

# Construction to start on Kathu Solar Park

Owned by an [ENGIE-led](#) consortium with South African partners, the Kathu Solar Park project has signed a 20-year power purchase agreement (PPA) with Eskom. Kathu Solar Park is a 100MW greenfield concentrated solar power (CSP) project with parabolic trough technology and equipped with a molten salt storage system that allows 4.5-hours of thermal energy storage and thus limits the intermittent nature of solar energy.

Construction at the site will begin shortly. The concentrated solar park, situated in the Northern Cape, 600km south-west of Pretoria, is expected to be operational in the second half of 2018.

Bruno Bensasson, CEO of the ENGIE Africa Business Unit, commented: "This is an important milestone for our first concentrated solar power project in the ENGIE Group. The Kathu Solar Park project supports South Africa's strategy of increasing the contribution of renewable power and also underlines our commitment to be a key partner in achieving sustainable energy generation in Africa."

The consortium, which is led by ENGIE (48.5%), includes a group of South African investors comprising SIOC Community Development Trust, the Investec bank, Lereko Metier and the Public Investment Corporation.

The project is funded by a mix of debt and equity. The debt is funded from a club of South African banks, namely Rand Merchant Bank, Nedbank Capital, ABSA Capital, Investec and the Development Bank of South Africa.

## Job creation

Approximately 1,200 jobs will be created during the construction phase. It is estimated that the Kathu Solar Park will save six million tonnes of CO<sub>2</sub> over 20 years and will further promote local economic development through various projects such as a local community trust for the benefit of communities in the John Taolo Gaetsewe District Municipality situated in the Northern Cape and sourcing of other services from local entrepreneurs.



Kathu Solar Park has been awarded preferred bidder in the third round of the Renewable Energy Independent Power Producer Procurement Program (REIPPPP) led by the South African Department of Energy (DOE).

In Africa, ENGIE has interests in two operational wind farms, the 94MW West Coast 1 wind farm in South Africa and the 301MW Tarfaya wind farm in Morocco. ENGIE is also constructing two state-of-the-art thermal power generation units (Safi – 2 x 693MW) in Morocco. Additionally in South Africa, the group owns and operates two thermal power peaking plants, the 670MW Avon plant (under construction) and 335MW Dedisa plant (in operation). Through Solairedirect, it is in charge of two solar photovoltaic parks with a total installed capacity of 21MW located in the Western Cape.

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