

Transnet applies for electricity licence

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State logistics group Transnet has applied for a licence to generate electricity and plans to regenerate 38MW by 2017, mostly using the technology of its new locomotives. No licence is required for regeneration.



Transnet's new locomotives will offer energy savings and greater regeneration resulting in electricity savings for the company. Image: Wikipedia

Transnet, a member of the Energy Intensive Users Group, will need as much as 66% more energy than its present consumption to implement its R300bn port, rail and pipeline expansion plans.

Eskom is struggling to meet growing electricity demand and it is urging its major customers to cut consumption. Transnet Freight Rail applied to the National Energy Regulator of South Africa (Nersa) for a power-producer licence in November 2012. Nersa was waiting to receive a power purchase agreement between Transnet and Eskom before it granted Transnet a licence.

On its coal and iron ore lines, Transnet regenerated 151,139MWh in the 2012/13 financial year. This helped it reduce energy consumption by 3.4%, to 3,671,072MWh, enough to power the 2010 Soccer World Cup stadiums nine times over. It also saved Transnet R81m despite a 4% increase in the volumes of cargo moved that year.

Electricity use and savings for the financial year to March 2014 will be released in June.

Transnet wants to double its electricity regeneration by 2019, as more regeneration-capable locomotives are introduced into its fleet.

Nersa spokesman Charles Hlebela confirmed that it had received Transnet's application for a licence and those entities that generate electricity to feed into the Eskom grid require a licence. However, a company that generates electricity solely for its own use does not need to be licensed.

Transnet's spokesman Mboniso Sigonyela said a power purchase agreement with Eskom, which was currently being discussed, would govern the regenerated electricity.

Transnet's unused electricity had to be transmitted to Eskom's grid if no recipient was available to use it in the traction circuit of a train.

The agreement would manage the credits that Transnet might accrue as well as the charge of moving the electricity through Eskom's network.

Transnet was installing metering equipment to receive credits for its regenerated electricity.

Its class 19E locomotives on its coal line regenerate 27% of the energy consumed on a round-trip between Ermelo and Richards Bay. Similarly, its 15E locomotives on the iron-ore line regenerate 38% of energy consumed on a round-trip between Sishen and Saldanha Bay.

Traction consumed 71% of Transnet's energy use last year. Last month Transnet Freight Rail awarded four contracts for 1,064 new locomotives and the energy savings of the diesel units would decrease by 10% and for electric ones by 18%.

In addition, new cranes used by Transnet Port Terminals regenerated 347,000kWh of electricity in 2012/13 and Transnet says the electricity was reused by the cranes, giving it another net saving.

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