



R5 billion solar projects pushing ahead in South Africa

by: **BusinessTech** writer

Norwegian renewable energy group Scatec ASA has announced that it has reached financial close for its three Grootfontein solar projects in South Africa.

The projects, valued at R5.1 billion, were won as part of the Department of Mineral Resources' fifth bidding round of its Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in 2021.

"The solar power plants will be the first Scatec assets located in the Western Cape province of the country and have a total capacity of 273 MW solar power.

"Once operational, the projects will deliver much-needed renewable energy under a 20-year Power Purchase Agreement. The three solar plants will lead to a combined abatement of 630,000 tonnes of CO2 emissions annually," the group said.

Construction on the projects is expected to commence in 2024, with the group targeting commercial operation in 2025. The solar plants will be able to power approximately 100,000 households in the region, it said.

The power plants' estimated total project cost of R5.1 billion is made up of 75% Scatec EPC contracts. The project will be financed by equity from the owners and R.5 billion of non-recourse project finance debt provided by Standard Bank of South Africa as the mandated lead arranger.

Scatec will own 51% of the equity in the project, with H1 Holdings, its local Black Economic Empowerment partner owning 46.5% and the Grootfontein Local Community Trust 2.5%. Scatec will be the Engineering, Procurement and Construction (EPC) provider and provide Operation & Maintenance as well as Asset Management services to the power plants.

The group announced earlier in June that it would divest its holding in its 258 MW Upington solar plants, where it holds a 42% equity-share valued at just under R1 billion. (NOK 546 million). The proceeds of the divestment are being recycled into new investments in renewable energy, the group said.

This and That

Boost for meat prices: Pick n Pay has reached an agreement to buy meat group Tomis for R340 million – subject to regulatory approvals. Tomis is a meat processing and packaging business that supplies lamb, beef and other meat products. Pick n Pay said that the transaction will reduce the cost of meat while also offering reliable supply. The group added that meat is a key product for the group.

BMW going electric: BMW South Africa will invest R4.2 billion over the next five years to improve its electro-mobility capabilities at its manufacturing plant in Rosslyn, Pretoria. BMW's Dr Milan Nedeljković said that the next generation BMW X3 – a plug-in hybrid – will be manufactured at the plant in the second half of 2024, with the plant also producing internal combustion engine (ICE) derivatives of the car. BMW said that the new investment will support 20,000 people working directly or indirectly in the group's South African operations.

The Irish government is currently on a massive recruitment drive, looking for skilled South Africans in the construction and civil engineering sectors. Ireland has set a target of building an additional 33,000 new homes per annum for the remainder of the decade and retrofitting 500,000 homes by 2030. "Research indicates that across housing and retrofitting an additional 51,698 new construction workers are required over the coming years to allow for this increase in building and retrofitting activity to be met," it said.

PW Harvey & Co hosted sell-out seats events in Gqeberha and St Francis Links. The event was headlined "Offshore with Nick Mallett: the Rand and The Rugby World Cup". With all roads leading to the 2023 Rugby World Cup, where the Springboks will hope to mount a defence of their title, renowned rugby commentator and motivational speaker Nick Mallett shared his views on the upcoming showpiece.

PW Harvey & Co and Nick Mallett Talk Sell-out seats in Nelson Mandela Stadium and St Francis Links



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