



Independent Transmission Project Procurement Programme (“ITPPP”)

A **private-sector** led transmission rollout to unlock South Africa's stranded renewable energy **capacity** and **accelerate** the **national grid build**

July 2026





Rationale for accelerated transmission deployment



Historically designed for coal

South Africa's grid was originally built around coal generation in the north-east of the country. It was not developed in areas where the conditions are most favourable for renewable energy.

Distant renewable energy sources

World-class solar & wind resources sit in the far west and south, far from major demand centres.

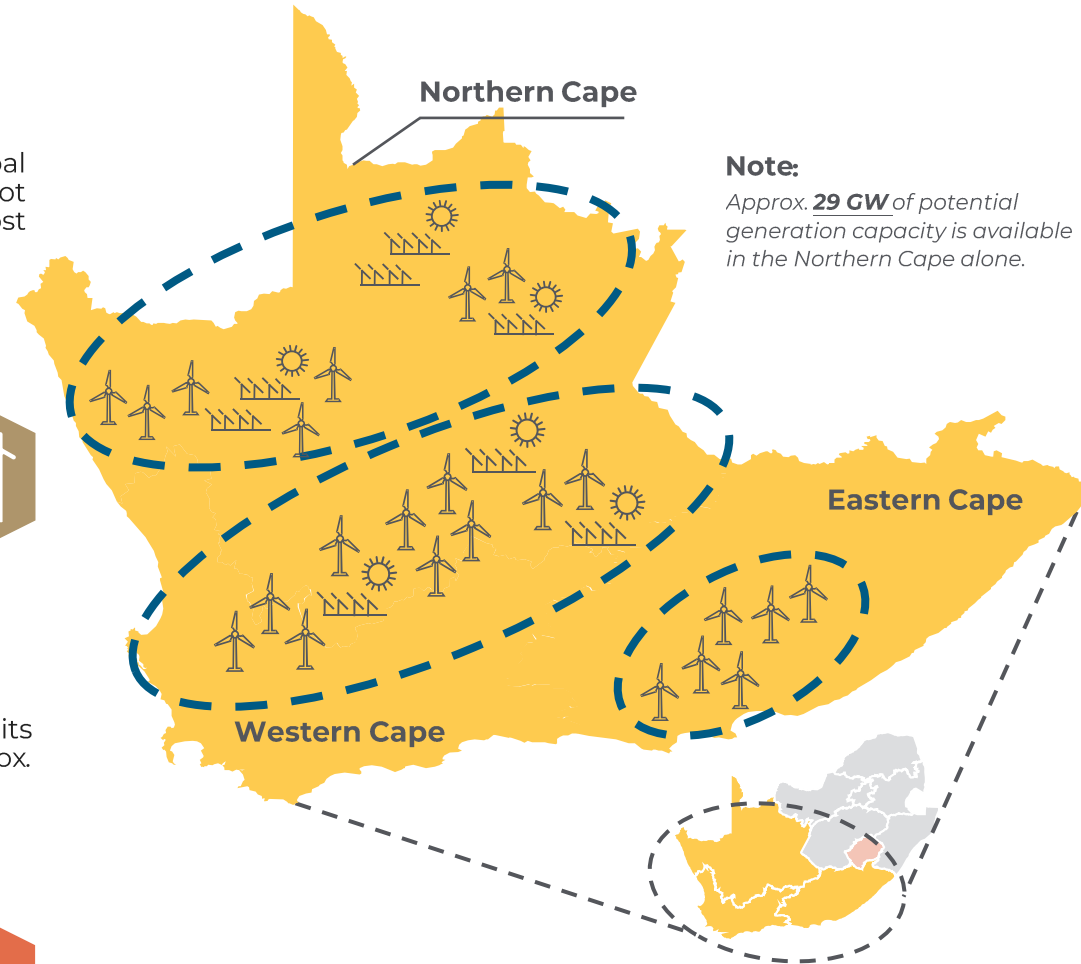


Congestion and/or bottlenecks

Transmission bottlenecks and “reverse flow” limits mean clean energy often can't reach cities – approx. 53GW of pipeline projects are waiting to connect.

Transmission privatisation to accelerate deployment

Expanding and strengthening the grid is essential for scaling renewables and accelerating the energy transition.



Key:

- Provinces with zero transmission capacity and higher renewable resources.
- Provinces with transmission capacity, but lower renewable resources.
- Lesotho

Sources: 1) GCCA, 2025 (2) ITP Programme RFQ





Purpose, **structure** & revenue model

A private-sector led concession programme to build, own and operate new high-voltage transmission lines – unlocking **~53 GW** of stranded renewable capacity in South Africa's energy-rich west and south.

Purpose



Attract **private capital** to build, own, and operate high-voltage transmission lines, accelerating the national grid build and **unlocking** stranded renewable generation.

Structure



Subject to finalisation: a build own operate, transfer (BOOT) concession model¹. The Department of Electricity and Energy (DEE) procures; National Transmission Company South Africa (**NTCSA**) is the off-taker under long-term Transmission Service Agreements. Independent Power Producer (**IPP**) **Office** facilitates; National Energy Regulator of South Africa (**NERSA**) regulates & licenses.

Revenue Model



Annual Transmission Payments (ATP) from NTCSA. Sponsors earn a return on their operational Transmission Facilities and their Transmission Services. Subsequently, this provides certainty for lenders insofar as the **Sponsor meets availability expectations**.

Phase 1 Portfolio



7 projects across Northern Cape, North West & Gauteng. CODs from Q4 2028 to Q4 2030. Ownership reverts to NTCSA post-concession.

1,164 km 400kV LINES

2,630 MVA TRANSFORMERS

3,222 MW CAPACITY UNLOCKED

Note: 1) The BOOT concession model is TBC.





The ITP's Phase 1 procurement round



1,164 km⁽¹⁾ of powerlines procurement.



2,630 MVA⁽¹⁾ of transformer procurement.



3,222MW⁽¹⁾ of capacity unlocked as a result of Phase 1's procurement.

Key:



ITP Phase 1 planned overhead lines



BESIPPPP Projects coinciding with the ITP Phase 1 transmission network



Provinces with zero transmission capacity and higher yielding resources.

Provinces with available transmission capacity, but lower yielding resources.



#	Project name	OHL Length (km)	Trans. Capacity (MVA)	Capacity Unlocked (MW)	COD	Sub station
①	Aries - Aggeneis 400kV Line 2	200	-	174	Q3 2029	Yes
②	Groeipunt 400/132kV Est	126	500	87	Q2 2029	Yes
③	Kimberly str PH4: Boundary Ferrum 400kV Line	265	-	500	Q4 2029	Yes
④	Kimberly str PH3: Hermes Mookodi 400kV Line	240	-	250	Q4 2028	Yes
⑤	Mahikeng Integration Phase 1	180	630	1000	Q4 2030	Yes
⑥	Nama 400kV Str & Gromis 400/132 kV Transformer	117	1000	811	Q1 2030	Yes
⑦	West Rand Str Ph1: Hera Westgate 400kV Line	36	500	400	Q1 2029	Yes

Sources: 1) ITP Programme RFQ





ITPPP Phase 1 **timeline** – Credit Guarantee Vehicle (CGV) is the critical milestone



Updated position – Final RFP expected Q3 2026

The Final RFP is being deliberately held back until the **CGV is operational** and fully aligned with the ITP regulatory framework – reducing the risk of bidders pricing unconfirmed credit support, and ensuring a credible, bankable process from the outset.

RFQ RESPONSE

17 companies/consortia participated in the prequalification round.

MINISTERIAL DETERMINATION

Gazetted 28 Mar 2025 – DEE as procurer, NTCSA as buyer.

CGV STATUS

Registering with the Prudential Authority. Forecast to be operational by July 2026.



7 prequalified **bidders** after RFQ process

Selected from 17 RFQ respondents. Combines global EPC contractors, infrastructure investors and several South African IPPs.



Momentous Energy Consortium

Lead Bidder/s: Adani Power Middle East Limited

INDIA • UAE



Consortium Pulse Infrastructure

Lead Bidder/s: Celeo Redes S.L. & Acciona

SPAIN



EDF EN South Africa

Lead Bidder/s: EDF & AIIM

FRANCE • SOUTH AFRICA



State Grid Consortium

Lead Bidder/s: State Grid International Development Co., H1 Holdings

CHINA • SOUTH AFRICA



electricity & energy
Department:
Electricity and Energy
REPUBLIC OF SOUTH AFRICA

AREF Cobra Transmission Consortium

Lead Bidder/s: Grupo Cobra & AREP

SPAIN • SOUTH AFRICA

EITP Consortium

Lead Bidder/s: Engie & Pele Green Energy

FRANCE • SOUTH AFRICA

Transmission Africa Consortium

Lead Bidder/s: China Southern Power Grid

CHINA

Note based on publicly available information as at the date of publication—full consortium membership not yet publicly disclosed.





The Credit Guarantee Vehicle – current position

The CGV converts **NTCSA** – a newly established, unrated entity – into a **bankable off-taker**. It is envisaged to issue payment and termination guarantees to project SPVs, absorbing first-loss credit risk before senior lenders are exposed.

\$500m

Initial capital target (≈ R9bn)

\$100m

Treasury 1st-loss capital (20%)

\$400m

From DFIs incl. IFC & partners

\$2.5bn

Long-term capitalisation target

*“We are targeting the **CGV** to be operational later this year.”*

–Finance Minister Enoch Godongwana, Budget Speech 2026

CGV FUNCTIONS

1

Payment guarantees: back NTCSA's ATP obligations to project SPVs.

2

Termination guarantees: cover early-termination scenarios.

3

Credit leverage: mobilises private capital beyond the DFI base.

4

AAA target rating: Prudential Authority-regulated, private non-life insurer.





7 prequalified **bidders** after RFQ process

1

CGV – Credit Support

CGV must be **operational and capitalised** before bid submissions. Payment & termination guarantees eliminate NTCSA counterparty risk, the single most critical prerequisite.

2

ATP & TSA Structure

The Annual Transmission Payment must deliver **lender-acceptable, revenue-certain cashflow**. TSA terms must cover step-in rights, change-in-law and dispute resolution.

3

NTCSA / NERSA Alignment

NTCSA **must be formally constituted** and its regulatory compact with NERSA settled, so lenders can model revenue recovery over the concession period.

4

DSRA & Direct Agreements

Lenders require a funded Debt Service Reserve Account and direct agreements with **DEE, NTCSA and CGV**, providing cure rights on SPV default.

5

MIGA Political Risk Cover

MIGA cover expected as a condition of international lender participation **covering expropriation, transfer restriction and breach of contract**.

Sequencing Risk: The Critical Path

The Final RFP has been deliberately delayed pending **CGV operationalisation**. Premature issuance forces bidders to price unconfirmed credit support, widening spreads. Jul 2026 sets the minimum viable timeline for a credible process.



What this means for **sponsors & lenders**

1

CGV is the backbone

Without an operational CGV, NTCSA remains an unrated/unbankable off-taker. Every other bankability element depends on the **CGV being live and credible before bid submissions**.

2

Regulatory sequencing is the key risk

NERSA's cost-recovery rules, transmission regulations, and the CGV must align before the Final RFP: based on the status of the CGV the **Q3 2026 window is tight**.

3

Strong international competition

All seven shortlisted bidders are **global transmission operators** with **credible track records**, validating programme credibility.

4

Potential significant first-mover advantage

SA's CGV-backed, NERSA-regulated BOOT transmission model has no direct precedent. **Early engagement and a steep learning curve** will shape the **potential success** of both phase 1 and subsequent phases.





Feel free to **contact us** for additional information



António FERREIRA PINTO
MANAGING DIRECTOR

M: +27 76 191 3697
E: antonio.ferreirapinto@honeywood.capital



Ross MURRAY
EXECUTIVE DIRECTOR

M: +27 66 189 6069
E: ross.murray@honeywood.capital

For more on the ITPPP and South Africa's energy infrastructure reform programme, contact our advisory team.

www.honeywood.capital





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