



energy

Department:  
Energy  
REPUBLIC OF SOUTH AFRICA

# Department of Energy

Request for Proposal (RFP) from Municipalities

In preparation for the 2017/18 EEDSM Programme

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**Disclaimer**

The Department of Energy (DoE) has prepared this information document to request municipalities to submit Proposals for funding consideration for the 2017/18 Energy Efficiency and Demand Side Management (EEDSM) programme. Whilst the DOE has taken due care in the preparation of information contained herein, neither the DOE, its staff, or its advisors or any other organ of state providing assistance to the DOE gives any warranty or makes any representations, express or implied, as to the completeness for purpose or accuracy of the information contained in this document or any information which may be provided in connection therewith.

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**1. Purpose of the Request for Proposal (RfP)**

This EEDSM RfP is to request municipalities to submit EEDSM Project proposals for funding consideration for the EEDSM grant allocation for the 2017/18 financial year. The Department of Energy will evaluate these proposals based on a pre-determined criterion which include amongst others energy savings potentials, low investment costs, quick pay-back periods and opportunity to create local jobs.

**2. Introduction**

Energy efficiency is widely recognized as the most fundamental short-run imperative for rapid, ambitious and cost-effective climate change mitigation. As a matter of fact, improved efficiency is the most cost-effective, least-polluting and readily-available energy resource. More than half of the electricity-sector related carbon emissions reduction target in the coming twenty years could be achieved through energy efficiency.

Efficiency can enhance the competitiveness of economies while helping to alleviate energy poverty as energy becomes more available. Energy productivity gains will lower the cost for the economy as a whole, enhance the supply security and reduce the need to develop new sources of energy supply to serve those without access to modern energy services for health and education enhancement. Accelerated energy efficiency can also create attractive green jobs and businesses.

As a commitment to this process, Government published in 2005 the National Energy Efficiency Strategy (NEES) that set a target of 12% energy intensity reduction by 2015 and are in the process of completing a new strategy with 2030 horizon. In addition, the Department of Energy's has developed an Energy Efficiency Target Monitoring System which is envisaged to track and monitor the achievements of the overall energy intensity reduction and sectorial targets.

This EEDSM RfP is to assist the Department in selecting appropriate EEDSM projects that will contribute towards the achievements of the NEES target with high energy savings, quick pay-back period and good socio-economic indicators.

## **2.1 Reasons for undertaking EEDSM Programme**

The EEDSM programme is based on decisive factors such as rising energy prices, increase in population, increased energy consumption, increased greenhouse gas (GHG) emissions and increased demand for water supply that affect effective municipal administration.

It is envisaged that through this EEDSM programme, municipalities might reduce their electricity bills by optimizing energy use, improving delivery of services, reducing GHG emission, undertaking retrofitting of existing facilities such as street lighting, traffic signals, municipal buildings, water pumping and waste water treatment plants.

## **2.2 EEDSM Programme Scope**

The recommended EEDSM projects to be considered by municipalities should include but not limited to the following:

- Determination of energy consumption baseline for each municipal infrastructure to be considered, namely street lighting, traffic signals, public buildings, or water pumping and waste water treatment plants.
- Energy performance of the major energy consuming equipment, recommendations for replacing and retrofitting those that are inefficient, and calculations of projected benefits.
- Suggestions for improvements to operating and maintenance practices.
- Financial details on the investment required, including materials and potential service providers, expected savings, and payback period.
- A list of the energy efficiency measures prioritized according to the highest rate of return on investment and organized into short, medium and long term categories
- A risk analysis, technical & financial, including the mechanisms that need to be put in place to manage and control risks.
- System mapping of the public facilities within the municipality to cover size, geographic location, type of technology, etc.
- Energy Efficiency Awareness and Communications
- Skills development for local energy audits, technicians and electrifications
- Monitoring, Reporting and Verification (MRV) of Energy Savings

The following sections provide a summary of the required narrative information to be included in the municipal energy efficiency proposals.

### **3. Scope for the EEDSM Project Proposals**

Municipalities are requested to submit proposal for the implementation of EEDSM projects, and also fill both the summary table (**Annexure A**) and RFP Narrative (**Annexure B**) summarizing the list of projects targeted.

The proposal should provide baseline of energy use from all relevant information, such as operating conditions, measurements of various system equipment, log book trends, historical data, and any previous test reports on the existing operating conditions of the municipality.

#### **3.1 Steps for determining the baselines**

A detailed energy audit that should include data collection, measurements of the systems, analysis of the historical and measured data, and detailed energy savings calculations for suggested EEDSM projects.

#### **3.2 Proposed list of energy efficiency measures**

The detailed energy audit carried out at the various facilities will help identify energy efficiency measures. The measures that have the best technical and economic potential will be approved for funding through the 2017/18 EEDSM grant.

#### **3.3 Develop a set of potential efficiency projects**

The municipality should develop a set of potential efficiency projects for funding consideration by the Department of Energy for the 2017/18 financial year.

#### **3.4 Proposed EEDSM Project Proposal**

The proposal from the municipality will not only be used as the foundation for funding through EEDSM grant, but is the key document to be used by the Department of Energy to assess the energy savings and financial viability of the proposed projects.

#### **3.4 Municipal Institutional Arrangement**

The municipality should indicate whether the project will be implemented through the use of an external service provider, and how the capacity building of the municipality is envisaged

### **4. Who should respond**

Only South African municipalities, **not Consultants**, should respond to this EEDSM RfP. **No** proposals will be considered from Service Providers/Consultants irrespective whether they have letter of support from a municipality.

## 5. 2017 EEDSM RfP Submission Procedure

In responding to the RfP, municipalities are expected to submit an EEDSM Project proposal and fill in the attached templates (**Annexure A and Annexure B**). The RfP should be signed by person authorized by the Accounting Officer or the Accounting Officer, and the language for submission of the document should be English. Cost incurred by the Municipality in compiling and submitting the RfP shall be borne by the Municipalities themselves.

Also note that the contact person listed below is available for assistance in case there is a need for clarification.

Once the proposals are received, the Department of Energy will evaluate and selected suitable proposals for the 2017/18 EEDSM grant allocations.

## 6. EEDSM Project Selection Criteria

It should be noted that the municipality will use the following criteria to select EEDSM Projects:

Nr	Criteria	Description (to be filled by the Municipality)
1	Clearly defined municipal objectives on energy efficiency improvements ( <b>to be included on Annexure B</b> )	
2	At least 20% minimum energy savings of the facility's EEDSM project, except for buildings where a higher percentage could be achieved. Calculation of actual energy savings to be achieved should include assumptions and the method of calculation used.	
3	Availability of energy consumption baseline, and/or energy management plan for the municipality.	
3	Use of proven energy efficient technologies ( <b>complete Annexure A</b> ).	
4	Indication of a dedicated municipal EEDSM Project Manager (s).	
5	Quality, viability and financial feasibility of proposed projects.	
6	Municipality's previous performance in past and/or current EEDSM programmes.	
7	Proposed project technology cost with clear pay-back period and jobs to be created per million rand. The municipality should also indicate availability of additional funding sources for the project.	

## **7. How to Respond?**

The completed EEDSM Proposal must be returned via email to: [municipaleedsm@energy.gov.za](mailto:municipaleedsm@energy.gov.za) or hand delivered to the address below:

**Programme Manager  
EEDSM Programme  
Department of Energy  
192 Corner Paul Kruger & Visagie,  
Pretoria, 0001**

## **8. Contact Details**

For any further enquires on the EEDSM RfP, please contact:

- *Mr. Norman Radzivhoni*
- Tel: (012) 406 7647; and E-mail: [norman.radzivhoni@energy.gov.za](mailto:norman.radzivhoni@energy.gov.za); or
- *Mr. Maphuti Legodi*
- Tel: (012) 406; 7645 and E-mail: [maphuti.legodi@energy.gov.za](mailto:maphuti.legodi@energy.gov.za).

## **9. Timeframe**

The EEDSM RfP submission date is on/or before 20 October 2016, 16:00.