

Growthpoint signs landmark wind-hydro-solar PPA deal

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Growthpoint Properties has entered into a milestone Power Purchase Agreement (PPA) with Etana Energy for 195GWh of renewable energy a year, representing 32% of its total current annual electricity consumption (612GWhs in FY23).



Source: Supplied. Estienne de Klerk, SA chief executive officer of Growthpoint Properties.

In November 2023, Growthpoint, signed a PPA with licensed electricity trader Etana Energy to wheel electricity to its commercial property buildings in several jurisdictions across the country.

The deal has set in motion the country's first multi-jurisdiction, multi-building, multi-source renewable energy wheeling arrangement, and will enable Growthpoint's tenants to access green energy and reduce their carbon footprint.

Through this agreement, Etana will cover 70% of the power consumed by Growthpoint's participating buildings, and in some buildings, Growthpoint will even be able to provide its tenants with the ability to purchase 100% renewable energy and actively drive carbon reduction.

"The wheeled renewable energy will mainly consist of wind, with a smaller component of hydro and large-scale solar electricity. The combination of generation sources allows for a high coverage of Growthpoint's energy use, as electricity is generated throughout the day and night.

Estienne de Klerk, SA chief executive officer of Growthpoint Properties, says, "This initiative significantly advances Growthpoint's progress towards our climate commitment of being carbon neutral by 2050. We are extremely pleased to collaborate with energy innovators like Etana and Serengeti to support our tenants to reach their own environmental goals by giving them access to renewable energy."

Exclusive hydroelectric partnership

As a result of the agreement with Etana Energy, Growthpoint has exclusive rights to purchase all of the roughly 30GWh that will be generated annually by a 5MW hydroelectric power plant developed, owned and operated by Serengeti Energy.

The project is situated on the Ash River within the Lesotho Highlands Water Scheme (LHWS), close to Clarens in the Free State, which provides the added benefit of effectively generating 24/7 baseload power.

Growthpoint has also shown some interest in investing in the power plant by signing a Memorandum of Understanding with Serengeti Energy. Serengeti Energy owns and manages renewable energy projects of up to 50MW (mainly hydro) in sub-Saharan Africa and currently operates nine plants in five countries.



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Initially targeted for South Africa's Renewable Independent Power Producer Programme (REIPPPP), which contributes private sector-produced electricity to the national grid, Serengeti's focus for this hydro plant shifted, and it advanced the project for the commercial and industrial sectors.

Insights on hydro technology

Strafford Harris, managing director SA, Serengeti Energy, comments, "Hydro as a technology most definitely has a role to play in the energy mix in South Africa. It is encouraging for our sector to have concluded a PPA with Etana and Growthpoint, supporting appreciation for this technology not only for industrial use but also in the commercial sector."

The project is being constructed on the water transfer scheme between Lesotho and South Africa, within the LHWS and positioned to produce reliable baseload power.

It is also well placed to capitalise on the LHWS Phase 2 future expansion. The hydroelectric power plant has reached financial close and is currently under construction. The commercial operations date is expected to be 1 July 2025, when it will supply its first electricity to Growthpoint, wheeled via the Eskom grid and traded through Etana.

Thereafter, the commissioning of wind and additional solar production from Etana's portfolio of renewable energy projects connected to the national electricity grid will commence.



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Reyburn Hendricks, director of Etana Energy, comments, "We're tremendously excited to be partnering with Growthpoint and Serengeti to help address SA's electricity crisis and reduce the carbon intensity of our energy system. Business has a clear role to play in solving our biggest challenges, and this is a highly replicable, scalable example of how to achieve this while creating value for all involved."

Etana provides cost-competitive clean energy access from new large-scale renewable energy projects connecting to the SA grid. It has partnered with IPPs on multiple ready-to-build wind, hydro and solar projects with secured grid connections, which will come online over the course of 2025 and 2026.

The company's strategic focus on wind (and, in this case, hydro) projects enables greater renewable energy supply coverage compared to solar options alone, optimising cost savings and environmental benefits.

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