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Inauguration of the 75 MW PV Plant Kalkbult

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First Clean Energy Connects to Grid

South Africans are now beginning to use renewable energy from the national grid. A solar power plant built by global energy provider Scatec Solar and local partners has become the first utility-scale renewable energy facility to supply electricity to Eskom after connecting to the grid three months ahead of schedule.

Officially opened on Tuesday 12 November, the 75 megawatt (MW) Kalkbult solar photovoltaic (PV) plant near Petrusville in the sun-drenched Northern Cape will generate 135 million kilowatt hours a year, equivalent to the annual electricity consumption of 33 000 households. It has been fully commissioned in 10 months, with construction commencing in late November 2012 and electricity delivery to the grid starting on September 27 2013. “Today we are extremely proud to have

been awarded this project under the ambitious South African REIPPP programme, and proud that we are the first renewable energy plant to come on-line," said Raymond Carlsen, CEO of Norway-based Scatec Solar at the inauguration ceremony. "Our teams worked literally day and night to make this happen. Suppliers made a huge effort to deliver their services and equipment, and local people who worked on the project were quick to learn despite the fact that many did not have previous experience in this kind of work."

The plant is among 47 solar, wind and mini-hydro projects awarded 20-year contracts to generate electricity under government's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). Total investment is estimated at R74 billion, which will climb above the R100bn mark following government's recent acceptance of 17 new bids.

Introduced by the Department of Energy three years ago, the REIPPPP supports South Africa's international commitments to combat climate change by reducing its near-total dependence on coal-based electricity and its high greenhouse gas emissions. The Kalkbult plant will avoid annual greenhouse gas emissions of 115 000 tons that would have been emitted by a fossil-fuelled plant, such as a coal-fired power station.

The project also gives momentum to the Green Economy Accord signed three years ago by government, business and labour with a goal to create 300 000 new jobs

based on renewable energy generation, energy efficiency, biofuel production, manufacturing of equipment to support “green” projects, and natural resource conservation and rehabilitation.

“Access to energy is a prerequisite for increased standard of living. The only way we will be able to provide energy in a sustainable way to an increasing global population is by utilizing renewable energy sources,” said Dr Alf Bjorseth, Chairman and founder of Scatec Solar. “South Africa is showing the way, and we are looking forward to develop more solar projects with our partners here. I am convinced that the Kalkbult plant will benefit South Africa, both regionally and nationally,” said Dr Bjorseth.

Equity in the project has been provided by Scatec Solar, which is the largest shareholder, Norfund, Simacel, Stanlib/Standard Bank, and Old Mutual Life Assurance Company. Capital investment has been financed through Standard Bank. A certain part of the revenue from the Kalkbult facility and a portion of dividends has been earmarked to support social and economic development initiatives in communities within a 50 kilometre radius.

The Norwegian government also congratulated South Africa and Scatec Solar on the realization of this important project, both in terms of energy supply and the need for more clean energy. “This is a great example of what can be achieved when the private sector and government work together to find

solutions to pressing issues such as energy shortage and climate change," said State Secretary Paal Arne Davidesen at the Norwegian Ministry of Foreign Affairs. "This solar plant is only the beginning. Hopefully we will see solar power being introduced on a major scale throughout Africa in the coming years."

The Kalkbult plant covers 105 hectares of a working sheep farm and includes 312 000 solar panels mounted on 156 kilometres of substructure linked to inverters, transformers and a high voltage sub-station.
During peak construction periods, more than 600 employees – the majority from the local community – worked at the Kalkbult construction site, achieving more than 750 000 accident free hours. Some 16% of employees were women, who participated at all levels, from management and administration to construction activities.

The number of people employed will decline to between 10 and 15 during operations and maintenance, but this phase will be accompanied by "a 20-year collaboration with local communities and the development of social and economic initiatives in areas such as education and health" explains Carlsen.

The nearest town to the project is Petrusville, about 100 kilometres north east of De Aar on the N1. Land for the project has been leased from a sheep farmer who will continue to run his business alongside the solar PV facility.
"The fact that renewable energy can work

in harmony with the environment and without disrupting surrounding activities is often overlooked," said Carlsen. "After 20 years, we can upgrade the project with the latest technology and continue operations for many years or we can dismantle it and leave the environment in its original natural state."

Two other projects being developed by Scatec Solar and South African partners will improve on the Kalkbult plant's electricity generation performance, which is based on solar panels mounted at a fixed angle to the sun. A 40MW plant near Hannover, also in the Northern Cape, and a 75MW plant near Burgersdorp in the Eastern Cape will have panels mounted on single axes, enabling them to track the sun and optimise electricity generation. Carlsen says the new plants, scheduled for commissioning during 2014, will be able to generate about 20% more electricity than fixed-panel plants.

Of the 47 renewable energy facilities contracted during the first two phases of the REIPPPP, 27 are solar PV plants that will have combined installed capacity of 1 048MW, with Scatec Solar providing 190MW. Scatec Solar has installed about 300MW of solar PV capacity worldwide.

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About Scatec Solar

Scatec Solar is an independent solar energy provider with its headquarters in Oslo, Norway. The company masters the complete downstream value chain of the PV business including project development, design and engineering, global supply chain, construction and quality, electrical installation, financing and investment management, operation and maintenance.

The South African operation is committed to Socio-Economic upliftment through its extensive Economic Development Commitments.

For more on Scatec Solar SA, please visit our home page — www.scatecsolar.co.za