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MINISTER GORDHAN WELCOMES APPROVAL OF REMAINING LICENCES FOR THE NATIONAL TRANSMISSION COMPANY OF SA (NTCSA) BY NERSA

PRETORIA, 18 September 2023 – The Minister of Public Enterprises, Mr Pravin Gordhan has welcomed the approval of remaining licences for the newly established National Transmission Company of South Africa (NTCSA) by the National Energy Regulator of South Africa (NERSA):

1. Minister Gordhan said the granting of the trading licence and the import/export licence for the NTCSA was a critical milestone in Eskom’s restructuring and in the operationalisation of the NTCSA.
2. The NTCSA is a wholly owned subsidiary of Eskom Holdings, which is being restructured into three separate subsidiaries: Generation, Transmission, and Distribution as part of a government commitment to transform the electricity industry and leverage new investment through public-private partnerships to resolve the country’s power crisis.
3. “This is great news for the people of South Africa. We now have in place all the critical elements for creating a more dynamic, a more responsive and a competitive electricity industry,” said Minister Gordhan.
4. “The granting of these licences means that the National Transmission Company of South Africa is ready to get down to business and bring a much-needed overhaul of our electricity industry. This is a significant milestone as it also paves the way for the procurement of power from across the region,” Minister Gordhan added.
5. The NTCSA applied for a trading licence to buy and sell electricity from power stations and independent power producers (IPPs) under section 34 determinations of the Electricity Regulation Act, 2006. (ERA).
6. The terms of the NTCSA’s trading licence will be five years as a transitional arrangement to allow for transition from the exclusive trading arrangement and incorporation of changes that may emanate from the ERA amendment and price review processes.

7. The NTCSA applied for the import and export licence in terms of section 7 (1) (b) of the ERA. The licence gives it authorisation to conduct import and export of electricity activities throughout the Southern African Development Community (SADC) using the NTCSA transmission network and the transmission systems of other SADC member countries.
8. NERSA approved the transmission licence for the NTCSA to operate a transmission system within the national boundaries of the Republic of South Africa at the end of July 2023.
9. The NTCSA will operate the transmission system and perform the following key integrated roles to ensure the integrity of the interconnected power system (IPS): Transmission Network Service Provider (TNSP); System Operator (SO); Transmission System Planner (TSP) and Grid Code Secretariat.

ENDS/

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