NERSA’s Public Hearing in Pretoria on 13 July 2011
International Power plc is a leading independent power generation company with active interests in closely linked businesses such as LNG terminals and water desalination.

Following the combination with GDF SUEZ Energy International, International Power has strong positions in all of its major regional markets (Latin America, North America, the Middle East, Turkey and Africa, the UK-Europe, Asia and Australia).

International Power’s corporate headquarters are in London and it is listed on the London Stock Exchange with ticker IPR. GDF SUEZ owns 70% of International Power’s issued share capital. GDF SUEZ’s energy activities in South Africa are part of International Power; www.iprplc-gdfsuez.com.

GDF SUEZ provides expertise in four key sectors: liquefied natural gas, energy efficiency services, independent power production and environmental services. GDF SUEZ employs 215,000 people worldwide and achieved revenues of €84.5 billion in 2010. The Group is listed on the Brussels, Luxembourg and Paris stock exchanges. www.gdfsuez.com.
The Department of Energy’s IPP Peaking Power Generation Project consists of a Build-Own-Operate structure for two Greenfield Open Cycle Gas Turbine (OCGT) Facilities (the “DoE Peakers” project);

IPR – GDF SUEZ is the developer of the DoE Peakers project and has, for the purpose of the project, established two companies AVON PEAKING POWER (PTY) LTD and DEDISA PEAKING POWER (PTY) LTD, which companies will own the respective Facilities;

The Generation Licence application by the respective companies, as submitted to the Energy Regulator, are in respect of the OCGT generation Facilities to be developed in the Kwa-Zulu Natal Province and in the Eastern Cape Province, respectively.
Description of the Project

Shareholders of Avon Peaking Power and Dedisa Peaking Power:

- A Broad-Based Black Economic Empowerment (BBBEE) Trust will own 10% of the shares via a SPV. The initiatives implemented by the beneficiaries of the Trust will benefit communities;

- Legend Power Solutions (Pty) Ltd is a majority black owned South African company with a focus in the electricity industry. LPS will own 27% of the shares via a SPV;

- Mitsui & Co Ltd will own 25% of the shares;

- IPR – GDF SUEZ will own 38% of the shares.

*: for Dedisa Peaking Power (Pty) Ltd the contractual structure will be the same
Description of the Project

Contractual:

- Avon Peaking Power and Dedisa Peaking Power will each enter into a separate Implementation Agreement (IA) with the South African Government acting through the national Department of Energy;
- Avon Peaking Power and Dedisa Peaking Power will each enter into a separate Power Purchase Agreement (PPA). The term of each PPA will cover a period of 15 years post the Commercial Operation Date of the respective Facility;
- It is envisaged that Eskom Holdings SOC Limited will be the Buyer under the PPA’s;
- Avon Peaking Power and Dedisa Peaking Power will each enter into a separate Transmission Agreement (TxA) with Eskom Holdings in its capacity as the National Transmission Company.
Description of the Project

Contractual:

- Avon Peaking Power and Dedisa Peaking Power will each enter into a separate turn-key Engineering Procurement and Construction Agreement for the construction of the respective Facilities;
- Each company will proceed into the construction phase of the respective Facility once all conditions precedent are fulfilled. Construction duration from Notice to Proceed to Commercial Operation Date will take 30.5 months and 24 months for the Avon Facility and Dedisa Facility respectively;
- Further agreements for the companies include fuel supply, fuel transportation, water supply, and operation and maintenance services.

*: for Dedisa Peaking Power (Pty) Ltd the contractual structure will be the same
Description of the Project

Site location of AVON Peaking Power:

- The Avon Site is located near Shakaskraal which is approx 45 Km North-East of Durban.
Site location of DEDISA Peaking Power:

- The Dedisa Site is located in the IDZ of Coega, which is approx 20 Km North-East of Port Elizabeth
Description of the Project

Technical:

- The respective Facilities are located adjacent to existing High Voltage Substations of Eskom and the electricity will be fed into the Transmission System (at 275 kV and 400 kV respectively)
- The total capacity of the Avon OCGT Facility will be around 670 MW, and the Facility will comprise 4 Units (Turbine and Generator)
- The total capacity of the Dedisa OCGT Facility will be around 335 MW, and the Facility will comprise 2 Units (Turbine and Generator)
- Both Facilities will utilize the same technology
- The Gas Turbines will use diesel (SANS 342) as primary fuel and will have water injection for NO\textsubscript{x} control
- Each Facility will have a Self-start capability to energise the Facility Substation
- During dispatch the Facilities can deliver Reactive Power ancillary services
- Facility lay-out design allows for future change in primary fuel to gas and for future conversion to combined cycle technology (CCGT)
Description of the Project

Operational:

- Each Facility is dispatched by the NTC
- The Facilities are designed for peaking operation and emergency situations
- Facilities are designed to run for short durations per start, i.e. high amount of starts versus running hours
- The Facilities are designed to operate for 20 hours per week, with provisions for continuous operation up to 45 hours
- Sufficient fuel and water storage is accounted for on-site
- Replenishment of fuel to the site will be done by road tankers
- Facilities will operate within the environmental restrictions as imposed under the Environmental Authorisations
Thank you