

Statement by the Minister of Energy, Hon. Dipuo Peters, MP, on the occasion of the announcement of preferred bidders in respect of the first window of 3 725MW under the Renewable Energy IPP Bidding Programme – 7 March 2011

Members of the Press Corps

Ladies and Gentlemen

In March this year government adopted the Integrated Resource Plan, as a blueprint for the energy mix that South Africa desired for the power sector in the period up to 2030. This blueprint indicated government's clear intention not only to diversify our energy mix away from the tradition of fossil-fired power generation, but to take advantage of the possibilities relating to the Green Economy in creating new industries and much needed jobs.

Government's prioritization of the Green Economy as a key component of the Industrial Policy Action Plan or IPAP2, takes practical meaning through the introduction of solar, wind, biomass, biogas, hydro and other clean technologies in the power sector, side by side with other technologies. This represents a historic milestone in our country, and it is a demonstration of our departure from being associated with high greenhouse gas emissions, high water usage, health externalities and other environmental degradation. As you can appreciate, a lot more still needs to be done to put our country on a low carbon trajectory in a way that balances our country's own imperatives against our responsibilities as world governments.

It is therefore very pleasing that we use this occasion of the 17th Conference of the Parties of the United Nations Framework Convention on Climate Change, to launch our country on a path that demonstrates our seriousness about making the necessary changes to our power generation paradigm.

The IRP prescribed the introduction of certain technologies that would change our power generation paradigm forever. In terms of the IRP, renewable energy technologies including wind,

solar, biomass, biogas, hydro were to be introduced as cleaner supply side options, and energy efficiency options including solar water heating, industrial and commercial energy efficiency would complement these technologies on the demand side.

As you might be aware the electricity supply-demand situation is very tight and it will remain so for a while. If it were not for the prevailing adverse economic circumstances, we would have found it difficult to continue keeping the lights on. Eskom is doing everything in its power to improve the situation, but they need our partnership and assistance to use energy sparingly and responsibly.

Energy efficiency measures in the household, industry and commerce have become even more critical. The 49m campaign needs your support because we believe that a lot can be achieved by everyone playing their part, however small, in saving energy.

Nonetheless, we are gathered here today as the culmination of a process that we started soon after the IRP promulgation – the introduction of the Renewable Energy IPP Bidding Programme,

was launched in August 2011, and less than 4 months later we are ready to announce the preferred bidders in respect of the first window that involved 3 725 MW of renewable energy technologies.

Ladies and gentlemen, the director general will outline the process that was followed to identify the preferred bidders in more detail. However, I think it is appropriate that I also comment regarding a matter that has been raised regarding the procurement process.

I have been assured that the process has maintained a high level of integrity, in terms of the requirement to be open, fair, equitable, competitive and cost effective. A survey has been undertaken to solicit the views of bidders regarding this process, and feedback has been very positive. This also means that where some areas of improvement have been identified, these improvements will be brought into the next window of bidding. The lessons learnt on this steep learning curve will be collated and factored into the next bidding windows.

Before announcing the preferred bidders, I would like to take the opportunity to thank our partners in this programme, for their hard work and diligence in ensuring that together, we were able to get

this far. The National Energy Regulator of South Africa, my colleagues in Cabinet, particularly from the Departments of Public Enterprises, National Treasury, Environmental Affairs, Trade and Industry, Economic Development. Thank you to Eskom for the collaboration.

To our sponsor and partner the DBSA, we are very grateful for your assistance. I must also recognize the role that the international donor community played in supporting us in this process, the German, the Danish and Spanish Embassies, thank you for your valuable support.

Now to announce that the following bidders have been informed of their status in terms of the bidding process, as preferred bidders:

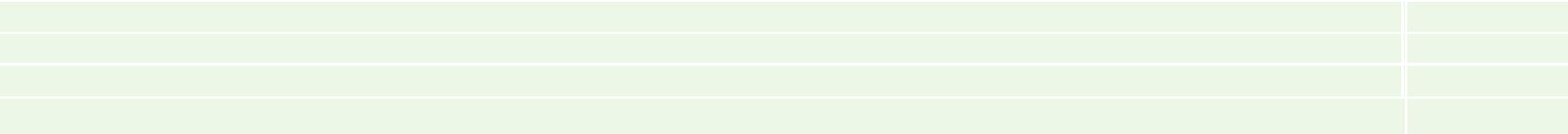
Recommended Preferred Bidders – Solar PV Project Name	Capacity (MW)
1. SlimSun Swartland Solar Park	5.00
2. RustMo1 Solar Farm	6.76
3. Mulilo Renewable Energy Solar PV De Aar	9.65
4. Konkoonsies Solar	9.65
5. Aries Solar	9.65
6. Greefspan PV Power Plant	10.00
7. Herbert PV Power Plant	19.90

8. Mulilo Renewable Energy Solar PV Prieska	19.93
9. Soutpan Solar Park	28.00
10. Witkop Solar Park	30.00
11. Touwsrivier Project	36.00
12. De Aar Solar PV	48.25
13. SA Mainstream Renewable Power Droogfontein	48.25
14. Letsatsi Power Company	64.00
15. Lesedi Power Company	64.00
16. Kalkbult	72.50
17. Kathu Solar Energy Facility	75.00
18. Solar Capital De Aar (Pty) Ltd	75.00
No. of Preferred Bidders for Solar Photovoltaic: 18	631.53

Recommended Preferred Bidders - Wind	
Project Name	Capacity (MW)
1. Dassiesklip Wind Energy Facility	26.19
2. MetroWind Van Stadens Wind Farm	26.19
3. Hopefield Wind Farm	65.40
4. Noblesfontein	72.75
5. Red Cap Kouga Wind Farm - Oyster Bay	77.60
6. Dorper Wind Farm	97.00

7. Jeffreys Bay	133.86
8. Cookhouse Wind Farm	135.00
No. of Preferred Bidders for Wind: 8	633.99

Recommended Preferred Bidders – Solar CSP		Capacity (MW)
Project_Name		
1 Khi Solar One		50.00
2 KaXu Solar One		100.00
No. of Preferred Bidders for Solar CSP: 2		150.00



This means that 1415MW out of the 3 725MW has now been allocated. Another 2 209MW is therefore available for the next windows. We will make an announcement in due course regarding the process going forward.

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