

**The Honourable Ms Tina Joemat-Pettersson, MP**  
Minister of Energy  
Private Bag X96  
PRETORIA  
0007

Date:  
10 February 2015

Enquiries:  
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Dear Ms Joemat-Pettersson

## **AUTHORISATION OF SUPPLY SIDE OPTIONS**

We would like to bring to the attention of the Honourable Minister further measures which we believe need to be taken immediately in our quest to relief the constraint in the electricity supply system.

### **Ingagane power project**

Ingagane power station is a 500MW station in Newcastle, KwaZulu Natal which was decommissioned in 1994. A decision by the then Electricity Council was made to dispose of it through a public process. A preferred bidder was chosen in 2010 following a second round of elimination. A confidentiality agreement was signed and interim discussions with the SA Power Consortium (SAPC) occurred, pending negotiations for a contract conclusion. We believe that this project must be advanced so that commercial terms can be concluded and a power purchase agreement agreed with SAPC.

### **Co-generation Aggregator**

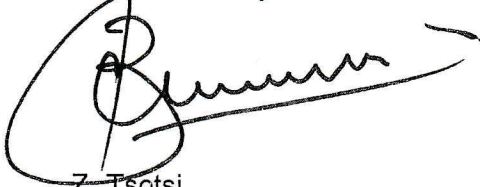
We have been approached by Phambili Mzantsi Ltd, a group who represent co-generators with a proposal to aggregate the power of co-generators into the electricity grid. This is a viable supply side initiative that could add up to a 1000 Megawatts (MW) within a space of a few months. Eskom is keen to engage this group pending authorisation from the Minister.

### **Ship-Borne Generators**

We were further approached by company called Karadeniz (SA) which specializes in ship borne generation plant. Their proposal includes the berthing of 500 MW ship-plants at our ports. Once a decision to implement the proposal is reached they can dispatch the first 500MW unit onto the grid within six months and then a successive 500 MW unit every four months thereafter. Our assessment of their proposal is that it is sound and that it presents a real and swift option to augment our supply options.

The above mentioned projects present real options for us to make a quick and permanent difference to the constrained power system. In this regard we request the Honourable Minister to authorize Eskom to engage and conclude all required measures to enable speedy implementation of these projects.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Z. Tsotsi', written over a large, stylized circular flourish.

Z. Tsotsi  
**CHAIRMAN**