

Energy Market Services

Market Operator

The **Standard Offer Programme** allows Eskom to procure energy on a short term basis (less than three years) from companies with excess generation capacity. The benefit of the Standard Offer is the simplicity by establishing a price upfront, calculated at the avoided cost of own generation, at which applicants can offer energy to Eskom. The standard offer allows for a **static price**, which is established each year based on the regulatory approved cost recovery and covers the average variable cost of generation, as well as a **dynamic price option** where the price is set day-ahead for each hour of the following day, indicating the avoided cost of generation based on internal scheduling of generators.

PRINCIPLES OF THE STANDARD OFFER



1. Eskom will offer two standard offer products, allowing consumers to choose to sell to Eskom at a static energy price, determined annually, or a dynamic energy price that will be determined daily.
 - A. In the static price offer Eskom shall announce the Standard Offer price on its website by 28 February each year. The static price structure will reflect the time-of-use structure as approved by Eskom Board.
 - B. The dynamic price is an hourly price as determined by the Day Ahead market in the Eskom Dynamic Energy Markets (EDEM) as per the EDEM rules. The prices are calculated by 14h00 on the day preceding the actual day of operation and shall be provided to the generator. The dynamic prices reflect the marginal cost of generation in each hour up to a market cap of R1093.20/MWh.
2. A generator may elect which price option applies for the financial year by the first working day of the financial year and may not change the selection during that financial year. If the generator terminates the power purchase agreement but later wishes to re-enter the programme during the same financial year, the previous selection applies.

STATIC PRICE for 2022/23 Financial Year		High Season	Low Season	Average
Standard Offer static energy Rate (R/MWh)	Peak	2 242.07	930.46	1 277.68
	Standard	560.52	523.15	533.11
	Offpeak	373.68	373.68	373.68
	Total	765.19	526.09	588.20