



Limpopo Business Opportunities in the Energy Sector Workshop for Women

12-13 August 2015 - Limpopo

**Perspective on the REIPP programme in SA and the
investment and business opportunities offered by the
REIPP programme**



Presentation Outline

- Context for the IPPP Programme
- The role of the IPPP Office
- REIPPPP Progress to Date
- REIPPPP Successes
- Significant Investment in BW's
- Development Oversight Unit
- REIPPPP Project Locations – Limpopo
- REIPPPP Contracting Opportunities



Context for the IPPP Programme

NDP

The National Development Plan (NDP) identifies the need for South Africa to invest in a strong network of economic infrastructure.

Energy infrastructure is a critical component.

The NDP requires the development of **10 000 MWs additional electricity capacity** to be established by 2025 against the 2013 baseline of 44 000 MWs.

IRP

The Integrated Resource Plan (IRP) 2010 developed the **preferred energy mix** with which to meet the electricity needs over a 20 year planning horizon to 2030.

Determinations

In May 2011, the DoE gazetted the **New Generation Regulations** under the Electricity Regulation Act (ERA) and made the following determinations:

- 6 925 MW RE
- 2 500 MW designated from coal-fired plants
- 800 MW of cogeneration under the MTRM plan
- 3 126 MW of Gas-fired power plants (2 652 MW base load + 474 MW MTRM)
- 2 609 MW of imported hydro

IPPPP

The Independent Power Producer Procurement Programme (IPPPP) is a key vehicle for **securing electricity capacity** from the private Sector for **renewable and non-renewable energy sources** as determined by the Minister of Energy.





Role of IPP Office



Services provided:

- 1 Professional advisory services
- 2 Procurement management services
- 3 Monitoring, evaluation and contract management services



The **activities** of the office are in accordance with:

- the **capacity allocated** to renewable energy and non-renewable generation **in the Integrated Resource Plan (IRP) 2010**;
- subsequent **ministerial determinations**; and
- **DoE support service requirements**

Purpose:
Delivering on the IPPPP objectives



REIPPPP Progress to Date

BW 1

- Submission date: 4 November 2011
- 28 preferred bidders
- 1 425 MW of contracted capacity
- Signature of the PPAs - 5 November 2012

BW 2

- Submission date: 5 March 2012
- 19 preferred bidders
- 1 040 MW of contracted capacity
- Signature of the PPAs - 9 May 2013

BW 3

- Submission date: 19 August 2013
- 17 preferred bidders
- 1 457 MW of contracted capacity
- Signature of the PPAs - 11 December 2014 (except 2 projects to be signed by mid 2015)

BW 3.5

- Submission date: 31 March 2014
- 2 preferred bidders
- 200 MW of contracted capacity
- Signature of the PPAs - expected mid 2015

BW 4

- Submission date: 18 August 2014
- 26 preferred bidders
- 2 205 MW of contracted capacity
- Announcement of 13 preferred bidders on 16 April 2015
- 13 additional bidders were announced on 7 June 2015



REIPPPP Programme Successes

(up to March 2015)

WITH ONLY THE FIRST 37 IPPs CONNECTED TO THE GRID BY MARCH 2015,
THE REIPPPP IS ALREADY CHANGING THE SOUTH AFRICAN ENERGY
LANDSCAPE FOR THE BETTER



3.3

Terrawatthours

Power generated to date
using renewable energy
procured by the REIPPPP



800

Rand million

More in financial benefit for
the country than its cost



1

million

Homes equivalent powered
by electricity generated from
RE



17 707

job years

Employment opportunities
for South African citizens
during construction and
operation



Significant Investment in BW's

Planned

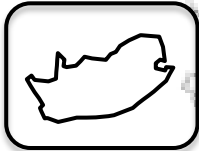
(Total project cost ¹)

Total project costs



193
Rand billion

Local content of which locally procured



65
Rand billion

Actuals²

(Achieved during **construction** phase)

42.4
Rand billion

Constructions costs
to date

20.3
Rand billion

Local content to
date



Development Oversight Unit

- Our major focus currently is to monitor and report on the developments in the (REIPPPP) in terms of **Economic Development Obligations**, during **Construction Phase (1-2 years)** and **Operation Phase (20 years)**
 - **Local Content (% of Project Spend to SA's companies)**
 - **Job Creation (Black people in the project, from unskilled to skilled; from neighbouring communities, etc.)**
 - **Preferential Procurement (BBBEE; SMMEs; QSE; EME; Women Owned)**
 - **Socio-Economic Development (% of Revenues towards Social Upliftment, e.g. clinics, etc.)**
 - **Enterprise Development (% of Revenues towards developing Enterprises locally, especially black SMMEs)**
 - **Ownership by Local Communities (min 5% max 20%) through a Trust**
 - **Black Ownership (BEE Partner)**



REIPPPP Limpopo Project Locations

District	Municipality	Nearest Town	BW	IPPID	Project Name	MW	Tech
Capricorn	Polokwane	Polokwane	1	IPPID035	Witkop Solar Park	30	PV
	Blouberg	Dendron	1	IPPID052	Soutpan Solar Park	28	PV
Waterberg	Lephalale	Ellisras	3	RE_PV_0338_001	Tom Burke Solar Park	60	PV



REIPPPP Contracting Opportunities

CONSTRUCTION PHASE

Electrical:

- Materials Supply
- Cable Installations
- Design
- Sub-station Build

Logistics & Other:

- Security
- Labour Hire
- Accommodation
- Transport
- Crane Hire and Installation
- Cleaning
- Catering

CONSTRUCTION PHASE

Civil:

- Concrete Works
- Reinforcing Steel
- Fuel Supplies
- Storm Water Pipes
- Cement Supply
- Plant Hire
- Fencing
- Tipping Trucks



REIPPPP Contracting Opportunities

OPERATIONS PHASE

- Cleaning
- Gardening
- Electrical Maintenance
- Panels Cleaning
- Transport
- Security

Please note that two of the projects within the Limpopo Province has already completed Construction Phase and is already in Operations Phase.



Contact Information

For any enquiries on the IPP Programmes please use the following email addresses:

- 1. For small projects (1MW to 5MW): smallprojects@ipp-renewables.co.za
- 2. For bigger projects: query@ipp-renewables.co.za
- Website address: www.ipp-renewables.co.za AND www.ipp-projects.co.za

Future programmes' information such as Co-generation and Coal would be communicated in due course

Thank You!