, as well as the country’s abundant natural resources, particularly solar power.

Projects, which are part of the **Renewable Energy Independent Power Producer Programme**, generate more than 2 000 megawatts (MW) of renewable energy power.

Although coal is the dominant source of energy in South Africa, the government has set a target of 17 800MW of renewable energy power by 2030. So far, the private sector has invested R194 billion through the procurement programme.

“The development of South Africa’s renewables sector will be shaped by the country’s transmission infrastructure, which needs additional capacity, as well as the broader sovereign credit environment.

“While local banks and development finance institutions have played a dominant role in financing of South Africa’s renewable energy projects, Moody’s expects increasing participation of institutional investors in the sector.

The South African government has stated its long-term policy commitment to renewable generators and to the extent it builds a longer term track record of administering its support programme, it will be positive for project issuers,” Moody’s said.

But Bredholt said Eskom - the designated buyer of the power from the renewable energy producers - had raised questions about the broader electricity generation mix. “Cost-reflective tariffs are yet to be implemented in the face of Eskom’s rising costs from power purchase agreements, considerations which may influence the government’s programme.”

Eskom caused a stir when it announced in July that it would not connect utility-scale renewable energy independent power producers in the **Renewable Energy Independent Power Producer Programme Bidding Window 4.5**, which is under way. Eskom wants to have discussions with **the Department of Energy** before signing further agreements with renewable energy developers.

Eskom is reluctant to enter into long-term power supply agreements with the developers while it has enough electricity capacity. - *By Siseko Njobeni, Business Report*

Koeberg unit shut down for maintenance

Unit 1 of South Africa’s sole nuclear power plant will be shut down for just over a month from Monday as part of routine refuelling and maintenance, power utility Eskom said on Sunday.

The power plant, known as Koeberg, has two units and provides 1 800 megawatts of power to the national grid. “The refuelling outage takes just over a month and the unit is expected back online towards the end of October 2016,” Eskom said in a statement. Eskom said it will also perform other maintenance works on the plant during the outage. - *Reuters*