



**DEPARTMENT: PUBLIC ENTERPRISES  
REPUBLIC OF SOUTH AFRICA  
NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NO.: PQ 4289**

**QUESTION:**

**4289. Mr M Tshwaku (EFF) to ask the Minister of Public Enterprises:**

- (a) What are the full details of the recent loan by Eskom from the World Bank, purportedly to help Eskom with the decommissioning of the Komati Power Station, (b) what are the reasons that the specified loan was necessary, (c) what will it be used for, (d) what total amount of money would be required for the decommissioning of more power stations in the Republic and (e) where will the money come from? **NW5356E**

**REPLY:**

**According to Information Received from Eskom:**

- (a) The US\$497 million (approximately R9 billion) World Bank concessional loan facility to Eskom for the repurposing of Komati Power Station, comprises US\$439.5 million from the International Bank of Reconstruction and Development (IBRD), a US\$47.5 million facility from the Canada Clean Energy and Forest Climate Fund (CCEFCF) and a grant of US\$10 million from the Energy Sector Management Assistance Program (ESMAP). The IBRD and CCEFCF facilities are both 20-year facilities, with the IBRD facility bearing an interest rate of SOFR (six months average secured overnight financing rate) plus 0.86% (approximately 2.88% all in as of 7 November 2022) and the CCEFCF facility bearing interest at a rate of 0.75%. The loans have a capital repayment grace period of five years and are then amortised over the remaining 15 years. The IBRD facility has a commitment fee of 0.25% per annum of the undrawn balance and a front-end fee of 0.25% of the full loan amount.

- (b) The loan allows Eskom to finance the repurposing of Komati Power Station at a concessional cost of funding and create jobs and opportunities for workers and communities that are impacted by the decommissioning of Komati.
- (c) The loan will be used to finance the decommissioning of the Komati Power Station, repurposing and repowering of the station and other elements of the Just Energy Transition (JET), including provision for the training of Eskom employees, community development and stakeholder initiatives. The repurposing will install 150MW of photovoltaic, 70MW wind generating capacity, 150MW from a Battery Energy Storage System and a synchronous condenser.
- (d) In line with the IRP 2019, Eskom plans to decommission and repurpose coal-fired power plants at Camden, Hendrina, and Grootvlei. In alignment with Eskom's JET Strategy, repurposing of the retired capacity will mean replacement with renewable generation capacity, while considering the economic, social, and environmental challenges of the transition. The repurposing of these power stations is estimated to cost circa US\$2.6 billion.
- (e) The funding is anticipated to come from a combination of development finance institutions, climate funds and the private sector.