



APPLICATION FOR AN ELECTRICITY TRADING LICENCE
IN TERMS OF THE ELECTRICITY REGULATION ACT, 2006
(ACT NO. 4 OF 2006).

Please return completed form to:

HOD: Electricity Licensing and Compliance
National Energy Regulator of South Africa
Kulawula House, 526 Vermeulen Street
Arcadia, 0083
Pretoria

Or:

HOD: Electricity Licensing and Compliance
National Energy Regulator of South Africa
P.O. Box 40343
Arcadia
0007

Tel (012) 401 - 4600

Fax (012) 401 - 4700

PREAMBLE

Section 4 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) provide for the Regulator to issue licences for trading of electricity. Rules as determined by the Regulator specify that anyone involved in electricity trading activities requires to be licensed by the Regulator.

Applicants wishing to obtain a trading licence are required to provide reasonably detailed technical, economic and financial information to NERSA together with the licence application form. This information may also be contained in the form of a **Feasibility Study Report**.

SECTION A PARTICULARS OF APPLICANT

A1 Full name of applicant (business name) and business registration number

Envusa Energy Proprietary Limited ("Envusa Energy")
Registration Number: 2022/449153/07

A2 Address of applicant, or in the case of a body corporate, the registered head office

Physical address

City of Johannesburg Metropolitan Municipality

Postal address

PostNet Suite 153, Private Bag x31, Saxonwold, Gauteng, 2196

A3 Telephone number of applicant

+27 (0) 21 657 4200

A4 Fax number of applicant

NA

A5 Contact person of applicant

Name Matthew Martins / Amanda Dippenaar

Telephone No +27 (0) 21 657 4200 (EDF Renewables)

Mobile No +27 (0) 73 244 0845 (AngloAmerican)

Fax No. Matthew.Martins@edf-re.co.za

A6 Legal form of applicant

Proprietary Limited (Pty) Ltd.

Note to Section A

State whether the applicant is a local government body, a juristic person established in terms of an act of parliament, a department of state, a company or other legal body. If the applicant is a local government body, attach a copy of the proclamation establishing such body. Where the applicant is a company, the full names of the current directors and the company registration number are required.

SECTION B COMMENCEMENT DATE OF LICENCE

B1 Desired date from which the licence (if granted) is to take effect.

31th October 2023

SECTION C GEOGRAPHIC AREA WHICH TRADING APPLICATION RELATES

C1 A sufficient description adequately specifying the location of the area(s) where the trading activities to which the application relates.

The electricity will be generated by 3 generation plants, namely: Mooi Plaats (Solar PV) 240MWac, Hartebeesthoek (Wind) 140MWac and Umsobomvu (Wind) 140MWac, located on the border of the Eastern and Northern Cape Provinces of South Africa.

The offtakers consist of 7 mines located in the Northern Cape Province, Northwest Province, and Limpopo. The offtakers are a combination of mines, smelters, and other large mining-related electricity users. Please refer to map below.

In the cases of the Rustenburg and Amandelbult mine, these are collocated mines that house a combination of furnaces, compressors, and smelters.

Below are the various customer activities collocated at the respective sites, Rustenburg and Amandelbult, further below are the other additional offtakers:

Rustenburg

- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

Amandelbult

- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

Polokwane

- **XXXX XXXXXXXXXXXX XXXXXXXXXXXX**

Kolomela

- **XXXX XXXXXXXXXXXX XXX XXXXXXXXXXXX**

Mortimer

- XXXXXXXXXXXXXXXXXXXX

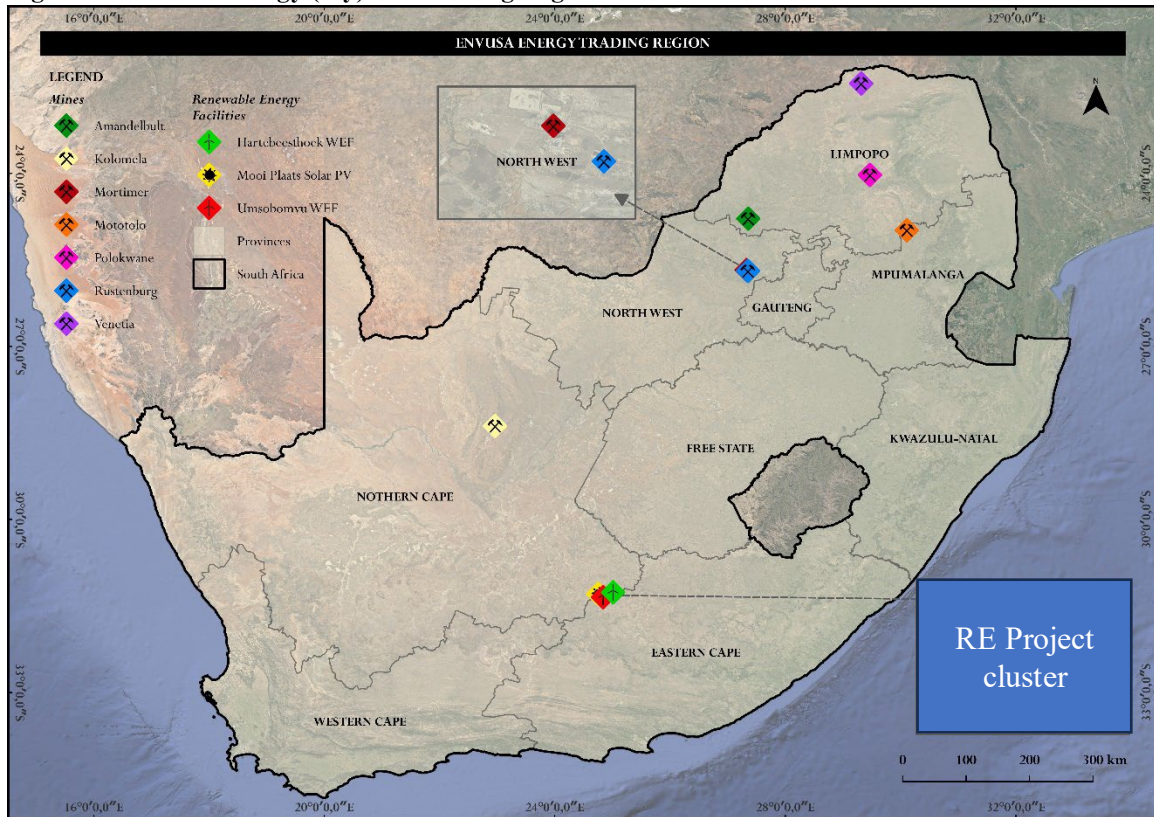
Mototolo

- XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Venetia

- XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Figure 1 – Envusa Energy (Pty) Ltd Trading Region



Notes to Section C

Submit a map to readily identify the area to which the application relates. Map must indicate local government boundaries within the area to which the application relates. Where the applicant is a local government body applying to trade electricity within the whole or part of the area of another local government body, then indicate respective areas on the map.

Please note that these constitute legally binding contracts and only differ from a PPA in name.

The agreement with Umsobomvu Wind farm entails the following salient conditions:

- PPA Term: **XX** years
- Tariff (ZAR/MWh): **XXXXXXX XXXXXXXXXXXX XXXXXXXX XXXXXXXX
XXXXXXXXXX**
- **XXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXX**

The agreement with Mooi Plaats Solar entails the following salient conditions:

- PPA Term: **XX** years
- Tariff (ZAR/MWh) **XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXX
XXXXXXXXXX**
- **XXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXX**

The agreement with Hartebeesthoek Wind farm entails the following salient conditions:

- PPA Term: **XX** years
- Tariff (ZAR/MWh): **XXXX XXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX
XXXXXXXXXX**
- **XXXXXXXXXX XXXXXXXXXXXX XXXXXXXX**

Note to Section D

Please provide copy/copies of any Power Purchase Agreements (PPA) entered into and the price structure of the contract.

SECTION E CUSTOMER PROFILE

E1 Particulars of the person or persons to whom the applicant is providing or intends to provide electricity to.

The offtakers consist of 7 mines located in the Northern Cape Province, North West Province and Limpopo Provinces respectively.

The offtakers are a combination of mines, smelters, and other large mining-related electricity users. In the cases of the Rustenburg and Amandelbult mine, these are co-located mines that house a combination of furnaces, compressors, and smelters.

Below are the various items co-located at the respective sites, Rustenburg and Amandelbult:

Rustenburg

- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

Amandelbult

- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**
- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

Polokwane

- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

Kolomela

- **XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

Mortimer

- **XXXXXXXXXXXX**

Mototolo

- **XXXXXXXXXXXX**

Note to Section E

Please provide a copy (or copies) of any Power Purchase Agreements (PPA) entered into and the price structure of the contract.

SECTION F WHEELING ARRANGEMENTS

- F1 Specify arrangements entered into for the wheeling of the energy from supplier to purchaser.

The energy reconciliation will be carried-out by Eskom and Envusa Energy, in terms of the Energy Supply Agreements already in place between Eskom and the off-taker entities. This reconciliation process is recorded in an annexure to the Energy Supply Agreement which details the specific arrangements for the trading of energy between Envusa Energy and the respective offtaker entities.

The above amendment will be completed in tandem with the amendments made to the Connection Use of System Agreement between Eskom and the specific generators. Please find attached correspondence from Eskom confirming these arrangements as Annexure C.

- F2 Specify metering arrangements and any other related services entered into for facilitating trading activities.

For the purposes of the Reconciliations required by Eskom, Envusa Energy has been granted monthly access to the meters on both the generators' premises and the off-takers' premises to perform the reconciliation process with Eskom.

This process involves matching the Energy delivered to the offtaker by any of the 3 generators and setting this off against the offtakers' actual consumption.

This will be done in terms of the Energy Supply Agreements that Eskom has in place with the respective off-takers.

Note to Section F

Provide copies of any wheeling agreements, metering arrangements ad any other related services that have been entered into.

SECTION F1 FINANCIAL INFORMATION

F1 Submit projections of and current statements of the accounts in respect of the undertaking carried on by the applicant, showing the financial state of affairs of the most recent period, together with copies of the latest audited annual accounts where such have been prepared.

The Trading Entity, Envusa Energy, is a newly incorporated entity and does not have current statements of account. ~~XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXX~~

Further to the above, provided are the shareholders’ Annual Financial Statements (Integrated Reports) for 2021 attached as Annexure D1 & D2. These statements indicate the viability of the shareholding entities and their ability to fund the trading entity Envusa Energy.

Below is a summary table of the Trading Revenues, Cost of Sales, Gross Margins, Operating Expenses, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Tax, and the Net Profit after Tax for the respective periods, these are also outlined in the provided financial model (Annexure E) on the Sheet named “Envusa P&L.”

Envusa Energy Profit & Loss xxxxxxxxx

Redacted

F2 Submit annual forecasts for the next five years of costs, sales and revenues generated by the project, stating the assumptions underlying the figures.

Envusa Energy Profit & Loss xxxxx

Redacted

The above is in relation to the Envusa Energy Trading (Pty) Ltd.'s forecasted financials for the periods from xxxxxxxxx

The tenure of the gPPAs is XX years and the forecasts are therefore projected for XX years plus the current year (XX years in total).

Total trading revenues are calculated by applying the electricity price (tariff) charged by the respective generators to Envusa Energy (xxxx ZAR/kWh xxxxxxx xxxxxxx); adding the Cost of wheeling (xxxx ZAR/kWh, as indicated by Eskom, the cost of wheeling is calculated based on the Eskom Wheeling Reconciliation sheet. Accessible on: https://www.eskom.co.za/distribution/wp-content/uploads/2022/05/Reconciliation-of-energy-plus-banking-1-April-2022_19April22-ver2.xlsx) and the Envusa Energy xxxx

Customer price buildup	R/kWh
Weighted Average Tariff gPPA - purchase price	Redacted
Redacted	
Weighted Average Tariff cPPA	

The Total Cost of Sales is the cost of energy purchased from the three generators at their respective tariffs (gPPA tariffs). This can be found in the financial model supplied, in rows 13-18 of the Envusa P&L sheet.

The prices are based stated in real terms in the financial model. In practice, prices charged by the generators and prices charged to customers will escalate **XXXXXXXXXXXXX**.

The Operating Expenses are the expenses related the provision of services to the **XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXX**
XX

EBITDA refers to the Earnings before Interest Costs, Tax, Depreciation and Amortisation.

Tax is applied to the EBITDA at a rate of 27%, in accordance with the Corporate Tax rate for companies within South Africa.

Net Profit after Tax is the EBITDA less the tax.

F4 Project financing: Who will finance the project, how is funding split between debt and equity, and what is the terms and conditions of the funding agreements.

Envusa Energy is Private Limited Company and the company is currently being funded by both its shareholders, Anglo American and EDF Renewables South Africa.

As is indicated in the financial model, Envusa Energy will not procure significant assets and its costs are mainly operating expenses. The funding will be provided by the shareholders **XX**
XX
XX
XX. The trader's operational expenditure in year 1 (**XXXX**) is approximately R**XXXXX** (**XXXXXXXXXXXXXXXXXXXX**), the cost of sales in year 1 is approximately R**XXXXXXXX**, and these costs will be settled from the payments received from customers. **XXXXXXXX XXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXX**

Xxxxx	XXXXXXXXXXXX	XXXXXXXXXXXX	XX	XXXXXXXXXXXX	XXXXXXX
Total	XXXXXXXXXXXX	XXXX XXXXXXX	XX	XXXXXXXXXXXX	XXXXXXXXXX

*The total electricity charges are comprised of the purchase price XXXXXXXX XXXX XXXXXXXX XXXXX XXX plus the addition of the wheeling cost and the Envusa Energy XXXXXXXX. The total revenues can be found in the Envusa P&L sheet in the financial model, row H5 and onwards for the following years. Total revenues and total energy differ slightly over XXX XX XXXXX period and the above table contains the estimates for XXXX. This differentiation of energy sold, year on year, is based on the degradation of a Solar PV facility, in terms of the modules, over its life.

Notes:

Provide detailed pricing of energy traded between sellers and purchasers.

SECTION H HUMAN RESOURCES INFORMATION

- H1 Submit details of the number of staff and employees and their categories in the service of the applicant and in any support, services separate from the trading entity. Also provide information regarding relevant qualifications and experience in critical areas e.g., Government Certificate of Competency.

Envusa Energy will employ persons in accordance with its requirements as an Energy Trader.

Envusa Energy does not currently have any permanent employees. The required operational and administrative support is currently provided by employees of the two shareholders, Anglo American Energy Solutions Limited and EDF Renewables South Africa that will be seconded to the trading entity. Both companies are highly experienced in the fields of engineering, finance, project management and renewable energy.

Attached in Annexure F1, F2, F3 are the CVs of 3 key staff members that will be providing the aforementioned services to Envusa Energy.

SOLEMN DECLARATION

On behalf of the applicant, I hereby declare that:

- (a) the applicant shall at all times comply in every respect with the conditions attached to any licence that may be granted to the applicant.
- (b) the applicant shall at all times comply with lawful directions of the National Energy Regulator of South Africa.
- (c) the information provided by me on behalf of the applicant is accurate and complete in all respects; and
- (d) I am authorised to make this declaration on behalf of the applicant.

Signed:

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Full name(s) of Signator(y/ies):

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Position held (if the applicant is a company, co-operative, partnership, unincorporated association or any other body corporate):

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Date:

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