

The RSA Grid Code Secretariat  
Attention: Mr. Target Mchunu  
Eskom System Operator  
P.O. Box 103  
GERMISTON  
1400

Date:  
26 September 2015  
  
Enquiries:  
Tel +27 11 800 4829

Dear Mr. Mchunu

### **GRID CODE EXEMPTION FROM THE NETWORK CODE CLAUSE 2 (2) FOR THE ISSUING OF QUOTES TO CUSTOMERS**

Application is hereby made for an exemption from the requirements of the Network Code clause 2 (2), Issuing of quotes to customers within specified time periods, until the end of the MYPD3 period (31 March 2018).

### **GRID CODE REQUIREMENT**

The requirement is:

2 (2) The NTC shall provide quotes or cost estimates for new connections (or for upgrading existing connections)....

### **MOTIVATION FOR THE EXEMPTION**

Eskom is facing serious liquidity issues, making it impossible to commit to any of the DOE ReIPP programmes after bid window 3. This affects the issuing of Budget Quotes (BQs) to IPPs.

The Eskom Board has decided to not issue any BQs after Round 3 at this point in time. This is contrary to the DOE timelines for these IPP programmes.

Although the issuing of quotes is a license condition, the outcomes of the relevant RCA submissions are not guaranteed so that Eskom cannot responsibly commit to the related expenditures. Eskom has addressed this issue with Nersa in a separate communication and requested appropriate guarantees.

### **EXEMPTION REQUEST**

The Grid Code Advisory Committee is requested to exempt Eskom from issuing Budget quotes to IPPs, as specified in clause 2 (2) of the Network Code, up to 31 March 2018.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Juan la Grange', with a stylized, cursive script.

Juan la Grange

**TNSP GCAC Member, and**

**SENIOR MANAGER OFFICE OF THE GROUP EXECUTIVE (TRANSMISSION)**