Mr. Jeandre Van Zyl
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1685

10 June 2024.

Valmon Muller
Tel number + 27
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Ref No.: IPP765385624

Dear Mr Van Zyl.

COST ESTIMATE LETTER FOR THE CONSTRUCTION OF WORKS TO CONNECT A GENERATOR FACILITY TO THE DISTRIBUTION SYSTEM FOR THE VANGPAN PHASE 2 FACILITY LOCATED IN LEPHALALE IN THE LIMPOPO PROVINCE.

Thank you for your application relating to the construction of works to Connect the Facility to the Distribution System, and/or the possible impact on the Distribution System of Connecting the Facility that is embedded within a plant, attached hereto as Annexure B (*Connection Application)*. Eskom has assessed your requirements and herewith provides an estimate of the cost of providing the works and the Connection. It is based on engineering assumptions and provided in order to assist in making a decision whether or not you should proceed to request a Budget Quote.

This Cost Estimate Letter is issued by Eskom to Green Gate Energy in respect of private off-taker third party wheeling as detailed in your application form.
This Cost Estimate Letter is not an offer for a contract. It is purely illustrative and in anticipation of a request for a Budget Quote. No information contained in this Cost Estimate Letter shall be deemed to form part of any contract between Eskom and the Customer.

This Cost Estimate Letter is provided subject to conditions prevailing on Eskom's Transmission and/or Distribution Systems. At CEL stage, for the avoidance of doubt, no capacity on the System is guaranteed or reserved. Should you proceed to request a Budget Quote, and subject to the fulfilment of all the conditions of the CEL and the Budget Quote, the principle of "first ready first served" shall apply. Any capacity Allocation and Reservation shall be strictly in accordance with the fulfilment of the terms and conditions of the Budget Quote and CEL respectively. Eskom shall endeavour to identify the least life-cycle cost solution to enable speedy system/corridor capacity enhancement subject to the prevailing system dependencies at the time of developing each Budget Quote.

Any request for a Budget Quote based on this Cost Estimate Letter will nullify this Cost Estimate Letter (even if a Budget Quote is eventually not provided or accepted) and Eskom will not be bound to perform in terms of this Cost Estimate Letter in any way.

This Cost Estimate Letter is provided on the assumption that there will be funding to cover the costs of Eskom Works when the Budget Quote is provided and if no funding is available, the Budget Quote will be provided subject to Eskom governance approval of funding to cover the cost of Eskom Works which cannot be recouped by Eskom through the Connection Charge.

Eskom will require certain documents and approvals, set out herein, and payment of a Distribution Quotation Fee and if applicable a Transmission Quotation Fee, in order to provide a Budget Quote.

1. DEFINITIONS AND INTERPRETATION

1.1 Notwithstanding that this Clause 1 deals with interpretation, where any sub-clauses hereof contain operative provisions, effect shall be given thereto as set out herein.

1.2 The following capitalised words and expressions shall have the meanings as assigned to them and cognate expressions shall have corresponding meanings:

1.2.1 **'Act'** means the Electricity Regulation Act of 2006, including any regulations issued pursuant thereto, as amended or re-enacted from time to time.

1.2.2 **'Allocation'** means the awarding of grid connection capacity to a project upon fulfilment of all applicable suspensive conditions as set out in this Cost Estimate Letter and the Budget Quote;

1.2.3 '**Approved Credit Rating for South African Financial Institutions'** means (i) at least one investment grade long-term unsecured local currency debt rating by a rating agency which is at or better than 'BBB-' (as determined by Standard and Poor's Rating Group or Fitch Ratings), 'Baa3' (as determined by Moody's Investor Services, Inc.); or (ii) long-term unsecured local currency debt rating not worse than the highest South Africa's sovereign local currency debt rating; or (iii) South African Long-term National Scale Rating no worse than 'zaA-' (as determined by Standard & Poor's) or 'A-(zaf)' (as determined by Fitch Ratings) or 'A3.za' (as determined by Moody's Investor Services, Inc.) or (iv) equivalent rating to any of the above ratings (as determined by a rating agency approved by Eskom);

1.2.4 **'Approved Credit Rating for Non-South African Financial Institutions'** means (i) at least one investment grade long-term unsecured foreign currency debt rating by a rating agency which is at or better than 'BBB-' (as determined by Standard and Poor's Rating Group or Fitch Ratings), 'Baa3' (as determined by Moody's Investor Services, Inc.); or (ii) long-term unsecured foreign currency debt rating not worse than the highest South Africa's sovereign foreign currency debt rating; or (iii) equivalent rating to any of the above ratings (as determined by a rating agency approved by Eskom);

1.2.5 **'Approved Credit Rating for South African Holding Companies'** means (i) at least one investment grade long-term unsecured local currency debt rating by a rating agency which is at or better than 'BBB-' (as determined by Standard & Poor's or Fitch Ratings) or 'Baa3' (as determined by Moody's Investor Services, Inc); or (ii) long-term unsecured local currency debt rating not worse than the highest South Africa's sovereign local currency debt rating; or (iii) South African long-term national scale rating no worse than 'zaA-' (as determined by Standard & Poor's) or 'A-(zaf)' (as determined by Fitch Ratings) or 'A3.za' (as determined by Moody's Investor Services, Inc) or (iv) equivalent rating to any of the above ratings (as determined by a rating agency approved by Eskom);

1.2.6 **'Approved Credit Rating for Non-South African Holding Companies'** means (i) at least one investment grade long-term unsecured foreign currency debt rating by a rating agency which is at or better than 'BBB-' (as determined by Standard & Poor's or Fitch Ratings) or 'Baa3' (as determined by Moody's Investor Services, Inc); or (ii) long-term unsecured foreign currency debt rating not worse than the highest South Africa's sovereign foreign currency debt rating; or (iii) equivalent rating to any of the above ratings (as determined by a rating agency approved by Eskom);

1.2.7 **'Budget Quote'** means the budget quote, with its appendices, to be issued by Eskom to the Customer;

1.2.8 **'Business Day'** means any day other than Saturday, Sunday or an official public holiday in South Africa;

1.2.9 **'Capital Costs'** means the total actual capital costs of the Eskom Works but excluding the Monopoly Works Cost;

1.2.10 **'Code(s)'** means the Distribution Code, the South African Grid Code, the Grid Connection

code for Renewable Power Plants or any other code, published by NERSA, as applicable to Eskom and/or the Customer;

1.2.11 **‘Connection’** means the physical connection of the Facility to the Distribution System;

1.2.12 **‘Connection Charge’** means, subject to adjustment, the total Standard Connection Charge and the Premium Connection Charge recouped or to be recouped by ESKOM from the CUSTOMER for the cost of the Eskom Works comprising the Dedicated Capital Costs, and if applicable, the Monopoly Works Cost, calculated in compliance with the Code(s);

1.2.13 **‘Connection Charge Estimate’** means the total estimated Connection Charge as set out in Table 1 of Annexure G (Financial Specifications).

1.2.14 **'Connection Charge Guarantee’** means a Guarantee issued for an amount equal to the Connection Charge Guarantee Amount which amount will be set out in the Budget Quote.

1.2.15 **'Connection Charge Guarantee Amount'** means (a) initially, an amount equal to the balance of the Connection Charge Estimate as set out in Table 1 of Annexure G (Financial Specifications), and (b) thereafter, the amount in paragraph (a) adjusted by reference to (i) deductions for any instalments received by Eskom in the preceding year pursuant to the Budget Quote and (ii) deductions or additions resulting from any adjustments made by Eskom pursuant to the Budget Quote in the preceding year.

1.2.16 **'Connection Charge Payment Schedule'** means the schedule of Connection Charge instalments and corresponding instalment payment dates to be set out in the Budget Quote, as amended by Eskom from time to time on written notice to the Customer pursuant to the Budget Quote.

1.2.17 **‘Connection Site’** means the site made or to be made available by the Customer to Eskom for the Eskom Connection Works.

1.2.18 **‘Connection Works’** means the planning, financing, insuring, land rights acquisition, design, engineering, procurement, supply, fabrication, construction, erecting, installation, inspection, pre-commissioning, testing, completion, commissioning, operating and maintenance of the electricity network infrastructure comprised in the Connection and all activities and requirements ancillary to these, and includes the Facility Connection Works and the Eskom Connection Works;

1.2.19 **‘Contestable Works’** means the portion of the Connection Works to be undertaken by the Customer in accordance with the conditions of the Transmission Self-Build Agreement to be concluded between the Customer and Eskom;

1.2.20 **‘Contestable Works Security’** means a Guarantee issued in favour of Eskom for an amount equal to 10% (ten percent) of the estimated value of the Contestable Works;

1.2.21 **‘Contract Works’** means the portion of the Connection to be undertaken by the Customer in accordance with the conditions of the Distribution Self-Build Agreement to be concluded between the Customer and Eskom;

1.2.22 **‘Contract Works Equipment’** means the plant, facilities, equipment and assets, which together comprises the portion of the Connection to be supplied by the Customer in accordance with the conditions of the Self-Build Agreement to be concluded between the Customer and Eskom. The Contract Works Equipment shall include any and all machinery, apparatus and materials that would ordinarily form part of a Network, such as telecommunication equipment, even if such machinery, apparatus or material may be removed without materially affecting the operation or reliability of the Network.

1.2.23 **'Contract Works Security'** means a Guarantee issued in favour of Eskom for an amount equal to 10% (ten percent) of the estimated value of the Contract Works;

1.2.24 **‘Cost Estimate Fee’** means the portion of the Connection Charge paid by the Customer and received by Eskom for the issue of the Cost Estimate Letter, the value of which is set out in Part A of Annexure G (Financial Specifications);

1.2.25 **‘Cost Estimate Letter’** means this letter, with its annexures, issued by Eskom to the

Customer with a non-binding estimation of the costs of the works to Connect the Facility to the Distribution System;

1.2.26 **'Customer'** means the legal person or entity as set out in Annexures B (Connection Application) and C (Customer/Technical Details and Description of Facility);

1.2.27 **'Dedicated Capital Costs'** means the actual capital costs of the Eskom Works but excluding the cost of the Monopoly Works and Upstream Works;

1.2.28 **'Dedicated Connection Equipment'** means those assets forming part of the Eskom Equipment recovered through the Connection Charge associated with the Dedicated Capital Costs;

1.2.29 **'Distribution'** means the regulated business unit through which Eskom constructs, owns, operates and maintains Eskom's Distribution System in accordance with its Licence and the Code(s).

1.2.30 '**Distribution Code'** means the set of documents titled South African Distribution Code published by NERSA, as amended, modified, extended, replaced or re-enacted from time to time.

1.2.31 **'Distribution Connection and Use-of-System Agreement' or 'DCUOSA'** means the agreement(s) required by the Code, to be entered into, in writing, between Eskom and the Customer in respect of the Connection of the Facility to the Distribution System and to allow the Customer access to and the use of the Distribution System.

1.2.32 **'Distribution Connection Charge'** means that portion of the Connection Charge associated with the Distribution System, which may comprise of a Distribution Standard Connection Charge and a Distribution Premium Connection Charge;

1.2.33 **'Distribution Monopoly Works'** means those Monopoly Works associated with the Distribution System;

1.2.34 **'Distribution Premium Connection Charge'** means that portion of the Connection Charge associated with a Premium Connection and the Distribution System;

1.2.35 **'Distribution Quotation Fee'** means the portion of the Distribution Connection Charge to be paid by the Customer to Eskom for the issue of the Budget Quote, the value of which is set out in Annexure G (Financial Specifications) and will be valid for a period of 12 months from the date of this Cost Estimate Letter, where after the value will be revised by Eskom;

1.2.36 **'Distribution Self-Build Agreement'** means the agreement between Eskom and the Customer pertaining to the Contract Works to be undertaken by the Customer, and the Distribution Monopoly Works falling under the responsibility of Eskom;

1.2.37 **'Distribution Standard Connection Charge'** means that portion of the Connection Charge associated with a Standard Connection and the Distribution System;

1.2.38 **'Distribution System'** means Eskom's network infrastructure consisting of assets operating at a nominal voltage of 132 kV or less, not classified as transmission transformation equipment;

1.2.39 **'Distribution Use-of-System (DUoS) Charge'** has the meaning as ascribed to it in the Schedule of Standard Prices;

1.2.40 **'DUoS Charge (generators)'** has the meaning as ascribed to it in the Use of System Schedule of Standard Prices for Distribution Connected Generators (Urban/Rural);

1.2.41 **'EA'** means environmental authorisation(s);

1.2.42 **'Early Termination Guarantee'** means a Guarantee issued for an amount equal to the Early Termination Guarantee Amount in terms of clause 4.4;

1.2.43 **'Early Termination Guarantee Amount'** means a) initially an amount as set out in Annexure G (Financial Specifications), b) thereafter an amount as adjusted by Eskom on written notice

to the Customer in accordance with the terms and conditions of Budget Quote; and c) thereafter such adjusted amount reduced annually by one tenth (1/10th) with effect from the fourth (4th) year following Eskom's operational notification in terms of the DCUOSA;

1.2.44 **'Eskom'** means Eskom Holdings SOC Ltd (Registration Number 2002/015527/30);

1.2.45 **'Eskom Connection Equipment'** means the plant, facilities, equipment and assets set forth in Annexure E (Eskom Connection Works) to Connect the Facility to the Distribution System, which shall be constructed in accordance with the Budget Quote and owned, operated and maintained by Eskom. The Eskom Connection Equipment shall include the Point of Utility Connection in cases, where this equipment is owned, operated and maintained by Eskom.

1.2.46 **'Eskom Connection Works'** means the works as described in Annexure E (Eskom Connection Works) required to be constructed, changed or enabled on the Distribution System side of the Point of Connection, save as may be otherwise provided herein, and all related activities by which the Eskom Connection Equipment shall establish the Connection between the Facility and the Distribution System, including if applicable the Upstream Works, the Contract Works and the Monopoly Works;

1.2.47 **'Eskom Equipment'** means the plant, facilities, equipment and assets set forth in this Cost Estimate Letter and in Annexure E (Eskom Connection Works) which shall be constructed by Eskom in accordance with the Budget Quote and owned, operated and maintained by Eskom;

1.2.48 **'Eskom Works'** means the works as described in Annexure E (Eskom Connection Works) comprising of the Eskom Connection Works but excluding the Contract Works;

1.2.49 **'Estimated Capital Costs'** means the estimated Capital Costs as set out in Annexure F (Estimated Capital Costs);

1.2.50 **'Estimated Dedicated Capital Costs'** means the estimated Dedicated Capital Costs as set out in Annexure F (Estimated Capital Costs);

1.2.51 **Estimated Distribution Monopoly Works Charge'** means the estimated charge for Monopoly Works on the Distribution System as set out in Part C of Annexure G (Financial Specifications);

1.2.52 **Estimated Transmission Monopoly Works Charge'** means the estimated charge for Monopoly Works on the Transmission System as set out in Part C of Annexure G (Financial Specifications);

1.2.53 **'Estimated Upstream Capital Costs'** means the estimated Upstream Capital Costs as set out in Annexure F (Estimated Capital Costs);

1.2.54 **'Facility'** means the Customer's plant, situated on the property described in Annexure C (Customer/Technical Details and Location of Facility), together with the Facility Connection Equipment for the safe, efficient and optimal operation of the plant, up to the Point(s) of Connection, which shall be designed, constructed, installed, operated and maintained by or on behalf of the Customer, but excluding the Eskom Connection Equipment whether or not located at the Connection Site;

1.2.55 **'Facility Connection Equipment'** means the Facility equipment, including the Point of Generator Connection, to connect the Facility to the Distribution System, which shall be constructed, owned, operated and maintained by the Customer. The Facility Connection Equipment shall also include the Point of Utility Connection in cases where this equipment is owned, operated and maintained by the Customer;

1.2.56 **'Facility Connection Works'** means the works to be carried out on the Facility side of the Point of Connection and all related activities by which the Facility Connection Equipment shall establish a Connection between the Facility and the Distribution System;

1.2.57 **'First ready first served'** means a process where all projects moving into the Budget Quote stage are assessed to ensure that capacity is Allocated based on a demonstrated readiness of the project to build the generation Facility and related grid infrastructure to connect to the

grid.

1.2.58 **‘Grid Capacity Allocation Guarantee’** means an on-demand guarantee in favour of Eskom to secure certain undertakings and obligations of the Customer under the Budget Quote including under the Request for a Budget Quote, the Form of which is attached as Annexure “I” to this Cost Estimate Letter or can be requested from Eskom.

1.2.59 **‘Grid Capacity Allocation Guarantee Amount’** means the guaranteed amount, as set out under Annexure G to this Cost Estimate Letter;

1.2.60 **‘Grid Connection Code for Renewable Power Plants’** means the set of documents entitled “Grid Connection Code for Renewable Power Plants (RPPs) connected to the Electricity Transmission System (TS) or the Distribution System (DS) in South Africa” published by NERSA as amended, modified, extended, replaced or re-enacted from time to time;

1.2.61 **‘Guarantee’** means a guarantee substantially in a form acceptable to Eskom and initially for the amount stated therein, which (i) is issued by a financial institution which (a) holds an Approved Credit Rating and (b) is registered under applicable Law to carry on business in South Africa and (ii) constitutes an on demand, unconditional and irrevocable commitment to pay by the financial institution by which it is issued;

1.2.62 **‘Letter of Consent’** means a notification issued by Eskom to the Customer indicating the outcome of the project readiness assessment and Eskom’s intention to reserve capacity for the Customer’s Facility pending the provision of the Grid Capacity allocation Guarantee to Eskom by the Customer;

1.2.63 **‘HV’** means high voltage as defined in the Schedule of Standard Prices (Annexure H);

1.2.64 **‘Maximum Export Capacity’** means the maximum capacity measured in 30 (thirty) minute integrating periods at the Point(s) of Supply/Connection notified by the Customer, as set out in Annexure C (Customer/Technical Details and Location of Facility), and accepted by Eskom for the delivery of electrical energy from the Facility to the Distribution System;

1.2.65 **‘Monopoly Works’** means those works forming part of the Eskom Connection Works which remain Eskom’s responsibility under the Self-Build Agreements to ensure a standard of work that meets Eskom ’s quality of supply, reliability and safety standards;

1.2.66 **‘Monopoly Works Charge’** means the charge recouped or to be recouped by Eskom from the Customer for the Monopoly Works Cost;

1.2.67 **‘Monopoly Works Cost’** means the cost of the Monopoly Works;

1.2.68 **‘NERSA’** means the National Energy Regulator of South Africa established in terms of the National Energy Regulator Act (Act no 4 of 2004) or its successor-in-title;

1.2.69 **‘NRS 048’** means the quality of supply specification issued by the South African Bureau of Standards, as revised from time to time or as replaced by a national standard;

1.2.70 **'Parties'** means Eskom and the Customer;

1.2.71 **‘Point of Generator Connection (PGC)’** means the circuit-breaker and associated ancillary equipment (instrument transformers, protection, isolators) that connects a generator to any electrical network. The location of the Point of Generator Connection is described in Annexure C (Customer/Technical Details and Location of Facility);

1.2.72 **‘Point(s) of Connection (POC)’ or ‘Point(s) of Supply (POS)’** means the electrical nodes on the Distribution System where the Customer’s electrical equipment is physically connected to Eskom’s electrical equipment. The location of the Point(s) of Connection is described in Annexure C (Customer/Technical Details and Location of Facility);

1.2.73 **‘Point of Utility Connection (PUC)’** means one or more circuit-breakers and associated ancillary equipment (instrument transformers, protection, isolators), entirely independent of any PGC, that connects the Facility to the Distribution System. The Point of Utility Connection is described in Annexure C (Customer/Technical Details and Location of Facility);

1.2.74 **‘Premium Connection’** means a connection made or to be made between the Facility and

Eskom's network based on the customer's requirements, that are in excess of the specifications of a Standard Connection to provide for a more reliable and secure connection and includes the acquisition and installation of the Premium Equipment;

1.2.75 **'Premium Connection Charge'** means that portion of the Connection Charge payable for costs associated with the Premium Connection included in the scope of the Eskom Connection Works to meet customer specific requirements in excess of what is considered as the least life-cycle cost investment;

1.2.76 **'Premium Equipment'** means the equipment to be constructed, or to be installed if the Customer elects a Premium Connection and is in addition to and/or in place of the equipment installed in the case of a Standard Connection. Where applicable, the Premium Equipment shall comprise the equipment listed in Annexure E (Eskom Connection Works);

1.2.77 **'Pre-project Investigation Charge'** means the charge recouped by Eskom from the Customer for the Pre-project Investigation Cost;

1.2.78 **'Pre-project Investigation Cost'** means the cost charged to cover the investigation work prior to and including the issuing of the cost estimate letter or the budget quotation in case of applications that follow the major short process where the Cost Estimate Letter is not issued to the Customer. This is a standard charge based on the Cost Estimate Fee amount for the applicable supply size category;

1.2.79 **'Request for Budget Quote'** means the request for the Budget Quote letter in the form attached hereto as Annexure A to be completed by the Customer and submitted to Eskom;

1.2.80 **'Reservation'** means the provisional Allocation of grid connection capacity to a project subject to the fulfilment of further suspensive conditions by the Customer;

1.2.81 **'Schedule of Standard Prices'** means Eskom's published tariffs, charges and the NMD Rules, applicable to customers as approved by NERSA and as amended from time to time;

1.2.82 **'Self-Build'** means the planning, financing, insuring, land rights acquisition, design, engineering, procurement, supply, fabrication, construction, erection, installation, inspection, pre-commissioning, testing, completion and commissioning of the Contract Works by the Customer, and on completion of the Contract Works the handover of the plant, facilities, equipment, assets and related designs, material guarantees/ warranties, deeds and other documentation by the Customer to Eskom;

1.2.83 **'Self-Build Agreement(s)'** means the agreement(s) between Eskom and the Customer pertaining to the Contract Works and the Contestable Works to be undertaken by the Customer, and the Monopoly Works falling under the responsibility of Eskom;

1.2.84 **'Shared Equipment'** means equipment beyond the point of common coupling, for the purposes of connecting individual users or an identified user group to the network. These equipment may be exclusively used by the identified user group, or they could be shared with the rate base.

1.2.85 '**South African Grid Code**' means the set of documents entitled "South African Grid Code" published by NERSA as amended, modified, extended, replaced or re-enacted from time to time;

1.2.86 **'Standard Connection'** means a connection made to or to be made between the Facility and Eskom's network based on the lowest life-cycle costs design that meets the specifications in terms of NRS 048 and the Distribution Code for a technically acceptable solution;

1.2.87 **'Standard Connection Charge'** means that portion of the Connection Charge that is payable for costs associated with the Standard Connection;

1.2.88 **'Standard Equipment'** means the equipment to be constructed or to be installed if the Customer elects a Standard Connection. The Standard Equipment shall comprise the equipment listed in Annexure E (Eskom Connection Works);

1.2.89 **'Transformation Capacity Charge'** means the charge included in the Transmission

Connection Charge for the use of transmission transformation assets that are dedicated to a CUSTOMER or to a group of CUSTOMERS. The transmission transformation assets may be new or existing and would have been paid for fully or partially by CUSTOMERS either through Transmission Connection Charges or through Transmission Use of System charges;

1.2.90 **'Transmission Connection Charges'** means that portion of the Connection Charge associated with the Transmission System, which may comprise of the Transmission Standard Connection Charge and the Transmission Premium Connection Charge;

1.2.91 **'Transmission Monopoly Works'** means those Monopoly Works associated with the Transmission System;

1.2.92 **'Transmission Premium Connection Charge'** means that portion of the Connection Charge associated with a Premium Connection and the Transmission System;

1.2.93 **'Transmission Quotation Fee'** means the portion of the Transmission Connection Charge to be paid by the Customer to Eskom for the issue of a/the Budget Quote, the value of which is set out in Annexure G (Financial Specifications) and will be valid for a period of 12 months from the date of this Cost Estimate letter, where after the value will be revised by Eskom;

1.2.94 **'Transmission Self-Build Agreement'** means the agreement between Eskom and the Customer pertaining to the Contestable Works to be undertaken by the Customer and the Transmission Monopoly Works falling under the responsibility of Eskom;

1.2.95 **'Transmission Standard Connection Charge'** means that portion of the Connection Charge associated with a Standard Connection and the Transmission System;

1.2.96 **'Transmission System'** means all Eskom's lines and substation equipment where the nominal voltage is above 132 kV. All other equipment operating at lower voltages are either part of the Distribution System or classified as transmission transformation equipment;

1.2.97 **'Upstream Capital Costs'** means the actual capital costs incurred by Eskom in carrying out the Upstream Works;

1.2.98 **'Upstream Connection Equipment'** means the Eskom Equipment associated with the Upstream Works;

1.2.99 **'Upstream Works'** means those works forming part of the Eskom Connection Works, which are considered to be for the benefit of many customers and cannot be directly allocated to any one or more customers at the time of the Connection, except in cases where its self-build.

1.2.100 **'Use-of-System Charges Security'** means a Bank Guarantee issued for an amount equal to the Use-of-System Charges Security Amount; and

1.2.101 **'Use-of-System Charges Security Amount'** means an amount equivalent to the estimated amount of three (3) consecutive months of the DUOS Charge (generators).

1.3 In this Cost Estimate Letter, unless a contrary intention clearly appears:-

1.3.1 the headings to the clauses and sub-clauses in this Cost Estimate Letter are for the purpose of convenience and reference only, and shall not be used in the interpretation, modification, amplification of any clause thereof;

1.3.2 words and expressions defined in this Cost Estimate Letter shall bear the same meanings in the Annexures to this Cost Estimate Letter unless specifically defined in those Annexures;

1.3.3 any words or expressions for which no meanings have been ascribed in this Cost Estimate Letter shall have the meanings ascribed to them in the Act or, in the absence of such meanings, the meanings ascribed to them in the Code(s);

1.3.4 words and expressions importing:

a. any one gender includes the other gender;
b. the singular includes the plural and vice versa;

c. natural persons include juristic persons and vice versa;

1.3.5 any reference to any law shall include any amendments, modifications, extensions, replacements or re-enactments thereof then in force;

1.3.6 any reference to 'this Cost Estimate Letter' shall mean this Cost Estimate Letter together with its Annexures as amended, modified or supplemented;

1.3.7 any reference to 'writing' or 'written' shall include all methods of reproducing words in a legible and non-transitory form;

1.3.8 any reference to 'persons' shall include individuals, firms and corporations, joint ventures, trusts, unincorporated associations and organisations, partnerships and any other entities, in each case whether or not having a separate legal personality; and

1.3.9 any reference to either 'Party' or 'any person' shall include its legal successors and permitted assignees.

1.3.10 in the computation of periods of time from a specified day to a later specified day, 'from' means from and including and 'until' or 'to' means to and including.

1.3.11 any reference in this Cost Estimate Letter to a 'Clause' or 'sub-clause' is a reference to a clause or sub-clause contained in this Cost Estimate Letter;

1.3.12 any reference to 'Clause', 'Annexure' and Part ' are references to the relevant clause, annexure and part, respectively, of this Cost Estimate Letter, references to 'Annex' are to the relevant annex to an Annexure of this Cost Estimate Letter, references to 'Paragraph' are to the relevant paragraph in an Annexure or Annex to this Cost Estimate Letter;

1.3.13 where figures are referred to in numerals and in words, if there is any conflict between the 2 (two), the words shall prevail;

1.3.14 any reference to number of days shall be a reference to calendar days unless Business Days are specified; and

1.3.15 the rule of construction that this Cost Estimate Letter shall be interpreted against the Party responsible for the drafting or preparation hereof, shall not apply.

2. TECHNICAL

2.1 The Maximum Export Capacity (MEC) and the voltage level of the Connection are set out in Annexure C (*Customer/Technical Details and Location of Facility)*.

2.2 The location of the Point(s) of Connection for the Facility is described in Annexure C (*Customer/Technical Details and Location of Facility*).

2.3 The Customer shall provide the relevant protection, synchronising and control equipment at the Point(s) of Connection which is compatible with the protection standard required by Eskom as set out in Annexure D (*the Standard for the Interconnection of Embedded Generation*).

2.4 Prior to the Connection of the Facility to the Distribution System, the Customer shall comply with all applicable laws including but not limited to those governing the electricity supply industry including regulations, the Codes, directives and guidelines, failing which Eskom may refuse to allow the Connection, or disconnect the Connection until such time as there is compliance with such laws.

2.5 **Network performance and quality of supply**

2.5.1 Eskom is required to provide a standard of quality of supply, which complies with NRS 048. The Customer shall comply with the quality of supply limits determined in accordance with NRS 048.

2.5.2 Eskom will use its reasonable endeavours to furnish the Customer with a reliable network for the delivery of electricity from the Facility at the Point(s) of Connection. However, it is not practicable for Eskom to guarantee that the continuity and voltage quality at the Point(s) of

Connection will always be maintained under all contingencies. It will be incumbent on the Customer to take adequate measures to protect its business and the Facility against any damage and / or losses arising from frequency deviations, loss of Connection or connection/supply interruptions, voltage variations (including voltage dips), voltage harmonics, interharmonics, voltage flicker, voltage unbalance, voltage swells and transients, undervoltages and overvoltages at the Point of Connection.

2.5.3 Eskom generally contracts with Customers for a Standard Connection in terms of which no specific voltage dip or interruption limits will be specified in the contract. Indicative levels of voltage dip and interruption performance may be obtained on request from Eskom. In order to ensure greater levels of assurance on interruption (and in some cases dip) performance, generators may elect to:

2.5.3.1 pay for the necessary infrastructure required to provide a Connection with higher levels of reliability; or

2.5.3.2 pay for additional monitoring equipment to effect monitoring of performance at the Point of Connection.

2.6 **Technical assumptions**

2.6.1 This Cost Estimate Letter is based on the information provided by the Customer in Part 1 of the application for this Cost Estimate Letter attached hereto as Annexure B (Connection Application) and assumes that the Connection Works to be constructed is for the Connection of the Facility and not for any other customer. If other customers are to be connected the cost to connect and the technical assumptions may change.

2.6.2 This Cost Estimate Letter is based on the technical assumptions as set out in Part C of Annexure E (Eskom Connection Works).

2.6.3 Eskom requires a setback distance of 3 x times the tip height of the wind turbine from the edge of the closest Eskom servitude (including vacant servitudes) for Transmission Lines and 1 x times tip height from Distribution Lines and servitudes, including vacant servitudes.

2.6.4 Eskom must be informed of any wind turbine, concentrated solar plants and photovoltaic activity within a 5 km radius of a substation. No wind turbine structure shall be built within a 2 km radius of the closest point of the substation. Where concentrated solar plants and structures fall within a 2 km radius of the closest point of a Main Transmission Station and 1km from a Distribution substation, the applicant must comply with the requirements of GN R. 4143 of 4 December 2023 and obtain consent from Eskom.

2.6.5 Visibility and Control of all IPP installations with a nominal capacity of 50MW or above is required at National, Standby National and Regional Control as stipulated in the Standard for the Interconnection of Embedded Generation and the Grid Connection Code for Renewable Power Plants connected to the Electricity Transmission System or the Distribution System in South Africa.

3. CONNECTION WORKS

3.1 Facility Connection Works

The Customer shall be responsible for the portion of the Connection Works comprising the Facility Connection Works.

3.2 Contract Works and Contestable Works

3.2.1 If a Self-Build option is elected by the Customer, the Customer shall be responsible for the portion of the Connection Works comprising the Contract Works and/or Contestable Works as set out in Part B.2 and B.5 of Annexure E (Eskom Connection Works) and associated timelines in accordance with the terms and conditions of the Self-Build Agreement. Subject to the applicable terms in the Self-Build Agreement, the Parties may agree that an additional portion of the Eskom Works be included in the Contracted Works.

3.2.2 The Customer must indicate in the Request for the Budget Quote whether it elects to Self-build and must also indicate the estimated timeline to complete the Contract Works and/or the Contestable Works, including any additional portion of the Eskom Works as agreed to by the Parties in terms of Clause 3.2.1.

3.2.3 The approval of a Self-Build option by Eskom and the take-over of any Contract Works and/or the Contestable Works by Eskom will be subject to the conditions contained in Eskom's Standard for HV Self-build Customer Projects in Distribution and Procedure for Self-Build Customer Projects in Transmission (copies of which will be made available on request) and the Self-build Agreement(s) to be concluded, which inter alia shall include the following:

3.2.3.1 the Contract Works and/or the Contestable Works must be built according to the Eskom standards and specifications and Eskom will not under any circumstances take over and energise any asset that is not built according to the Eskom standards; and

3.2.3.2 the Customer shall pay all costs incurred by Eskom in relation to all Monopoly Works (see Annexure F).

3.3 Eskom Connection Works

3.3.1 Eskom shall be responsible for the portion of the Eskom Connection Works comprising the Eskom Works as set out in Annexure E (Eskom Connection Works).

3.3.2 If a Self-Build option is not elected by the Customer, the Eskom Works shall be as set out in Part A of Annexure E (Eskom Connection Works).

3.3.3 If a Self-Build option is elected by the Customer, the Eskom Works shall be as set out in Part B.1 of Annexure E (Eskom Connection Works).

3.4 Estimated Connection Timelines

3.4.1 Subject to the content of this Cost Estimate Letter and the conditions of any Budget Quote accepted later, the estimated period for the completion of the Eskom Connection Works, calculated from the commencement of construction by Eskom, where the Customer does not elect an option of Self-Build, is set out in Part A.3 of Annexure E (Eskom Connection Works). The estimated period provided in this Cost Estimate Letter is not binding on Eskom in any way.

3.4.2 Where the Customer elects an option of Self-Build, the connection timeline shall be determined by the Parties taking into consideration resource availability for commissioning and related activities.

4. FINANCIAL

4.1 Total Estimated Capital Costs

4.1.1 The total Estimated Capital Costs:

4.1.1.1 if the Customer does not elect to Self-Build, are set out in Part A of Annexure F (Estimated Capital Costs); or

4.1.1.2 if the Customer elects to Self-Build, are set out in Part B of Annexure F (Estimated Capital Costs).

4.2 Connection Charge Estimate

4.2.1 The Connection Charge Estimate:

4.2.1.1 if the Customer does not elect to Self-Build, is set out in Part B of Annexure G (Financial Specification); or

4.2.1.2 if the Customer elects to Self-Build, is set out in Part C of Annexure G (Financial Specification).

4.2.2 The Customer shall pay the Connection Charge Estimate in accordance with the Budget Quote.

4.3 Connection Charge Guarantee

4.3.1 If the Customer elects in its acceptance of the Budget Quote to pay the Connection Charge Estimate in instalments, the Customer shall deliver a Connection Charge Guarantee in accordance with the Budget Quote.

4.4 Early Termination Guarantee

4.4.1 Eskom will, in connecting the Facility to the Distribution System incur certain expenditures and costs, which are not directly recovered through the Connection Charge. In the event of an early termination of the project or the DCUOSA, such costs shall be recovered by Eskom from the Early Termination Guarantee.

4.4.2 The Customer shall deliver an Early Termination Guarantee in accordance with the Budget Quote. The Early Termination Guarantee Amount is set out in Annexure G (Financial Specifications).

4.5 Contract Works Security and Contestable Works Security

4.5.1 Where the Customer elects an option of Self-Build, the Customer shall deliver the Contract and/or Contestable Works Security in accordance with the Budget Quote.

4.6 Grid Capacity Allocation Guarantee

4.6.1 Where the Customer decides to proceed to request a Budget Quote, the Customer shall be required to provide to Eskom a Grid Capacity Allocation Guarantee in accordance with clause 5.3.1 below.

4.7 DUoS Charge (generators)

4.7.1 The Customer shall pay to Eskom the DUoS Charge (generators) for the Facility's use of the Distribution System, subject to the terms and conditions set out in the Distribution Connection and Use-of-System Agreement.

4.7.2 ESKOM's prevailing Schedule of Standard Prices, at any time shall serve as prima facie evidence of the DUoS Charge (generators) in force at that time.

4.7.3 Particulars of the DUoS Charge (generators) currently in force are set out in Annexure H (Use of System Schedule of Standard Prices for Distribution Connected Generators).

4.7.4 The Customer shall deliver to Eskom Use-of-System Charges Security in accordance with the Budget Quote. Eskom may determine on written notice to the Customer at Budget Quote stage (if the Customer is appointed as preferred bidder as part of a regulated bid programme

for new generation capacity), that the Customer is not required to provide the Use-of-System Charges Security. The Use-of-System Charges Security Amount is set out in Annexure G (Financial Specifications).

5. BUDGET QUOTE

5.1 Eskom shall provide a Budget Quote to the Customer, provided that within 12 (twelve) months of the date of this Cost Estimate Letter the Customer complies with the Budget Quote application conditions set out in Clause 5.2 below.

5.2 **Budget Quote application conditions:**

5.2.1 Where the Customer intends to submit bids regulated by the Electricity Regulations on New Generation Capacity, the entity responsible for procurement (currently the Department of Energy) must pre-qualify applications to receive a Budget Quote based on the published pre-qualification criteria, in addition to the criteria set out in clause 5.2.2 below.

5.2.2 Where the Customer does not intend to submit a bid as part of a regulated bid programme, the Customer shall submit the following together with the request for a Budget Quote:

5.2.2.1 Fully completed application form as set out in Part 2 of Annexure B of this Cost Estimate Letter;

5.2.2.2 Fully completed Request for Budget Quote as set out in Annexure A of this Cost Estimate Letter;

5.2.2.3 Proof of payment of the Distribution Quotation Fee and where applicable the Transmission Quotation Fee in terms of Clause 6.3;

5.2.2.4 In terms of clause 5.3.1, Eskom shall do a high-level evaluation of the above submissions and issue a Letter of Consent to the Customer to apply for NERSA registration or licensing, to enable compliance with clause 5.2.2.5. The processing of the Budget Quote shall only follow the readiness assessment as per clause 5.3.2.

5.2.2.5 A Letter from NERSA confirming the Customer's application for registration or generation licence for the Facility, whichever is applicable.

5.2.2.6 Customer's written permission from the relevant licensee to construct and Connect the Facility to the Distribution System of the relevant licensee, where the Facility will be located within another licensee's area of supply;

5.2.2.7 A copy of the Customer's distribution licence or approval by the relevant network service provider (Eskom or local municipalities) allowing the Customer to own and operate distribution infrastructure, where the Customer wishes to own and operate the distribution infrastructure;

5.2.2.8 Proof of land ownership or permission to use the land intended;

5.2.2.9 EA progress – at least a letter of confirmation from the Department of Environmental Affairs, approving the scoping report and appointment of an environmental consultant to conduct the studies necessary to obtain environmental approvals or permits;

5.2.2.10 Proof of reasonable viability of the proposed technology regarding the primary energy source;

5.2.2.11 Environmental Authorisation (EA) and Water Use License (WUL) in respect of the Facility;

5.2.2.12 Where applicable (e.g. for windfarms) – a conditional approval issued by the South African Civil Aviation Authority in terms of the Civil Aviation Regulations;

5.2.2.13 Land rights (ownership and lease) to construct the Facility;

5.2.2.14 Power Purchase Agreement duly signed with the end-user of the power or a licensed energy trader and confirmation from the off-taker;

5.2.2.15 Confirmation of appointment of design consultants accepted by Eskom, where grid connection works will be undertaken through the Self-Build Scheme for handover to Eskom on completion; and

5.2.2.16 Measured data for the primary energy resource, as applicable (minimum 2 years for Wind and 1 year for Solar).

5.3 Assessment upon receipt of a Request for Budget Quote

5.3.1 Eskom shall assess the Request for a Budget Quote for compliance with the application requirements and shall issue a notice of non-compliance to any Customer whose application is not compliant with the application requirements within 15 business days of submission of the Request for Budget Quote and disqualify any such application.

5.3.2 Eskom shall assess the readiness of the project and conduct a high-level scan (technical assessment) of available grid capacity and, thereafter, issue a Letter of Consent within 15 business days of submission of the Request for Budget Quote to the Customer indicating the following:

5.3.2.1 That sufficient grid capacity is available to connect the project and that the application has been placed in the Reservation queue pending receipt by Eskom, within 15 business days of the issuing of the Letter of Consent, of the Grid Capacity Allocation Guarantee issued by a financial institution approved by Eskom in the Form as set out in Annexure I, or

5.3.2.2 That there is insufficient capacity to connect the project and that an additional scope of work is required in order to connect the project.

5.3.3 Should the Grid Capacity Allocation Guarantee not be received by Eskom within 15 business days as set out in Clause 5.3.2.1, the Letter of Consent will lapse, so will the Request for Budget Quote and Eskom shall then reallocate the affected grid capacity accordingly.

5.3.4 Should the Customer, after receiving a Letter of Consent indicating that grid capacity is available, wish to cancel the Request for Budget Quote, the Customer shall issue a Letter of Cancellation to Eskom within 10 business days of receipt of the Letter of Consent, failing which Eskom reserves the right to recoup and deduct any costs incurred up to date of cancellation of the Request for Budget Quote from the Customer's Budget Quote Fee(s).

5.3.5 All projects in the Reservation queue shall comply with all requirements stipulated in this Cost Estimate Letter, the Budget Quote and Connection Agreements.

5.3.6 The project will only be moved from the Reservation queue to the Allocation queue upon the fulfilment of all Budget Quote Conditions.

5.3.7 In the case of grid connection works/projects developed through a Self-Build project, failure to comply with the following requirements will result in the project being removed from the Reservation queue:

5.3.7.1 Failure to appoint design consultants within timelines stipulated by Eskom,

5.3.7.2 Failure to submit preliminary designs to the relevant technical review teams/committees within timelines of being requested to do so by Eskom, and/or

5.3.7.3 Failure to rectify and correct any defects with any submission made to Eskom within 14 working days of being requested to do so.

5.4 Cost Estimate Fee and quotation fees

5.4.1 Eskom incurs costs in providing a Cost Estimate Letter. These costs are payable upfront as a Cost Estimate Fee before Eskom will proceed with the preparation of the Cost Estimate Letter.

5.4.2 Should a Budget Quote not be requested by the Customer, the Cost Estimate Fee will be forfeited.

5.4.3 Similarly, Eskom will incur costs, such as survey, environmental impact assessments, and detailed design, in providing a Budget Quote. These costs are payable upfront as a Distribution Quotation Fee and where applicable a Transmission Quotation Fee, before Eskom will proceed with the Budget Quote.

5.4.4 Should the Budget Quote not be accepted for any reason, the Cost Estimate Fee will be forfeited and any actual costs incurred by Eskom shall be set-off against any amounts paid in advance by the Customer and the balance refunded to the Customer.

5.4.5 Should the Customer require a revision of scope of the Connection after paying the Cost Estimate Fee and after receiving the Cost Estimate Letter, the Customer will be required to pay to Eskom another upfront cost estimate fee before another cost estimate letter will be provided.

6. LEGAL

6.1 Eskom may not connect the Facility to the Distribution System unless the Customer has obtained approval or a license from NERSA and complies with the prevailing law in general. Any costs incurred by Eskom, at or after providing the Budget Quote, is payable by the Customer irrespective of whether these approvals are obtained or not.

6.2 If the Customer wants Eskom to proceed to provide a Budget Quote the Customer must complete the Request for a Budget Quote, in the form attached to this Cost Estimate Letter as Annexure A and forward the request together with the Distribution Quotation Fee and/or the Transmission Quotation Fee where applicable and other required information and documentation, in accordance with Clause 5.2.

6.3 Any changes to the assumptions and scope must be clearly indicated to Eskom in writing, which will result in a revised cost estimate letter or Budget Quote and may result in a new quotation fee being payable.

6.4 The Customer shall enter into a written Distribution Connection and Use-of-System Agreement with Eskom in accordance with the Budget Quote.

6.5 Where the Customer elects to exercise the Self-Build option, the Customer shall enter into a written Self-Build Agreement(s) with Eskom. If the Customer fails to construct the Contract Works in accordance with the required Eskom standards and specifications, Eskom will not be obligated to take ownership of these assets. In this instance, the Customer will be in breach of the Self-Build Agreement. Should the Customer fail to remedy its breach and meet the requirements, Eskom may, in its sole discretion, provide to the Customer a new quotation to complete the project and take over the assets.

6.6 If the Customer intends also to consume electricity at the Facility, which is to be supplied by Eskom, and the Customer does not have an electricity supply agreement or the terms and conditions of the Customer's existing electricity supply agreement will change due to the establishment of the Facility, the Customer shall be required to sign an electricity supply agreement that will regulate the supply of electricity to the Facility. Please contact (Valmon Muller at telephone number + 27 11 871 2684 if this is the case.

6.7 The Customer shall be liable to pay any taxes and/or levies relating to the subject matter hereof, which may be imposed in terms of any existing and/or future legislation or as approved by NERSA.

6.8 The terms and conditions of this Cost Estimate Letter are subject to the provisions of the Code(s), the Act(s) and the rules and regulations issued thereunder, and of Eskom's licences and Schedule of Standard Prices, as amended or re-enacted from time to time and any other applicable laws.

6.9 The information contained in this Cost Estimate Letter should not be used for anything other than its intended purpose. Eskom accepts no liability, contractual or otherwise, as a result of

any reliance on this information and the Customer accordingly indemnifies Eskom against any liability emanating from the use of this information.

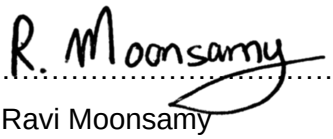
6.10 Eskom's bank account details for direct deposits or bank transfers shall be specified in the invoice issued by Eskom in respect of the Distribution Quotation Fee and the Transmission Quotation Fee, if applicable.

6.11 The Customer shall use the account number on the invoice as the reference number for the deposit or transfer. Please submit proof of payment following your Request for Budget Quote.

For any information, enquiries or confirmation, please contact Valmon Muller at telephone number + 27 11 871 2684.

I thank you for the opportunity of allowing Eskom to provide this service and trust that your favourable written reply will reach this office shortly.

Yours sincerely



……

Ravi Moonsamy

REGIONAL MANAGER GRID ACCESS UNIT (ACTING)

Date: 10 June 2024 ……..

Cc Customer file

ANNEXURE A

REQUEST FOR BUDGET QUOTE

Mr. Jeandre Van Zyl
Green Gate Energy
899 Joan End
Erands Gardens Ext 92.
MIDRAND
1685

Date: ……

Eskom Holdings SOC Ltd (Reg No: 2002/015527/30)
Valmon Muller
IPP Executive
PO Box 1091
Johannesburg
2000

Dear Mr Muller

REQUEST FOR BUDGET QUOTE FOR CONSTRUCTION OF WORKS TO CONNECT A GENERATOR TO THE DISTRIBUTION SYSTEM FOR THE VANGPAN PHASE 2 FACILITY LOCATED IN LEPHALALE IN THE LIMPOPO PROVINCE.

I have read and understood the terms of the Cost Estimate Letter dated 10 June 2024, reference number IPP 765385624 I hereby request Eskom to prepare a Budget Quote for my consideration.

I acknowledge that I intend to exercise the **Self-Build option** and herewith submit an application to do so. *OR*

I do not intend to exercise the Self-Build option *[strike through the option which is not applicable]*.

If I have elected the Self-Build option above, the estimated timeline to complete the Contract Works is …… calendar months and the estimated timeline to complete the Contestable Works is …… calendar months. *[Delete the words which are not applicable]*

Please provide an invoice for the following:

Description	**Cost**	**Select**
Distribution Quotation Fee	R 1 705 275,00 (+ VAT = R 1 961 066,25)	YES
Transmission Quotation Fee	R 1 740 000.00 (+ VAT = R 2 001 000.00)	YES
Total Quotation Fee	**R 3 445 275,00 (+ VAT = R 3 962 066,25)**	YES

Please find herewith also the documentation/information required by Eskom as set out in the Cost Estimate Letter to proceed with the Budget Quote.

[List the information and attach proof to this letter]

I acknowledge that Eskom will release the project for the Budget Quote phase when all of the following conditions are met:

- Request for Budget Quote letter received
- Quotation Fee(s) paid and Grid Capacity Allocation Guarantee furnished

- Grid Application Form received – Part 1 & Part 2
- Letter from NERSA regarding licence requirement - confirming proof of application for registration or generation licence as applicable for the Facility
- Environmental Authorisation (EA) and Water Use License (WUL) in respect of the Facility
- A conditional approval issued by the South African Civil Aviation Authority in terms of the Civil Aviation Regulations, if applicable
- Land rights (ownership and lease) to construct the Facility
- Power Purchase Agreement (PPA) Heads of Terms duly signed
- Confirmation of appointment of design consultants accepted by Eskom (if Self Build Scheme)
- Measured data for the primary energy resource, as applicable

All future correspondence must be addressed as follows:

_____

_____

_____code_____

Signed for and on behalf of …… on ..... 20.. by …… in my capacity as …… (who confirms that I am duly authorised).

ANNEXURE B

CONNECTION APPLICATION

See Attached

ANNEXURE C

CUSTOMER/TECHNICAL DETAILS AND

LOCATION OF FACILITY

Table 1

1.1	Customer	Green Gate Energy
1.2	Location of the Facility	Farm Steenbokpan, Lephalale, Limpopo.
1.3	Cost Estimate Letter reference number	IPP765385624
1.4	Date of Cost Estimate Letter	10 June 2024.
1.5	Maximum Export Capacity	152 MW
1.6	Voltage level of the Connection	132 KV
1.7	Location of Point of Connection (POC)	To be determined at Design Release Approval (DRA) phase
1.8	Point of Connection (POC)	To be determined at Design Release Approval (DRA) phase
1.9	Point of Generator Connection	To be determined at Design Release Approval (DRA) phase
2.0	Point of Utility Connection	To be determined at Design Release Approval (DRA) phase

ANNEXURE D

STANDARD FOR INTERCONNECTION OF EMBEDDED GENERATION

See Attached

ANNEXURE E

ESKOM CONNECTION WORKS

PART A: SELF-BUILD OPTION NOT ELECTED BY CUSTOMER – ESKOM BUILD

A.1 Dedicated Connection Equipment – N/A

A.1.1 Standard Equipment on the Transmission System – N/A

A.1.2 Premium Equipment on the Transmission System – N/A

A.1.3 Standard Equipment on the Distribution System – N/A

A.1.4 Premium Equipment on the Distribution System – N/A

A.2 Upstream Connection Equipment – N/A

A.2.1 Equipment on the Distribution System – N/A

A.2.2 Equipment on the Transmission System – N/A

A.3 Estimated Period

A.3.1 The estimated period for the completion of the Eskom Connection Works, calculated from the commencement date of the Eskom Connection Works, shall be not applicable

PART B: SELF-BUILD OPTION ELECTED BY CUSTOMER

OPTION 1: DISTRIBUTION SELF BUILD AND TRANSMISSION ESKOM BUILD

B.1 Eskom Works

B.1.1 Dedicated Connection Equipment

B.1.1.1 Standard Equipment on the Transmission System – N/A

B.1.1.2 Premium Equipment on the Transmission System – N/A

B.1.1.3 Standard Equipment on the Distribution System - N/A

B.1.1.4 Premium Equipment on the Distribution System – N/A

B.1.2 Upstream Connection Equipment – N/A

B.1.2.1 Equipment on the Distribution System – N/A

B.1.2.2 Equipment on the Transmission System – N/A

B.1.3 Distribution Monopoly Works

B.1.3.1 ESKOM will appoint a clerk of works to monitor the quality of the construction as well as the quality of material.

B.1.3.2 ESKOM will appoint a project manager to do site inspections and also monitoring of workmanship and materials/equipment.

B.1.3.3 ESKOM will monitor the CUSTOMER's environmental management in respect of the Contract Works

B.1.3.4 ESKOM will commission the metering, protection and the supervisory control and data acquisition system (SCADA), which will be installed by the CUSTOMER in terms of the Self-Build Agreement.

B.1.3.5 ESKOM will monitor the installation of the Contract Works.

B.1.3.6 ESKOM will be responsible for any commissioning in respect of the Contract Works required after the Connection of the Facility to the Distribution System.

B.1.3.7 ESKOM will manage any outages required on the Distribution System and or Transmission System.

B.1.3.8 ESKOM will check and accept the route selection and will monitor the process of registration of the Servitudes in the name of ESKOM.

B.1.3.9 ESKOM will effect the closing span to liven up the Connection Works as well as the optical fibre ground wire connection.

B.2 Contract Works

B.2.1 Dedicated Connection Equipment

B.2.1.1 Standard Equipment on the Distribution System – N/A

B.2.1.2 Premium Equipment on the Distribution System – N/A

OPTION 2: SELF-BUILD OPTION FOR DISTRIBUTION AND TRANSMISSION

B.3 Eskom Works

B.3.1 Dedicated Connection Equipment

B.3.1.1 Standard Equipment on the Transmission System – N/A

B.3.1.2 Premium Equipment on the Transmission System – N/A

B.3.1.3 Standard Equipment on the Distribution System – N/A

B.3.1.4 Premium Equipment on the Distribution System – N/A

B.3.2 Upstream Connection Equipment – N/A

B.3.2.1 Equipment on the Distribution System – N/A

B.3.2.2 Equipment on the Transmission System – N/A

B.3.3 Monopoly Works

B.3.3.1 ESKOM will appoint a clerk of works to monitor the quality of the construction as well as the quality of material.

B.3.3.2 ESKOM will appoint a project manager to do site inspections and also monitoring of workmanship and materials/equipment.

B.3.3.3 ESKOM will monitor the CUSTOMER's environmental management in respect of the Contract Works.

B.3.3.4 ESKOM will verify the design and equipment of the Contract Works.

B.3.3.5 ESKOM will commission the metering, protection and the supervisory control and data acquisition system (SCADA), which will be installed by the CUSTOMER in terms of the Self-Build Agreement(s).

B.3.3.6 ESKOM will monitor the installation of the Contract Works and the Contestable Works.

B.3.3.7 ESKOM will be responsible for any commissioning in respect of the Contract Works and Contestable Works required after the Connection of the Facility to the Distribution System.

B.3.3.8 ESKOM will manage any outages required on the Distribution System and or Transmission System.

B.3.3.9 ESKOM will check and accept the route selection and will monitor the process of registration of the Servitudes in the name of ESKOM.

B.3.3.10 ESKOM will effect the closing span to liven up the Connection Works as well as the optical fibre ground wire connection.

B.3.4 Transmission Monopoly Works

B.3.4.1 Network Planning Report and/or Business Case Report, motivating the need for an asset to be created

B.3.4.2 Network Planning shall influence and approve the preferred network concept solutions and decisions.

B.3.4.3 The determination of the point of connection and the connection method (Network Planning Solution) subject to the Customer providing the load or generation information as requested by Eskom.

B.3.4.4 Works and assets that cannot be safely and efficiently separated from the existing live system.

B.3.4.5 Network operational control and switching activities.

B.3.4.6 The outline specifications and requirements relating to sites, routes and wayleaves/servitudes.

B.3.4.7 The Eskom standards to be used for High Voltage lines and substations.

B.3.4.8 The verification of compliance with Eskom Standards for the concept and detailed design of the self-build connection assets.

B.3.4.9 The verification of compliance with Eskom Standards during the construction phase at the holding points determined by Eskom.

B.3.4.10 Leading Customer's Secondary Plant contractors during the inspection, testing and commissioning of the newly constructed asset with final sign-off and acceptance as objective.

B.3.4.11 Maintenance of the self-built assets after they have been successfully commissioned and their ownership having been transferred to Eskom.

B.3.4.12 Protection, Telecomms (Eng), Metering and Control designs:

- Control database,
- Allocation of IP addresses, and
- Protection settings.

B.3.4.13 Telecomms (SO) scope of work:

- Network integration designs up to the last Transmission and/ or Distribution node at the IPP's site.
- Supply of the "skeleton" design, stripped of all network specifications, to the customer as input into the final integrated design.
- Approval of the final integrated design, for which the customer is responsible.

B.4 Contract Works and Contestable Works

B.4.1 Dedicated Connection Equipment

B.4.1.1 Standard Equipment on the Transmission System

Dedicated scope of work at Medupi Substation:

- Equip 1 x 132 kV spare feeder bay (for a line to a collector station)

B.4.1.2 Premium Equipment on the Transmission System – N/A

B.4.1.3 Standard Equipment on the Distribution System

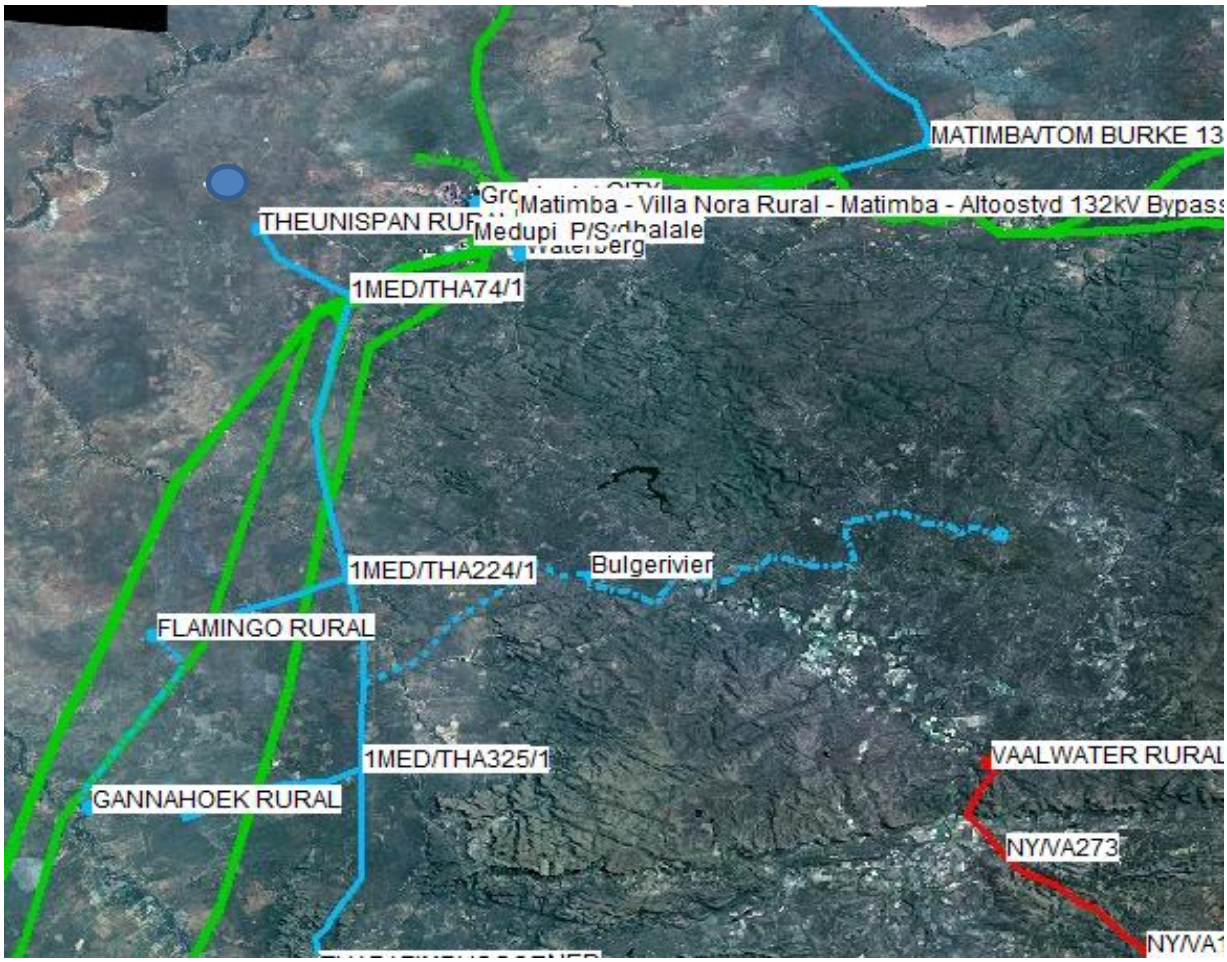
- Design (excluding telecoms) and build a 132kV switching station next to their Plant and equip it with:
    - 132kV double Busbar with bus coupler.
    - 1x132kV feeder bay for new line from Medupi MTS.
    - 1x132kV feeder bay for the connection of the IPP and metering purposes.
    - Control room (for the installation of protection and metering panels, telecommunication and battery room)
- Design (excluding telecoms) and build ±32km Twin Tern from new Vangpan switching station to Medupi MTS.

PART C: TECHNICAL ASSUMPTIONS

The customer has applied to connect the Vangpan phase 2 SOLAR PARK connection point on the Eskom network. The PV plant will be situated 32km away from Medupi MTS.

A 132kV connection point can be provided by establishing a new 132kV switching station and install the 132kV feeder bay POC for the customer. The customer recommended Self-build option

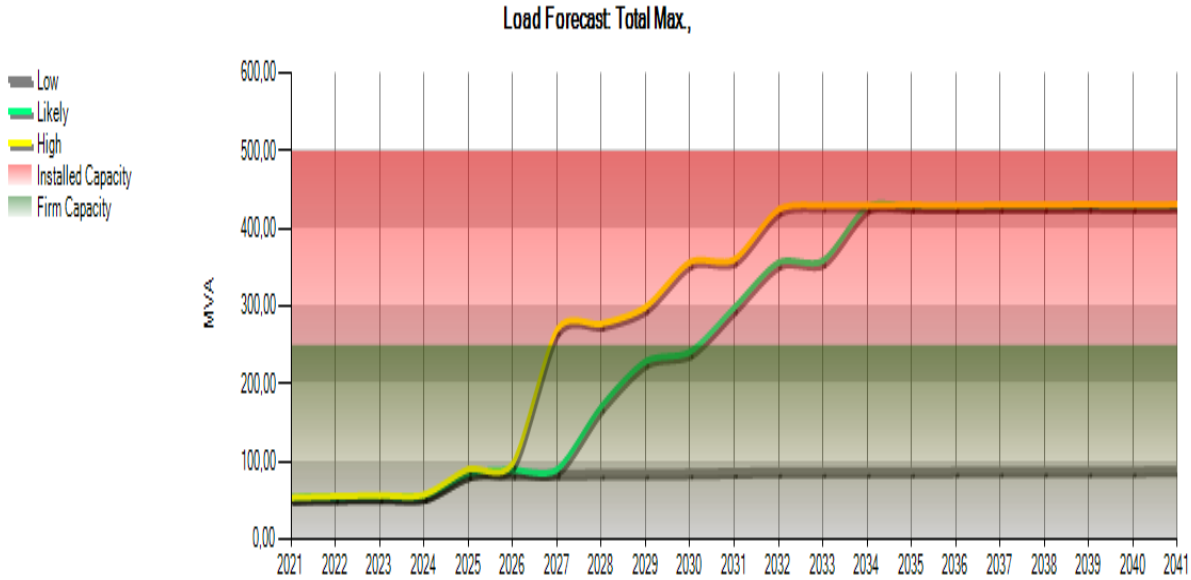
Geographical layout of the proposed connection point



Technical Studies

Load forecast at the proposed connection

The load forecast at the proposed connection is shown below:



IPP Capacity: Capacity:152MW PV by year 2025

Fault levels and voltage variation test

Table 1: Fault levels

	HGHL (pu)		LGHL (pu)	
Busbar	3ph [kA]	1ph [kA]	3ph [kA]	1ph [kA]
Vangpan phase 2 Switching Station	11.84	14.28	13.42	15.53

Table 2: Voltage variation test

Busbar	PF = 0.9875
	HGLL (%)
POC(Switching Station)	0.17

Loading profile, Voltage profile

Table 3: Thermal loading results with PV

Lines	Before (%)	HGHL (%)	HGLL (%)	LGHL (%)	LGLL (%)	Losses before connection (MW)	Losses after connection (MW)
Matimba-Waterberg 132kV	38.02	39.43	39.7	26.10	25.45	0.13	0.110
Waterberg-Lephalale 132kV	5.71	5.10	4.32	5.65	4.28	0.01	0.200
Matimba-Altoostyd 132kV	18.32	19.65	19.49	6.43	5.98	0.02	0.230
Matimba-Villa Nora 132kV	65.28	61.20	62.86	65.28	61.23	1.85	1.68
Matimba Grootgeluk 1	73.8	73.8	34.4	73.8	34.6	0.33	0.320
Matimba Grootgeluk 2	73.8	73.8	34.3	73.8	34.5	0.32	0.310
Medupi-Waterberg 132kV	8.34	13.29	7.46	8.77	7.00	0.10	0.230
Medupi-Theunispan T	43.68	35.65	18.43	12.43	14.34	0.20	0.159
Medupi-Vangpan 132kV		46.98	16.98	6.84	6.84		0.598
TheunispanT-FlamingoT		55.76	29.43	10.443	13.54		1.202

Table 4: Voltage results with PV

Busbar Voltage	Before (pu)	HGHL (pu)	HGLL (pu)	LGHL (pu)	LGLL (pu)
Matimba 132kV	1.04	1.04	1.05	1.04	1.05
Waterberg 132kV	1.04	1.04	1.05	1.04	1.04
Lephalale 132kV	1.04	1.04	1.05	1.04	1.04
Medupi 132kV	1.03	1.04	1.05	1.03	1.02
Theunispan 132kV	1.02	1.04	1.04	1.01	1.01
Villa Nora 132kV	1.03	1.04	1.05	1.03	1.04
Grootgeluk 132kV	1.04	1.05	1.05	1.04	1.04
Altoostyd 132kV	1.04	1.05	1.05	1.04	1.05
Flamingo 132kV	1.01	1.03	1.02	1.01	1.00
Gannahoek 132kV	0.99	1.02	1.01	0.99	0.98
Vangpan Switching		1.04	1.04	1.03	1.02

Scope of Work

Customer to:

- Do all the environmental studies, survey also land and rights acquisition.
- Design and build their own solar PV and Step-up substation.
- Design (excluding telecoms) and build a 132kV switching station next to their Plant and equip it with:
    - 132kV double Busbar with bus coupler.
    - 1x132kV feeder bay for new line from Medupi MTS.
    - 1x132kV feeder bay for the connection of the IPP and metering purposes.
    - Control room (for the installation of protection and metering panels, telecommunication and battery room)
- Design (excluding telecoms) and build ±32km Twin Tern from new Vangpan switching station to Medupi MTS.
- Handover the 132kV Switching station and 32km Twin Tern line to Eskom.

Eskom (Distribution) to:

- Evaluate and approve all the environmental, survey, land and rights and design for Switching station.
- Evaluate and approve all the environmental, survey, land and rights for the 32km Twin tern line.
- Do design for Telecoms.
- Project management will be involved in monitoring and ensuring Eskom standards and processes are adhered to in executing the project.
- Decommission the phase 1 POC, commission phase 2 and take over the Switching station & 32km Twin Tern line.
- Limit the customer to 192MW PV.

Transmission Scope of work:

Recommended scope of work

Dedicated scope of work at Medupi Substation:

- Equip 1 x 132 kV spare feeder bay (for a line to a collector station)

The single line diagram of the proposed connection solution is shown below:

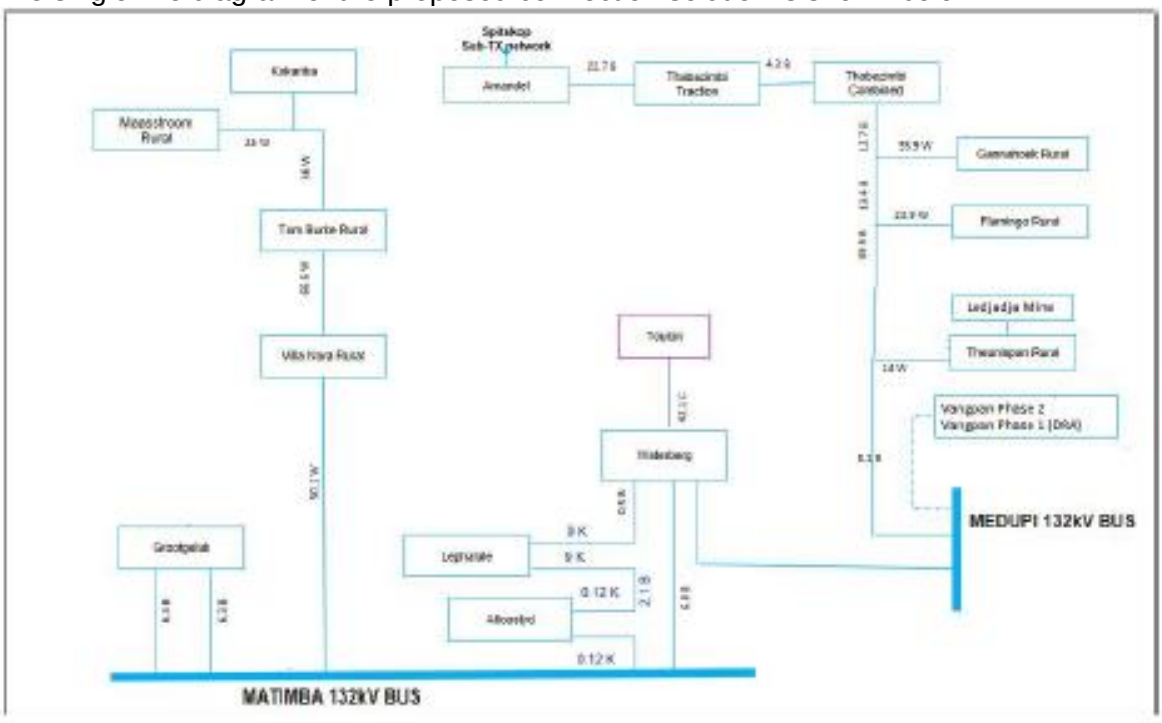


Figure 3: Single line diagram with the proposed Integration solution for 152 MW Vangpan Phase 2 PV at Medupi Substation.

Additional technical information

Table 5 illustrates the calculated three-phase and single-phase fault currents at the point of connection.

Year		2025
Point of connection		132 kV busbar at Medupi Substation
Maximum	**Three-phase fault level**	17.07 kA
	Single-phase fault level	29.07 kA
Minimum	**Three-phase fault level**	16.69 kA
	Single-phase fault level	28.19 kA

Table 5: Fault levels assessment

Note: It is recommended that all the equipment rating should be designed to meet the maximum fault current of 40 kA for 132 kV & 88 kV and 50 kA for 220 kV & 400 kV, throughout the lifespan of the facility connecting directly to the transmission network. The maximum and minimum fault levels have been calculated assuming that all network changes in the area will be implemented as tabled in the ten-year Transmission Development Plan.

Customer specific conditions

- The cost above excludes the cost of land acquisition.
- Environmental Management Programme (EMPr) authorization is mandatory before any construction can commence. Delays in obtaining EMPr approval will delay project construction and may result in a revised estimate.
- Agreement must still be reached on who will be responsible for obtaining the Environmental Authorisation and servitude acquisition for the transmission scope of work as detailed in the request
- The final value payable by / refundable to the customer will be determined by Eskom Pricing, in accordance with the pricing policy, and may increase the connection charge to cater for other costs e.g. capacity charges, guarantees, etc.
- Delays (such as Environmental Authorisation, Servitude Registration, and Environmental Management Plan) arising from the customer may impact the Transmission's delivery of the applicable connection works and could result in a revised budget quotation. Eskom requires a setback distance of 3 times the tip height of the wind turbine from the edge of the closest Eskom servitude (including vacant servitudes) for Transmission lines.
- Eskom must be informed of any wind turbine, concentrated solar plants, and photovoltaic activity within a 5 km radius of a substation. No wind turbine structure shall be built within a 2 km radius of the closest point of the substation. Where concentrated solar plants and structures fall within a 2 km radius of the closest point of a substation, Eskom should be informed in writing during the feasibility assessment phase of such plant or structure.
- An aggregated impact assessment of the renewable generation to be integrated within Limpopo province will need to be completed at Budget Quote phase.
- Completion of the Borutho-Silimela 400 kV line which forms part of the Waterberg Generation Stability Enhancement will be a pre-requisite for integration

- Due to the close proximity to existing power stations, transient stability studies may need to be conducted at Budget Quote phase.

- During BQ phase, it will be confirmed if the completion of the Borutho-Silimela 400 kV line (which is part of the Waterberg Generation Stability Enhancement) is a pre-requisite requirement for IPP PV integration

SELF-BUILD CONDITIONS

- The estimated time to complete the project post-acceptance of the Budget Quotation will be dependent on the customer, provided that such a completion date is aligned with pre-agreed timelines with Eskom.

- Self-build was approved for the entire project scope of work, with the exception of the following:

  Protection, Telecomms (Eng), Metering and Control designs:

  - Control database,
  - Allocation of IP addresses, and
  - Protection settings. 5.2.12.2. Telecomms (SO) scope of work:

  Telecomms (SO) scope of work:

-
  - Network integration designs up to the last Transmission and/ or Distribution node at the IPP's site.
  - Supply of the "skeleton" design, stripped of all network specifications, to the customer as input into the final integrated design.
  - Approval of the final integrated design, for which the customer is responsible.

- Eskom reserves the right to review the Self-build decision if more than one Independent Power Producer project is successful at the specified transmission connection point.

- If there are deviations from the above, a revised estimate will be submitted.

ANNEXURE F

ESTIMATED COSTS AND MONOPOLY WORKS

PART A: SELF-BUILD OPTION NOT ELECTED BY CUSTOMER (ESKOM BUILD)

The estimated costs associated with the Eskom Works, including escalation and overheads are as follows:

Table 1 (a) Summary of allocated Estimated Dedicated Capital Costs

Cost Item	Excl. VAT	Incl. VAT
Pre-Project Investigation Cost (This is a standard cost based on the Cost Estimate Fee amount)	R 0.00	R 0.00
Estimated Capital Cost for a Standard Connection (Transmission plus Distribution)	R 0.00	R 0.00
Estimated Capital Cost for a Premium Connection (Transmission plus Distribution)	R 0.00	R 0.00
Total Estimated Dedicated Capital Costs	R 0.00	R 0.00

Table 1 (b) Summary of Estimated Upstream Capital Costs plus Metering

Cost Item	Excl VAT	Incl VAT
Estimated Upstream Capital Cost on the Transmission System	R 0.00	R 0.00
Estimated Upstream Capital Cost on the Distribution System	R 0.00	R 0.00
Total Estimated Upstream Capital Costs		
Metering installation cost	R 0.00	R 0.00
Total Estimated Upstream Capital Costs and Metering	R 0.00	R 0.00

Table 1 (c) Estimated Capital Cost of Standard Equipment on the Distribution System (Dedicated Connection Equipment)

Cost item	Total Cost	Pro-rated %	Pro-rated Cost Excl VAT	Pro-rated Cost Incl VAT
Total			R 0.00	R 0.00

Table 1 (d) Estimated Capital Cost of Standard Equipment on the Distribution System (Upstream Works)

Cost item	Total Cost	Pro-rated %	Pro-rated Cost Excl VAT	Pro-rated Cost Incl VAT
Total			R 0.00	R 0.00

Table 1 (e) Estimated Capital Cost of Premium Equipment on the Distribution System

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Total			R 0.00	R 0.00

Table 1 (f) Estimated Capital Cost of Standard Equipment on the Transmission System (Dedicated Connection Equipment)

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Transmission Quotation Fee	R 0.00	100%	R 0.00	R 0.00
Transformation Capacity Charge	R 0.00	100%	R 0.00	R 0.00
Total	R 0.00		R 0.00	R 0.00

Table 1 (g) Estimated Capital Cost of Standard Equipment on the Transmission System (Upstream Works)

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Total			R 0.00	R 0.00

Table 1 (h) Estimated Capital Cost of Premium Equipment on the Transmission System

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Total			R 0.00	R 0.00

Table 2 Amount of estimated Capital Costs linked to each foreign currency

The Base Rates as at 2024 are as follows:

Currencies:		**Amount of Estimated Dedicated Capital Costs linked to each foreign currency**
US Dollars / ZAR	N/A	N/A
Euro / ZAR	N/A	N/A
Canadian Dollar / ZAR	N/A	N/A
Swiss Frank / ZAR	N/A	N/A
Swedish Krone / ZAR	N/A	N/A
Japanese Yen	N/A	N/A
Commodities:		**Estimated total amount of commodity**
Construction Steel	N/A	N/A
Aluminum	N/A	N/A
Copper	N/A	N/A
Transformer Oil	N/A	N/A
Core steel	N/A	N/A

PART B: SELF-BUILD OPTION FOR DISTRIBUTION AND TRANSMISSION ELECTED BY CUSTOMER

The estimated costs associated with the Eskom Works, including escalation and overheads are as follows:

Table 1 (a) Summary of allocated estimated dedicated costs

Cost Item	Excl. VAT	Incl. VAT
Pre-Project Investigation Cost (This is a standard cost based on the Cost Estimate Fee amount)	R 100 521.74	R 115 600.00
Estimated Capital Cost for a Standard Connection	R 51 596 430,46	R 59 335 895,03
Total Estimated Dedicated Capital Costs	**R 51 696 952,20**	**R 59 451 495,03**
Estimated Monopoly Works Cost	R 7 620 134,90	R 8 763 155,14
Total estimated dedicated costs	**R 59 317 087,10**	**R 68 214 650,17**

Table 1 (b) Summary of Estimated Upstream Capital Costs plus Metering

Cost Item	Excl VAT	Incl VAT
Estimated Upstream Capital Cost on the Transmission System	R 0.00	R 0.00
Estimated Upstream Capital Cost on the Distribution System	R 0.00	R 0.00
Total Estimated Upstream Capital Costs		
Metering installation cost	R 11 800,80	R 13 570,92
Total Estimated Upstream Capital Costs and Metering	**R 11 800,80**	**R 13 570,92**

Table 1 (c) Estimated Capital Cost of Standard Equipment on the Distribution System (Dedicated Connection Equipment)

Cost item	Total Cost	Pro-rated %	Pro-rated Cost Excl VAT	Pro-rated Cost Incl VAT
Total			R 0.00	R 0.00

Table 1 (d) Estimated Capital Cost of Standard Equipment on the Distribution System (Upstream Works)

Cost item	Total Cost	Pro-rated %	Pro-rated Cost Excl VAT	Pro-rated Cost Incl VAT
Total			R 0.00	R 0.00

Table 1 (e) Estimated Capital Cost of Premium Equipment on the Distribution System

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Total			R 0.00	R 0.00

Table 1 (f) Estimated Capital Cost of Standard Equipment on the Transmission System (Dedicated Connection Equipment)

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Transmission Quotation Fee	R 1 740 000.00	100%	R 1 740 000,00	**R 2 001 000,00**
Transformation Capacity Charge	R 164 001 416,00	30%	R 49 856 430,46	R 57 334 895,03
Total	R 165 741 416,00		**R 51 596 430,46**	**R 59 335 895,03**

Table 1 (g) Estimated Capital Cost of Standard Equipment on the Transmission System (Upstream Works)

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Total			R 0.00	R 0.00

Table 1 (h) Estimated Capital Cost of Premium Equipment on the Transmission System

Cost item	Total	Pro-rated %	Cost Excl. VAT	Cost Incl. VAT
Total			R 0.00	R 0.00

Estimated Monopoly Works Cost

Table 2 Summary of Estimated Monopoly Works Cost

Cost Item	**Total**	**Pro-rated %**	Cost (excl VAT)	Cost (incl VAT)
Estimated cost of Monopoly Works on Distribution System	R 3 370 134,90	100%	R 3 370 134,90	**R 3 875 655,14**
Estimated cost of Monopoly Works on Transmission System	R 4 250 000,00	100%	R 4 250 000,00	**R 4 887 500,00**
Total	**R 7 620 134,90**		**R 7 620 134,90**	**R 8 763 155,14**

Table 3 Amount of estimated Capital Costs linked to each foreign currency

The Base Rates as at 2024 are as follows:

Currencies:		**Amount of Estimated Dedicated Capital Costs linked to each foreign currency**
US Dollars / ZAR	N/A	N/A
Euro / ZAR	N/A	N/A
Canadian Dollar / ZAR	N/A	N/A
Swiss Frank / ZAR	N/A	N/A
Swedish Krone / ZAR	N/A	N/A
Japanese Yen	N/A	N/A
Commodities:		**Estimated total amount of commodity**
Construction Steel	N/A	N/A
Aluminum	N/A	N/A
Copper	N/A	N/A
Transformer Oil	N/A	N/A
Core steel	N/A	N/A

FINANCIAL SPECIFICATIONS

PART A: COST ESTIMATE FEE ALREADY PAID BY CUSTOMER

DATE COST ESTIMATE FEE AMOUNT PAID	Excl VAT	Incl VAT
19 January 2024	R 100 521.74	R 115 600.00

PART B: SELF-BUILD OPTION NOT ELECTED BY CUSTOMER – ESKOM BUILD

Table 1 SUMMARY OF THE CONNECTION CHARGE ESTIMATES, FEES PAYABLE UPON ACCEPTANCE OF THE COST ESTIMATE LETTER AND GUARANTEES

Connection Charge Estimate	Excl. VAT	Incl. VAT
CEF/Pre-Project Investigation Charge	R 0,00	R 0,00
Estimated Distribution Standard Connection Charge	R 0,00	R 0,00
Estimated Distribution Premium Connection Charge	R 0,00	R 0,00
Estimated Transmission Standard Connection Charge	R 0,00	R 0,00
Estimated Transmission Premium Connection Charge	R 0,00	R 0,00
SUBTOTAL: CONNECTION CHARGE ESTIMATE	**R 0,00**	**R 0,00**
Less Cost Estimate Fee (already paid)	R 0,00	R 0,00
BALANCE: CONNECTION CHARGE ESTIMATE*	**R 0,00**	**R 0,00**
FEES PAYABLE UPON ACCEPTANCE OF THE COST ESTIMATE LETTER		
Distribution Quotation Fee		
Transmission Quotation Fee		
Total Quotation Fee		
GUARANTEES		
Use-of-System Charges Security Amount		R 0,00
Early Termination Guarantee Amount		R 0,00
Grid Capacity Allocation Guarantee Amount		R 0,00

PART C: SELF-BUILD OPTION FOR DISTRIBUTION AND FOR TRANSMISSION ELECTED BY CUSTOMER

Table 1 SUMMARY OF THE CONNECTION CHARGE ESTIMATES, FEES PAYABLE UPON ACCEPTANCE OF THE COST ESTIMATE LETTER AND GUARANTEES

Connection Charge Estimate	**Excl. VAT**	**Incl. VAT**
CEF/Pre-Project Investigation Charge	R 100 521,74	R 115 600,00
Estimated Distribution Standard Connection Charge	R 0,00	R 0,00
Estimated Distribution Premium Connection Charge	R 0,00	R 0,00
Estimated Transmission Standard Connection Charge	R 51 596 430,46	R 59 335 895,03
Estimated Transmission Premium Connection Charge	R 0,00	R 0,00
Estimated Distribution Monopoly Works Charge	R 3 370 134,90	R 3 875 655,14
Estimated Transmission Monopoly Works Charge	R 4 250 000,00	R 4 887 500,00
SUBTOTAL: CONNECTION CHARGE ESTIMATE	**R 59 317 087,10**	**R 68 214 650,17**
Less Cost Estimate Fee (already paid)	**R 100 521,74**	**R 115 600,00**
BALANCE: CONNECTION CHARGE ESTIMATE*	**R 59 216 565,36**	**R 68 099 050,17**
FEES PAYABLE UPON ACCEPTANCE OF THE COST ESTIMATE LETTER		
Distribution Quotation Fee	R 1 705 275,00	R 1 961 066,25
Transmission Quotation Fee	R 1 740 000,00	R 2 001 000,00
Total Quotation Fee	**R 3 445 275,00**	**R 3 962 066,25**
GUARANTEES		
Use-of-System Charges Security Amount		R 576 348,90
Early Termination Guarantee Amount		R 13 570,92
Grid Capacity Allocation Guarantee Amount		R 30 400 000,00

PART D: QUOTE FACTORS

The factors to be used in the final calculation of the Connection Charges, the Early Termination Guarantee Amount and the Connection Charge Guarantee Amount are:

Overheads 10 %

1. Escalation 8 % (Production Price Index)
2. Escalation Duration 0 Months

Escalation in the cost of obtaining servitudes (costs to be based on the most recent value of the land)

ANNEXURE H

USE OF SYSTEM SCHEDULE OF STANDARD PRICES FOR DISTRIBUTION CONNECTED GENERATORS URBAN

See Attached

[LETTERHEAD OF BANK/FINANCIAL INSTITUTION]

FORM OF GRID CAPACITY ALLOCATION GUARANTEE

To: **ESKOM HOLDINGS SOC LTD**

LETTER OF GUARANTEE NUMBER _____ FOR THE SUM OF _____ (THE 'GUARANTEED AMOUNT') ISSUED ON BEHALF OF _____ [*INSERT FULL NAME AND REGISTRATION NUMBER OF CUSTOMER*] (HEREIN REFERRED TO AS THE 'CUSTOMER')

Eskom Reference / Account Number _____

1. We, the undersigned _____ **[*INSERT FULL NAME*]** and _____ **[*INSERT FULL NAME*]** in our respective capacities as _____ **[*INSERT CAPACITY*]** and _____ **[*INSERT CAPACITY*]** of _____, registration number _____ **[*INSERT FULL NAME AND REGISTRATION NUMBER OF BANK/FINANCIAL INSTITUTION*]** ("the Bank/Financial Institution"), duly authorised thereto, herewith confirms that we hold the Guaranteed Amount at the disposal of Eskom as security for the proper performance by the Customer of all of its obligations in terms of and arising from the development of the Budget Quote and under the Budget Quote and **[Transmission and/or Distribution]** Connection and Use-of-System Agreement(s) (the "Agreement") and other related grid connection undertakings as per the Interim Grid Capacity Allocation Rules.

2. The Bank/Financial Institution undertakes to pay Eskom Holdings SOC Ltd, registration number 2002/015527/30 ("Eskom") an amount not exceeding the Guaranteed Amount on receipt of (a) written demand/s for payment from Eskom stating that the amount of the demand is due and payable by the Customer to Eskom in terms of certain undertakings or obligations of the Customer related to the development of the Budget Quote and under the Budget Quote and the Agreement and other related grid connection undertakings as per the Interim Grid Capacity Allocation Rules.

3. A demand for payment under this Guarantee shall be made in writing at the Bank's/Financial Institution's address and shall declare that the Customer has:
   i) breached any requirement of the Budget Quote or the Customer has failed to comply with any terms of its Budget Quote and/or related Agreements and/or related grid connection undertakings and/or Budget quote development milestones as agreed to between Eskom and the Customer; and / or
   ii) been revoked of its reserved capacity or allocated capacity as a result of the Customer's actions; and / or
   iii) failed to utilize the allocated grid capacity within the timelines stipulated in the Budget Quote.

4. The Bank's/Financial Institution's liability under this guarantee is principal in nature and is not accessory or subject to any other agreement or the Agreement.

5. The Bank's/Financial Institution's liability will not be reduced, limited or affected by any alteration of the terms of the Agreement, or any other agreement made between the Customer and Eskom, or the Customer going into business rescue, or adopting or implementing any business rescue plan as contemplated in chapter 6 of the Companies Act 71 of 2008, nor the Customer's insolvency, winding-up, liquidation, dissolution or deregistration, whether provisionally or finally.

6. The Bank/Financial Institution will pay on written demand from time to time, made by Eskom, which demand must be signed by an Eskom official who is authorised and delegated to sign it. The demand must state the amount due and payable and the Bank/Financial Institution will not determine the validity of the demand, the correctness of the amount demanded, or become party to any claim or dispute of any nature which any party may allege. The Bank/Financial Institution will not be entitled or obliged to verify the authority and/or delegation of the Eskom official.

7. The guarantee is neither negotiable nor transferable, is restricted to the payment of a sum of money only and is limited to payment in aggregate of the Guaranteed Amount.

8. Payment of the Guaranteed Amount so demanded will be made free of exchange, set-off, deduction or counterclaim or any withholding, in immediately available funds, into such account as Eskom may notify the Bank/Financial Institution in writing, by way of a system generated invoice.

9. The Bank/Financial Institution reserves the right to withdraw from this guarantee on giving 3 (three) calendar months' written notice ("the Notice Period") to Eskom of its intention to do so.

10. This guarantee shall be valid and effective from the date of issue until Grid Connection Date, which is the Budget Quote Effective Date plus the estimated date for the completion of the Eskom Connection Works calculated from the commencement of the Eskom Connection Works.

11. The Customer shall maintain the guarantee in full force and effect for the period as set out in paragraph 10 above. In the event of the Bank/Financial Institution withdrawing from the guarantee as per paragraph 9 above, the Customer shall replace the guarantee with a new guarantee from an approved Bank / Financial Institution on Eskom's pre-approved form.

12. Notwithstanding the above provisions, this Grid Capacity Allocation Guarantee shall terminate and be returned to the Bank/Financial Institution within fifteen (15) Business Days of payment of an amount or amounts which in aggregate equal the Guarantee Amount, or, of expiry of the Grid Capacity Allocation Guarantee as per paragraphs 10 and 13.

13. This guarantee will thus expire in terms of paragraphs 10 and 12 above and will then be of no further effect, whether returned to the Bank/Financial Institution or not. Any claim which arises after the expiry of the Notice Period will be invalid, unenforceable and will not be entertained by the Bank/Financial Institution. However, any claims which arose or amounts which became due under this guarantee while valid, including during the Notice Period, may still be submitted for a period of 3 (three) calendar months after expiry of the Notice Period.

14. The cancellation, or any change to the terms and/or conditions, of this guarantee, must first be agreed to in writing by Eskom, the Customer and the Bank/Financial Institution.

15. If the Bank/Financial Institution should exercise its option to withdraw from the guarantee per paragraph 9 above, this will not be viewed as a cancellation or change of the guarantee for the purposes of paragraph 11.

16. Should Eskom cede its rights against the Customer to a third party where such cession is permitted in law, then Eskom shall be entitled to cede to such third party the rights of Eskom under this Grid Capacity Allocation Guarantee on written notification to the Bank/Financial Institution of such cession.

17. The original guarantee, if still available, must be returned to the Bank/Financial Institution once it is of no further effect.

18. Eskom will be able to submit claims on a copy of this guarantee if the original cannot be found, if it provides to the Bank/Financial Institution, to the Bank's/Financial Institution's satisfaction:

    18.1. an indemnity, validly issued in terms of Eskom's corporate governance procedures prevailing at the time, the Public Finance Management Act 1 of 1999 (if applicable), or any other applicable legislation prevailing at the time, signed by an Eskom official who is authorised and delegated to sign it, limited specifically and only as to any payment made on the lost original guarantee, and not exceeding an amount equal to the Guaranteed Amount; and

    18.2. an affidavit, signed by an Eskom official who is authorised and delegated to depose to such an affidavit, that the original guarantee cannot be found. The Bank/Financial Institution will not be entitled or obliged to verify the authority and/or delegation of the Eskom official.

19. The Bank/Financial Institution and Eskom choose as *domicilium citandi et executandi* for all purposes in connection with this Grid Capacity Allocation Guarantee, the respective Physical Addresses set out below.

20. Eskom chooses the following addresses for communication in connection with this guarantee:

Physical Address: Megawatt Park
Maxwell Drive
Sunninghill Ext. 3
2199
Sandton

Address for the Delivery of the Guarantee if not at Megawatt Park:

Physical Address:

_____
_____

Postal Address: _____
_____
_____

e-Mail address: _____

To be marked for the attention of: _____ **[*Insert only POST DESCRIPTION of Recipient*]**.

21. The Bank/Financial Institution chooses the following addresses for all purposes in connection with this guarantee:

Physical Address:

Postal Address: _____
_____
_____

e-Mail address: _____

To be marked for the attention of: _____ **[*Insert only POST DESCRIPTION of Recipient*]**.

22. This guarantee will be governed by South African Law and is subject to the jurisdiction of South African Courts.

23. Where written and/or signed notification is required in terms of this guarantee, the terms "writing" and "signed" or their analogous forms, will be construed as excluding sections 12 and 13 of the Electronic Communication and Transaction Act 25 of 2002 or any replacement of amendment thereof, save that such notification, whatever its title, may be scanned after manual signature and then sent electronically.

Signed at _____ on _____

FOR AND ON BEHALF OF _____ **[*INSERT FULL NAME AND REGISTRATION NUMBER OF BANK/FINANCIAL INSTITUTION*]**

_____ _____

As witnesses:

1. _____ 2. _____