

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

Date:
26 September 2015

Enquiries:
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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



Juan Ila Grange

**TNSP GCAC Member, and
SENIOR MANAGER OFFICE OF THE GROUP EXECUTIVE (TRANSMISSION)**