

Expected ROI of domestic energy storage project in South Africa 2026





Overview

Will Engen refinery be converted into a storage terminal in South Africa?

13 “S. Africa’s Engen refinery to be converted into a storage terminal,” Reuters, April 23, 2021. Wendell Roelf, “Vivo Energy to invest over \$550 mln in South Africa, minister says,” Reuters, May 22, 2024. “Engen and Vivo Energy combination completed, creating a pan-African energy champion,” Vivo Energy company press release, May 21, 2024.

Why is energy storage important in South Africa?

But as South Africa changes its model for producing and distributing electricity, the demand for energy storage solutions is likely to rise. As coal-fired power plants are decommissioned and renewable energy sources – typically intermittent – are increasingly adopted, reliable and efficient energy storage is coming more and more to the fore.

How long does it take to build a storage facility in South Africa?

Project construction is expected to take no more than 24 months and the storage capacity is expected to come online no later than November 2026. The projects will attract a total investment of R4.7 billion. South African Entity Participation of around 42.23%, and BEE ownership of 40% has been achieved across both projects.

How much storage capacity does South Africa have?

Following the signing of the agreements with these additional two projects South Africa has secured a total of 360 MW/1440 MWh storage capacity under the country’s first grid-scale bid window.

Why is solar storage important in South Africa?

The storage aspect is important because this transition involves the move into energy sources such as wind and solar. According to The Economist magazine, the amount of installed solar capacity in South Africa has risen from 2.8GW to



7.8GW, and this excludes solar capacity installed in homes.

How much liquid fuel is produced in South Africa in 2023?

Total liquid fuels production in 2023 was about 108,000 barrels per day (b/d), of which less than 1% was crude oil and lease condensate (Figure 2). Nearly all of South Africa's total liquid fuels production is of synthetic fuels, which are derived from coal and natural gas.⁸



Expected ROI of domestic energy storage project in South Africa 20



5 natural gas plays coming online in South Africa in 2024-2026

On the back of these successive finds, Kinetiko Energy announced its plans last August with South Africa's national development finance institution, the Industrial Development ...

[2024 an enormous boom year for energy storage in ...](#)

Boom times for energy storage have extended to the continent of Africa, with a 10-fold increase in installed storage supporting grids and renewable energy penetration.

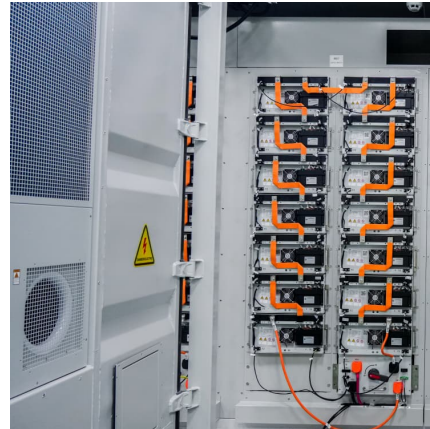


Country Analysis Brief: South Africa

Although South Africa has a high level of access to electricity relative to other sub-Saharan African countries, its electric power sector experiences frequent power outages because of ...

5 natural gas plays coming online in South Africa in ...

On the back of these successive finds, Kinetiko Energy announced its plans last August with South Africa's national development finance institution, the Industrial Development Corporation, to develop an LNG project ...



Envision Energy Selected for South Africa's Largest Energy Storage Project

Envision Energy has been chosen by an EDF-led consortium to supply batteries for the 257-MW/1,028-MWh Oasis 1 energy storage cluster in South Africa. This ...



India's Energy Storage to Grow 5X by 2032, Driven by INR4.79 ...

The India Energy Storage Alliance (IESA) projects a fivefold growth in the sector between 2026 and 2032, with investments expected to reach INR4.79 lakh crore by 2032.



[DMR Newsroom , Department of Mineral Resources](#)

Both projects, developed by EDF International and their project partners, Mulilo, Gibb-Crede, Pele Green Energy, and a community trust, will be located in the Northern Cape ...





International

South Africa was the largest economy in sub-Saharan Africa in 2023, in terms of gross domestic product (GDP), according to the latest estimates by the World Bank Group. In 2022, South ...



Hydrogen Energy Storage Market , Global Market Analysis ...

Hydrogen Energy Storage Market Hydrogen Energy Storage Market Size and Share Forecast Outlook 2025 to 2035 The hydrogen energy storage market is projected to ...



South Africa

South Africa has the competitive advantage to produce and export green hydrogen energy and aims to work on the existing opportunities to directly replace the hydrogen produced from natural gas by green hydrogen.



South Africa Advances in Energy Storage with New Battery Projects

Explore the details of South Africa's new battery energy storage projects under BESIPPPP, set to enhance grid stability and support economic growth with significant job ...



[SA's battery energy storage gets a R4.7 billion boost](#)

Oasis Aggeneis, with a total capacity of 77 MW/308 MWh, will be located at Aggeneis Sub Station, close to the town of Aggenys. Oasis Nieuwehoop, with a capacity of 103 MW/412 MWh, will be located at ...



South Africa

South Africa has the competitive advantage to produce and export green hydrogen energy and aims to work on the existing opportunities to directly replace the hydrogen produced from ...

Globeleq to build Africa's largest standalone battery energy storage

Electricity storage is going to be key not only in helping South Africa meet its considerable industrial and domestic demand for energy but also across Africa as more ...





South Africa Unveils Major Renewable Energy Projects to Boost ...

With the projects set to reach commercial close in the next six months, these initiatives mark a pivotal shift in South Africa's energy strategy. By focusing on solar and ...

Envision Energy Selected for South Africa's Largest Energy ...

Envision Energy has been selected to supply batteries for South Africa's largest energy storage project, Oasis 1, a 257-MW/1,028-MWh facility. The project, set to begin ...



ENERGY ACTION PLAN

The Energy Action Plan outlines a path to fundamentally reforming South Africa's energy sector to achieve long-term energy security. Significant progress has been made over the last six ...

[UK Funds Africa's largest battery storage system in ...](#)

The United Kingdom is backing investment of more than \$300 million in South Africa's green energy transition as the country struggles to end power shortages that nearly tipped its economy into a



[Top Renewable Energy Projects to Watch in Africa in...](#)

Africa is accelerating efforts to electrify the continent through transformative renewable energy projects, addressing critical energy gaps and driving sustainable development.



Microsoft Word

Despite a recent improvement, private investment growth has declined over the past decade (Figure 2.1). GDP growth is expected to average only 1.4 per cent between 2024 and 2026.



12 Infrastructure Priorities for Project Preparation ...

Twelve major infrastructure projects have been launched with the aim of driving public and private sector-led development in South Africa. The projects span transport, storage and communication; electricity, gas and water; community, ...





[SA's green hydrogen initiatives gain momentum with ...](#)

South Africa's plans to accelerate the development of green hydrogen have received a major boost with several initiatives announced on Thursday, highlighting the country's commitment to renewable energy.



[DMR Newsroom , Department of Mineral Resources](#)

Project construction is expected to take no more than 24 months and the storage capacity is expected to come online no later than November 2026. The projects will ...

[Global Energy Storage Growth Upheld by New Markets](#)

Globally, energy storage project development is increasingly driven by the utility-scale segment, with mandates and targeted auctions driving gigawatt-hour projects in markets like China, Saudi Arabia, South Africa, ...



Securing South Africa's energy future: strategies and ...

Thanzi Ramukosi explains how South Africa's transition away from fossil fuels to a more sustainable energy mix brings with it compelling opportunities for investors.



[12 major infrastructure projects for South Africa](#)

The overarching target is to have bi-directional rail transportation of a minimum of 150,000 Fully Built Units per year by 2026. In the community, social and personal services sector, the South African government ...



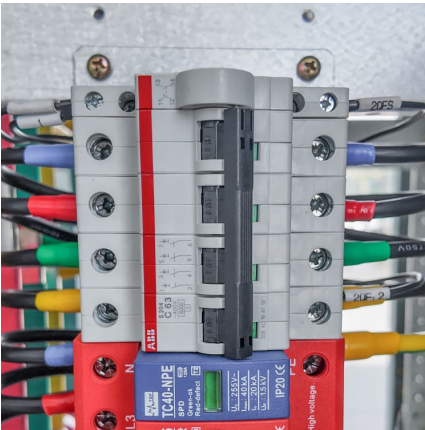
Australia: The 2025 NEM Battery Energy Storage Pipeline Report

Australia has a massive pipeline of grid-scale battery energy storage projects. 16.5 GW of new battery projects could arrive in the NEM in the next 3 years.

[South Africa's Hybrid Power Projects and 1.14GWh ...](#)

As for utility-scale energy storage, projects are primarily propelled by government tenders. However, the sluggish pace of construction for winning projects casts uncertainty on when the capacity will be operational.





[Energy Storage News , African Energy](#)

Kenya Power, Renewable energy Project bulletin Issue 529 - 07 July 2025 South Africa: Globeleq's Red Sands battery energy storage project eyes construction after financial close South Africa Power Project bulletin Issue ...

Policy Hurdles Impeding Battery Energy Storage Deployment ...

There are encouraging policy statements and commitments from political leaders in government indicating to provide local and international investors with policy certainty and regulatory ...

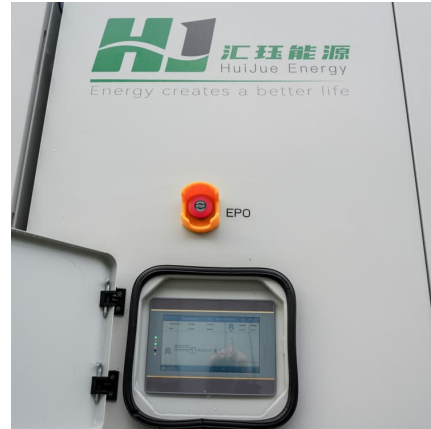


South Africa: Renewable Energy Sector Development Project

1.3 Sectoral context 10. South Africa is also one of the world's largest coal producers and uses coal as the main primary energy source for the economy. In 2022, coal dominated the South ...

Understanding the Return of Investment (ROI) of Energy Storage ...

Several key factors influence the ROI of a BESS. In order to assess the ROI of a battery energy storage system, we need to understand that there are two types of factors to keep in mind: ...



ENERGY MARKET PROJECTIONS

"In the next two to three years, the bulk of energy will be provided by government-procured projects, which started construction a few years ago, along with private sector projects which ...

[South Africa Launches Bidding Rounds for New ...](#)

South Africa Launches Bidding Rounds for New Renewable Energy Projects The country aims to procure 7,615MW of electricity from wind, solar, gas and battery storage by 2026.



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