Eskom

Renewable Energy Tariff

Fact Sheet

Overview

Eskom is creating a renewable energy, utility solution to help customers deliver on their renewable energy commitments. Eskom is launching the Renewable Energy Tariff pilot programme that will allow all our customers to source up to 100% of their electricity from Eskom's renewable sources.

Eskom developed the Renewable Energy Tariff programme because we understand that many businesses are faced with corporate renewable energy commitments. The Renewable Energy Tariff pilot pro-gramme provides customers with a mechanism to achieve their corporate renewable energy commitments, without the initial capital investment in an owned generator and provides flexibility to relocate to different sites - and provides a supply of non-variable renewable energy over a 24-hour period.

The Renewable Energy Tariff Pilot Programme

Eskom is generating renewable power from some of our plants that have been accredited as renewable, these include our Sere Wind Farm and Run-of-River hydro facility. During the pilot phase of our Renewable Energy Tariff programme, we are able to offer all our customers a maximum of 300GWh per annum of renewable energy - and our customers will be treated on a first-come first-served basis. Part of the development plan of the Renewable Energy Tariff programme is to certify renewable energy via Renewable Energy Certificates (RECs) and trade the actual renewable electricity separately.

The Benefits of the Renewable Energy Tariff Programme

The Renewable Energy Tariff is designed to provide a cost-effective option for our customers, by only paying for the renewable electricity used monthly, without the initial capital investment required. The programme provides the convenience of entering into a short-term power purchase contract based on annual renewable energy requirements, without having to consider long-term pay-back periods. This Renewable Energy Tariff pilot programme also offers ultimate flexibility, giving customers the opportunity to determine their percentage of total electricity usage that needs to be clean, renewable energy, and the renewable energy at various sites, with no impact if there is a need to move facilities.

Who can participate?

The pilot programme has very minimal participation criteria. This programme is available to any Eskom customer whose electricity account is up-to-date. We encourage customers to partner with us to deliver on their clean energy target, whether Eskom supplies 100% of customers renewable target, supplement their own renewable energy generated on site or wheeled from an independent third party with the utility's renewable energy.

Renewable Energy Tariff Programme costs

4

Eskom is creating a renewable energy utility solution to help customers deliver on their renewable energy commitments. Eskom is launching the Renewable Energy Tariff pilot programme that will allow all our customers to source up to 100% of their electricity from Eskom's renewable sources.

Eskom developed the Renewable Energy Tariff Pro-gramme because we understand that many businesses are faced with corporate renewable energy commitments. The Renewable Energy Tariff Pilot Programme provides customers with a mechanism to achieve their corporate renewable energy commitments, without the initial capital investment in an owned generator and provides flexibility to relocate to different sites and provides a supply of non-variable renewable energy over a 24-hour period.

Energy blocks x = % of total energy that is renewable	Renewable Energy Tariff c/kWh on top of the standard tariff
1% ≤ x ≤ 10%	25
10% < x ≤ 20%	22
20% < x ≤ 30%	20
30% < x ≤ 40%	18
40% < x ≤ 50%	17
50% < x ≤ 60%	14
60% < x ≤ 70%	12
70% < x ≤ 80%	10
80% < x ≤ 90%	8
90% < x ≤ 100%	5

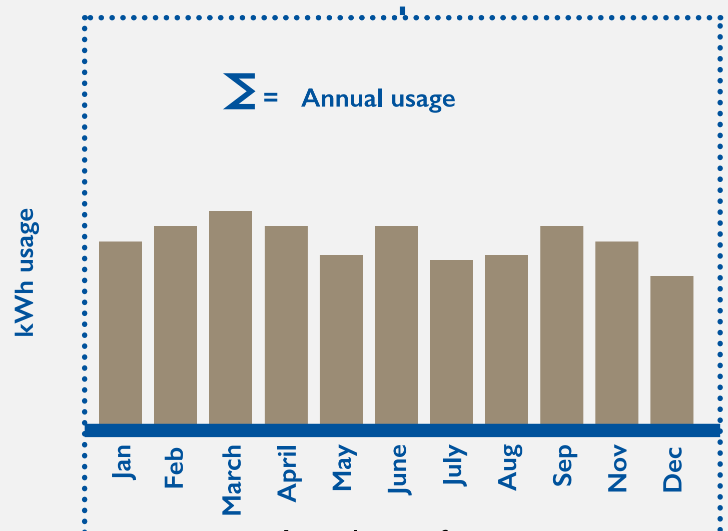
Table 1: Declining Renewable Energy block rate tariff

How is your Renewable Energy Tariff cost calculated?

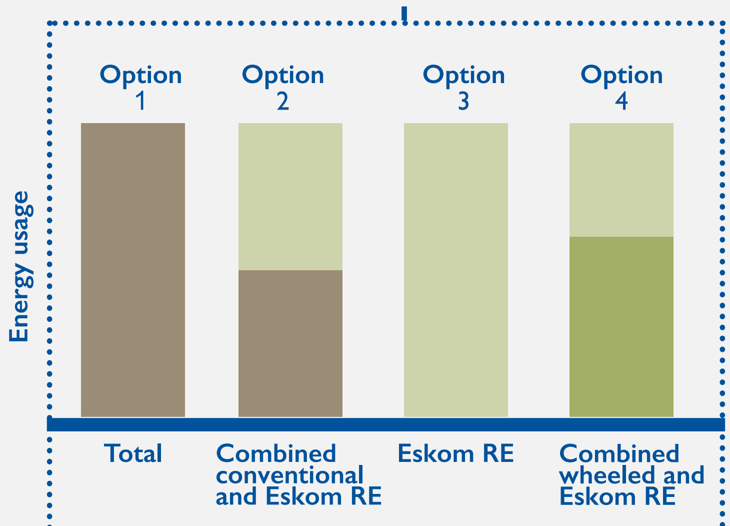
5

Your consumption forecast will be based on your monthly consumption over a 12-month period. You can then request the preferred percentage renewable energy of your forecasted consumption based on the related tariff in the table above. Figure 1 below shows the detailed renewable energy tariff calculation. Step1: Determine your base-line; which is your previous monthly consumption over a 12-month period. Step 2: Select the appropriate energy mix option that you would like – i.e. the percentage of renewable energy take Option 2 or Option 3 or if you want to purchase renewable energy from Eskom and a third party, Option 4. Energy purchased from the third party will be 'wheeled' via the Eskom network. Step 3: Agree on the annual renewable energy costs, based on your preferred percentage of renewable energy, with the related declining block tariff indicated below. As a renewable power customer, you will be charged on a month-to-month consumption basis until the contractual quantity is met. The monthly deemed renewable energy cost will be calculated automatically as per the percentage selected of the total monthly consumption and shown as a separate line item on your Eskom invoice. A reconciliation of energy and formal certification will be done at the end of the financial year.

(Total usage - Annual Wheeled RE if applicable) x RET % x applicable c/kWh = Annual Renewable energy cost



Annual usage forecast



Energy mix options

% Usage	c/kWh
1% ≤ x ≤ 10%	25
10%< x ≤ 20%	22
20%< x ≤ 30%	20
30%< x ≤ 40%	18
40%< x ≤ 50%	17
50%< x ≤ 60%	14
60%< x ≤ 70%	12
70%< x ≤ 80%	10
80%< x ≤ 90%	8
90%< x ≤ 100%	5

RET structure

- Conventional Eskom supplied energy consumed (kWh) across all time-of-use periods
- Wheeled Renewable Energy (RE) from a third party as per PPA (if applicable). Energy is bankable if gatekeepers are met
- Eskom Renewable Energy (RE) supply

How can you apply?

You can contact your relevant Key Customer Executives, or for additional information and assistance contact our project manager at **koos.vanrooyen@eskom.co.za.**

Issued by Energy Advisory Service March 2020
Eskom Holdings SOC Ltd Reg No 2002/015527/30
Job 3315