

South Africa policy recommendations for renewable electricity



The advancement of South Africa's power sector is a critical national priority. The rapid ramp up of renewable energy is paramount for energy security, economic growth and competitiveness, and achieving the country's climate goals.

Important progress has already been made, notably through the work of the National Energy Crisis Committee (NECOM) and associated Energy Action Plan¹; the gazetting of the Electricity Regulation Amendment Act² and approval of the South African Renewable Energy Masterplan (SAREM)³. The implementation of the South African Wholesale Electricity Market (SAWEM)⁴, the Transmission Development Plan (TDP)⁵ and the Just Energy Transition Investment Plan (JET IP)⁶ also bode well for future efforts. These policies have created opportunities for businesses to self-generate or procure renewable electricity. However, full implementation of these plans and further reforms are still required to achieve South Africa's ambitions.

The private sector is the leading consumer of electricity in the country, and over 100 RE100 member companies with operations in South Africa have set a target to use 100% renewable energy-based electricity by 2050 at the latest. A [recent poll](#)⁷ surveying 104 South African businesses across multiple economic sectors, with annual turnovers of between \$1 million USD – \$1 billion USD, found that 95% of business executives in South Africa think that government should transition away from fossil fuels to a renewables-based electricity system, and 80% of senior executives indicated they would rather the government prioritise renewable electricity investments over new fossil fuel financing.

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Large multinationals and domestic companies are ready to invest in the country's energy transition. However, greater collaboration between the public and private sectors is required to unlock further policy action on renewable electricity. There is an urgent need to advance the power sector, crowd in investment, reduce system costs, enhance access to renewable electricity, and enable the electricity sector to play a leading role in green economic growth in South Africa. In order to meet these goals, RE100 and NBI are calling on the government to:

- Accelerate electricity market reform to enable competitive renewables procurement.
- Strengthen integrated planning and renewable energy-based electricity targets to guide investment.
- Enable and scale direct corporate procurement through wheeling and standardised Power Purchase Agreements (PPAs).
- Fast-track the roll-out of transmission infrastructure and grid connections, and streamline project approvals.
- Expand voluntary green power options.



1. Accelerate electricity market reform to enable competitive renewables procurement

Fast-track structural reforms to create a competitive electricity market and enable transparent, least-cost procurement of renewable electricity by business.

- ▶ **Support the operationalisation of the National Transmission Company of South Africa (NTCSA):** Ensure the NTCSA becomes a fully independent grid and market operator, with the necessary operational, financial, and legal autonomy to enable fair, transparent, and competitive access to the grid – in line with the Electricity Regulation Amendment Act (ERAA).
- ▶ **Implement a competitive wholesale market by 2026 and support the full execution within the 5 year timeline:** Support and adhere to a timely launch of the SAWEM with day-ahead and real-time trading, to reflect the cost advantage of renewables and to allow private and public sector participation in energy markets, as per the ERAA. This includes finalising the Market Code to ensure smooth operationalisation of the SAWEM.
- ▶ **Improve market transparency:** In line with the SAREM, regularly publish the pipeline of public and private procurement of renewable electricity, regional MW capacity availability, pricing, dispatch, and market access data, to allow businesses and independent power producers (IPPs) to evaluate and engage with renewable options confidently.



2. Strengthen integrated planning and renewable energy-based electricity targets to guide investment

Establish clear, ambitious and regularly updated renewable energy-based electricity targets backed by credible, coordinated energy system planning.

- ▶ **Fast-track implementation of the TDP:** Ensure timely implementation of the TDP to connect new generation capacity and prioritise renewable energy projects, supporting South Africa's energy affordability, accessibility and sustainability ambitions.
- ▶ **Update and improve the Integrated Resource Plan (IRP)⁹:** Ensure the IRP is revised promptly, (with its core assumptions reviewed every three years), reflects updated technology costs and resource availability, and is informed by the TDP and its implementation. If necessary, regularly update the IRP to support the roll-out of least-cost electricity sources that could be made easily accessible for all South Africans and is socially and environmentally acceptable.
- ▶ **Ensure energy policy alignment, including on an annual target of 3-5 GW⁹ per annum of renewable energy to 2030 and 6-8 GW¹⁰ per annum from 2030:** Align the Climate Change Act, IRP, ERAA, TDP, Integrated Energy Plan (IEP) and SAREM to ensure policy coherence, to deliver on electricity security, to enhance economic competitiveness, to support local industrialisation and progress on sustainability goals.
- ▶ **Create a clear trajectory for the transition to renewables within the energy mix:** Set renewables targets for 2030 and 2040 as a percentage of total electricity production, to guide private investment decisions and institutionalise consultation with business, labour and municipalities to ensure planning assumptions reflect diverse inputs and needs.



3. Enable and scale direct corporate procurement through wheeling and standardised Power Purchase Agreements (PPAs)

Facilitate direct procurement of renewable electricity by corporates through standardised PPAs and harmonised wheeling frameworks.

- ▶ **Implement the standardised national wheeling framework and ensure alignment with Eskom and municipal revenue models:** Harmonise wheeling agreements, tariff structures, and protocols across Eskom and municipal networks to reduce friction and enable predictability. Structure wheeling fees and cost recovery mechanisms in ways that protect utility finances without blocking market access, and support municipalities with capacity-building to implement wheeling frameworks.
- ▶ **Develop standard PPA templates:** Provide clear, bankable templates for long-term PPAs to simplify transactions between IPPs, public and private buyers.
- ▶ **Support smaller buyer participation through aggregation:** Explore mechanisms for grouping smaller corporate loads (under 100 MW) to enable collective market access, increasing inclusiveness.



4. Fast-track the roll-out of transmission infrastructure and grid connections, and streamline project approvals

Prioritise the expansion of transmission infrastructure and accelerate renewable energy deployment by streamlining permitting processes, and ensuring fair, timely grid connections for new projects.

- ▶ **Accelerate grid expansion in high-resource zones:** Prioritise investments in transmission infrastructure required in areas with abundant renewable potential (for example, Northern Cape, Eastern Cape) to absorb new capacity and provide regular updates on progress.
- ▶ **Standardise permitting timelines and facilitate timely grid connection approvals:** Establish maximum timelines and service-level commitments for environmental, land-use and energy-related approvals, and provide clarity on application steps, timelines and technical requirements for connecting renewable generation to both Eskom and municipal grids.
- ▶ **Operationalise the Department of Trade, Industry and Competition's Energy One Stop Shop:** Scale up the existing red-tape reduction initiative to ensure full coordination of permitting and licensing at all tiers of government.



5. Expand voluntary green power options

Enable businesses of all sizes to procure verified renewable electricity through green tariffs, self-generation and internationally recognised certification systems.

- ▶ **Scale up voluntary green tariff offerings:** Encourage Eskom and municipal utilities to offer opt-in renewable electricity products (approved by the National Energy Regulator of South Africa (NERSA)) that are transparently priced and tied to new projects (not the existing grid mix).
- ▶ **Align with international standards:** Ensure the proposed National Energy Attribute Certificates (EACs) system provides information on project location, technology, environmental attributes, commissioning dates, and compliance data.
- ▶ **Encourage investment in on-site renewable electricity solutions:** Adjust NERSA net-billing rules to reflect fair and predictable compensation for consumers.

These recommendations are based on inputs from the private sector, cities, provinces, technical experts, industry bodies and key national policymakers. Their insights demonstrate that public-private partnerships are critical to driving positive policy change and would increase access to affordable, reliable renewable electricity for all consumers in the country.

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3 Republic of South Africa. 2025. South African Renewable Energy Masterplan (SAREM). Link: www.gov.za/sites/default/files/gcis_document/202506/south-african-renewable-energy-masterplan.pdf

4 National Transmission Company South Africa SOC Ltd. 2024. South African Wholesale Electricity Market (SAWEM). Link: www.ntcsa.co.za/sa-wholesale-electricity-market-sawem/

5 National Transmission Company South Africa SOC Ltd. 2024. Transmission Development Plan. Link: www.ntcsa.co.za/tdp/transmission-development-plan-2025-2034-public-report/

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8 Republic of South Africa. 2025. Integrated Resource Plan. Link: www.dmre.gov.za/mining-minerals-energy-policy-development/integrated-resource-plan/irp-2023

9 Republic of South Africa. 2025. South Africa Renewable Energy Masterplan. Pg 24. Link: https://www.gov.za/sites/default/files/gcis_document/202506/south-african-renewable-energy-masterplan.pdf

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