

NATIONAL TRANSMISSION COMPANY SOUTH AFRICA SOC Ltd (NTCSA) LAUNCH

National Transmission Company South Africa (NTCSA) outlines the next steps to provide reliable, fair and affordable access to the electricity grid and market to enable sustainable, inclusive economic growth.

On Monday, 7 October 2024, the NTCSA hosted its official launch. Priscillah Mabelane, the NTCSA Board Chairperson and Segomoco Scheppers, the Interim Chief Executive Officer, NTCSA outlined the key focus areas that have been developed in the three months since 1 July 2024, when the company became an independent, wholly-owned subsidiary of Eskom Holdings Ltd.

“The NTCSA Board and Executive Team have already committed significant time and effort to building this company. We are fully dedicated to realising the benefits of the Electricity Regulation Amendment Act (ERAA) and ensuring that the NTCSA has the structures and governance to contribute meaningfully to South Africa’s energy security and inclusive economic development,” said Priscillah Mabelane, NTCSA Board Chairperson.

“Achieving independence will allow us to operate more efficiently, reduce conflicts of interest, and focus exclusively on our mandate; maintaining the stability of the transmission grid, managing electricity flows, and ensuring open access to the network for all players in the market,” stated Segomoco Scheppers, the Interim Chief Executive Officer NTCSA.

The NTCSA has four strategic objectives:

- Delivering reliable and sustainable access to affordable power.
- Creating an inclusive and competitive electricity market.
- Ensuring a financially sustainable business.
- Operational and digital transformation for efficiency and effectiveness.

Strong relationships and alignment with key stakeholders, clear and efficient internal governance processes, world-class talent, capabilities, and a high-performance culture underpin these objectives.

Key areas of focus

Following a strategic review of the NTCSA’s corporate plan, in the short-term over the next three to six months, the NTCSA will pursue the delivery of its strategy. This will be done by focusing on bringing an accelerated Transmission Development Plan (TDP), setting the operational unbundling activities as per legislative requirements, and establishing a fair, competitive market for electricity.

Delivering an accelerated Transmission Development Plan (TDP)

It is anticipated that in the next five years, there will be 30 GW of utility-scale renewables connected to the grid by the end of 2029. A step change will be required to ensure that this new generation can connect to the electricity transmission grid and to get it to the point of demand. This will require accelerating the construction of new transmission infrastructure through effective project planning, development and execution.

The NTCSA is actively investigating solutions to execute the TDP at the required scale and pace. The NTCSA will determine principles for refining its capital project delivery model, and consider a project delivery portfolio including in-house, Engineering, Procurement and Construction (EPC), Procurement and Construction (PC), and Independent Transmission Projects (ITP).

The NTCSA is committed to local economic development and will aim to develop local supply chains and upskill the local workforce to deliver the required infrastructure rollout, while still prioritising efficiency.

Operational unbundling activities

The Electricity Regulation Amendment Act (ERAA) was signed into law in August 2024 and provides for the establishment of an independent Transmission System Operator (TSO) five years after the law takes effect. The NTCSA must be able to operate as an independent company and take steps to facilitate the ownership unbundling. This includes establishing a new operating model and the appropriate internal processes, systems and governance structures required to operate.

The NTCSA will, in due course and after consultation with Eskom Holdings and the Department of Electricity and Energy (DoEE), provide a high-level roadmap with timelines to enact all requirements of the ERAA and develop transitional arrangements to be ready to give effect to the legislation.

The creation of the NTCSA will provide open, fair, and transparent access to the national grid for both public and private participants and will contribute towards improving the efficiency of the electricity sector. The system operator will use generators in a way that will be most beneficial to the consumer and will ensure a balanced, stable network.

Establishing a fair, competitive market for electricity

The Market Operator (MO) of the NTCSA is required to provide a transparent, non-discriminatory trading platform for market participants. The MO must develop the Market Code which will establish rules to govern the future competitive electricity market. The Market Code will provide the foundation of day-ahead energy and reserve markets, intra-day auctions, and a balancing mechanism to facilitate physical energy trading and will ensure the clearing and settlement of these trades in a timely and

efficient manner.

The benefit of a competitive market is that it improves customer choice and supplier efficiency and promotes an efficient price for energy and associated services.

The NTCSA will focus on the key activities to operationalise the MO with NERSA as a key stakeholder. This will include the approval of the market code and supporting governance, the definition of the license conditions and its approval, as well as the approval of the Eskom generation and distribution vesting contracts for the Central Purchasing Agency (CPA), which includes the wholesale tariff.

Photos:



From left to right: The Minister of Electricity and Energy, Dr Kgosientsho Ramokgopa; NTCSA Board Chairperson, Ms Priscillah Mabelane; Interim Chief Executive Officer of the NTCSA, Mr Segomoco Scheppers and the Eskom Group Chief Executive, Mr Dan Marokane.

Eskom National Transmission Company South Africa™



Members of the NTCSA Board, as well as the Eskom Board celebrating the official launch of the National Transmission Company South Africa SOC Ltd on 7 October 2024.

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