

NATIONAL

Nersa approves 98 new power projects in three months

Most of the facilities, with a combined generation capacity of 900MW, will be developed in Gauteng, the Western Cape and KwaZulu-Natal

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The National Energy Regulator of SA (Nersa) processed the registration of electricity generation projects with a combined capacity of 900MW during the second quarter (July to September).

The power will come from 98 new facilities, 92 of which are solar plants with an investment value of about R17bn. Most of them are slated for Gauteng, the Western Cape and KwaZulu-Natal.

The registrations bring the total number of newly registered projects for the six months since April to 182.

Of the 98 projects registered between July and September, 68 will export energy through the national grid and generate a total of 785MW. However, only seven projects, with a combined capacity of 140MW, were registered for commercial purposes.

“The number of generation facilities registered for the first and second quarter is 182 with total capacity of 2,977MW,” said Charles Hlebela, head of communications for Nersa.

By the middle of the current year, the regulator had already registered almost double the total generation capacity signed off last year. Hlebela told Business Day Nersa registered 406 generation facilities with a total capacity of 1,664MW last year.

Nersa noted, though, that only two of the 98 projects (with a combined capacity of less than 1MW) would incorporate energy storage.

“The uptake of the registered generation facilities is commendable. However, it is concerning that most of the registered facilities are [...] not coupled with storage. In this regard, it’s recommended that registration applications for generation facilities of variable energy sources be coupled with battery storage,” said Nhlanhla Gumede, the regulator member responsible for electricity regulation.

SA launched its first government-backed procurement round for battery energy storage projects earlier in 2023. Mineral resources and energy minister Gwede Mantashe announced the preferred bidders for that first round last week. The four battery storage projects, which will add about 500MW of capacity, are expected to reach commercial close by May 2024.

Mantashe said the department would make an announcement about the second battery energy storage round before the end of December.

Nersa said it has registered 1,185 generation facilities with a capacity of about 5,800MW since 2018.

SA has also seen an exponential rise in the uptake of rooftop solar installations as South Africans seek to lessen the effects of load-shedding and steep electricity price increases on their budgets and daily lives.

These installations would generally not be registered with Nersa, which only requires generation facilities above 1MW to be licensed.

Business Day reported previously that data released by Eskom shows that from March 2022 until the first quarter of 2023, the amount of electricity generated by small-scale embedded generation (SSEGs) — typically rooftop solar installations by households and businesses — rose 350%.

During the 12-months to August 2023 more than 2,000MW of solar panels were installed.

Public enterprises minister Pravin Gordhan told parliament earlier this year the installed capacity of solar panels (excluding the government independent power producer programmes) was estimated at 4,841MW at the end of August, about double the installed capacity recorded in August 2022.

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