

**national treasury**Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA**electricity & energy**Department:  
Electricity and Energy  
REPUBLIC OF SOUTH AFRICA

# MEDIA STATEMENT

---

## GOVERNMENT ADVANCES BOLD REFORMS TO UNLOCK TRANSMISSION INVESTMENT AND DRIVE ECONOMIC GROWTH AND DEVELOPMENT THROUGH THE INTRODUCTION OF THE INDEPENDENT TRANSMISSION PROGRAMME

---

The Department of Electricity and Energy (DEE) and National Treasury announces significant progress made in the implementation of South Africa's pioneering Independent Transmission Projects (ITP) Programme, a flagship public-private initiative to rewire the country's transmission infrastructure, unlock billions in infrastructure investment, and anchor industrial renewal.

South Africa's energy transition and economic recovery agenda hinges on the rapid expansion and modernisation of its transmission infrastructure. The Integrated Resource Plan (IRP 2019) and Eskom's Transmission Development Plan (TDP 2024–2033) estimates that more than 14,000 km of new transmission lines will be required in the next decade to accommodate an additional 53 GW of generation capacity. The current grid expansion pace is wholly inadequate, necessitating a minimum of 1,400 km per year required for the country's energy security requirements.

In December 2023, Cabinet endorsed the ITP Programme to allow private sector participation in the development, financing, construction, and operation of new transmission infrastructure under a robust and transparent regulatory framework. Government is acting deliberately, and decisively to partner with the private sector to assist the National Transmission Company of South Africa (NTCSA) to accelerate the rollout of the transmission infrastructure to enable economic growth and the addition of the renewable energy capacity.

### Key Milestones Achieved to Date

#### Successful Market Sounding Exercise

Between December 2024 and February 2025, government conducted a global market sounding exercise, which received over 130 formal responses from local and international developers, financiers, operators, and original equipment manufacturers (OEMs).

Some key insights gained include:

- Over 44% of local role-players confirmed partnerships or intention to partner with international entities.
- Establishing a stable and transparent regulatory environment, alongside fostering private sector involvement, will be crucial for the successful implementation of transmission projects in South Africa.
- A firm preference was indicated for a programmatic rollout to ensure pipeline predictability and stimulate localisation and supply chain readiness.
- Risks identified included permitting, Right of Way (ROW), and supply chain constraints, which will be proactively mitigated through upfront government measures, drawing on global best practice.

This feedback has been crucial in shaping the formulation of the Request for Qualification used to develop a bankable, responsive procurement programme.

#### Ministerial Determination Gazetted (28 March 2025)

A landmark Ministerial Determination, issued after consultation with National Treasury and NERSA, designated:

- The DEE as the procurer.
- The NTCSA as the buyer under Transmission Services Agreements (TSAs).
- A defined project scope of 1,164 km of 400kV transmission lines and associated infrastructure across Northern Cape, North-West, and Gauteng.
- Procurement to follow fair, equitable, transparent and competitive tendering processes, in line with global benchmarks.

This determination paves the way for tangible project development and investor mobilisation.

#### Draft Transmission Regulations Gazetted for Public Comment (3 April 2025)

The draft Regulations provide for regulatory certainty with a framework enshrining transparency, predictability, and trust thereby ensuring bankability of the Transmission programme.

The gazetted Draft Electricity Transmission Regulations focus on:

- Transparent cost recovery mechanisms to ensure NTCSA can fully recover efficiently incurred costs via TSAs.
- Defined processes for regulatory approval and risk allocation.
- Value-for-money procurement and enforceable project implementation frameworks.

With the public consultation period having closed on 22 May 2025, the DEE is reviewing all submissions received as it moves toward the finalisation and promulgation of the Electricity Transmission Regulations.

#### Phased Procurement Timeline

Recognising its track record of delivering complex energy procurements, the government has entrusted the IPP Office to run the Phase 1 ITP procurement process, capitalising on its established market credibility and technical rigour. In this regard, Government is implementing a structured and time-bound procurement process:

- Pre-Qualification Tender (RFQ): by end July 2025

The purpose of the pre-qualification process is to identify and shortlist capable, experienced, and financially sound bidders to proceed to the next stage of the ITP procurement process. This is critical to safeguard the integrity and bankability of the ITP Programme.

- Request for Proposals (RFP): by end November 2025

These timelines provides for predictability and give developers sufficient lead time for due diligence, consortium formation, and bid preparation.

#### **Credit Guarantee Vehicle**

Government in collaboration with the World Bank is developing a Credit Guarantee Vehicle (CGV) with the primary objective to mobilise and leverage private capital to address South Africa's infrastructure finance gap, support the efficient deployment of development partner funding under the Just Energy Transition Partnership (JETP), and the achievement of the country's decarbonisation targets. The CGV will be incorporated as a private company in South Africa, operating in the form of a non-life insurance company with all the required licenses and approvals, and regulated by the Prudential Authority. A draft Information Memorandum (formal offer via private placement of shares in the CGV) which provide granular details on how the CGV

will operate has been developed and will be shared with our development partners. Following the sharing of the Information Memorandum, the team will in July 2025 engage in one-on-one discussion with the identified development partners who expressed interest in participating in phase one of the CGV. It is envisaged that the CGV will become operational in 2026.

### **Building a Predictable, Investable, and Localised Transmission Sector**

Looking ahead, the government reaffirms that a programmatic, multi-phase ITP rollout will follow the Phase 1 tender, ensuring a clear pipeline of future bid windows to:

- Stimulate industrialisation, support local manufacturing, and build domestic technical capability.
- Enable continuous improvement in procurement design and risk allocation.
- Foster market depth, investor confidence, and price discovery.

### **Restoring Confidence and Enabling Growth**

With reform backed by regulation, institutional alignment, and political will, the ITP Programme is poised to transform the transmission grid from a constraint into a catalyst for growth and development. This progress affirms the government's commitment to enabling a modern, efficient, and competitive electricity sector.

The ITP is not just an infrastructure intervention, it is an economic stimulus, an industrial enabler, and a symbol of South Africa's readiness to partner.

We invite developers, manufacturers, financiers, and technology leaders to partner with us, to invest, to build, and to power South Africa's energy future towards national growth and resilience.

**Jointly Issued by the Department of Electricity and Energy and National Treasury**

**Date: 06 June 2025**