

IJGlobal ESG Awards – Renewables, Africa – Tronox

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Tronox Captive Power Project – the largest utility-scale project in South Africa to generate its revenue by wheeling its energy production to intended offtakers via the national grid – wins the IJGlobal ESG Awards 2023 for renewables in the continent.

One of the independent panel of judges said: “Amidst challenges in navigating regulatory uncertainty and a monopolistic state utility, the adaptation of public wheeling policies to the private procurement setting establishes useful precedent in the important shift for the South African power market to drive private procurement of energy the energy transition among industry role players.”

Another judge added: “This project demonstrates a significant step forward for the South African power market, enabling private companies to determine their energy strategy and facilitating the energy transition.

“This project showcases innovation through its navigation of a shifting regulatory landscape, culminating in the drafting of one of the first wheeling PPAs in the South African market. It lays foundational work for other projects in terms of regulatory engagement and contractual structures.”



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The Sola Group deal [reached financial close](#) mid-September 2022 with a ZAR 3.1 billion (\$181.2m) debt package arranged by ABSA Bank, NBSA, Standard Bank and the Development Bank of Southern Africa (DBSA).

The independent power project (IPP) consists 2x 100MW solar projects that will make use of the government’s embedded generation rules to sell the energy to titanium producer Tronox Mineral Sands.

The 20-year PPA was signed in March (2022). The solar plant will provide up to 40% of Tronox’s power needs in South Africa. The company owns and operates a mining and smelting business in the country, including Namakwa Sands and KZN Sands CPC/Smelter.

According to the submission: “This is noteworthy for 2 reasons – until recently, Tronox and other heavy electricity users could only procure energy from the state utility, Eskom or municipal distributors of energy.

“This was one of the first projects to test the regulatory framework and appropriate risk allocation for procurement of energy by a private consumer from independent power producers in order to supplement Eskom supply.”

This is an important shift for the South African power market ensuring that private companies can determine their energy strategy – potentially driven by various factors, including but not limited to, security of supply, price certainty, BBBEE procurement objectives and ESG – going forward as well as facilitating the off taker’s energy transition.

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