



Department of Energy



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

IRP – Commitments required now

	New build options							
	Coal (PF, FBC, imports, own build)	Nuclear	Import hydro	Gas – CCGT	Peak – OCGT	Wind	CSP	Solar PV
	MW	MW	MW	MW	MW	MW	MW	MW
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	300
2013	0	0	0	0	0	0	0	300
2014	500 ¹	0	0	0	0	400	0	300
2015	500 ¹	0	0	0	0	400	0	300
2016	0	0	0	0	0	400	100	300
2017	0	0	0	0	0	400	100	300
2018	0	0	0	0	0	400 ⁴	100	300 ⁴
2019	250	0	0	0	0	400 ⁴	100	300 ⁴
2020	250	0	0	237 ³	0	400	100	300
2021	250	0	0	237 ³	0	400	100	300
2022	250	0	1 143 ²	237 ³	805	400	100	300
2023	250	1 600	1 183 ²	0	805	400	100	300
2024	250	1 600	283 ²	0	0	800	100	300
2025	250	1 600	0	0	805	1600	100	1 000
2026	1 000	1 600	0	0	0	400	0	500
2027	250	0	0	0	0	1600	0	500
2028	1 000	1 600	0	474	690	0	0	500
2029	250	0	0	237	805	0	0	1 000
2030	1 000	1 600	0	948	0	0	0	1 000
Total	6 250	9 600	2 609	2 370	3 910	8 400	1 000	8 400

- Firm commitment necessary now
- Final commitment in IRP 2012

1. Built, owned & operated by IPPs 2. Commitment necessary due to required high-voltage infrastructure, which has long lead time 3. Commitment necessary due to required LNG terminal infrastructure, which has long lead time 4. Possible required grid extension has long lead time and thus makes commitment to power capacity necessary

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Key Considerations : Design of the RE IPP Programme

- Our objectives
 - IRP alignment (water, security, emissions, cost etc.)
 - Legal diligence
 - Financial sustainability (buyer and seller)
 - Economic development issues
 - Procurement requirements
- Need for a sustainable programme extending beyond the 1025MW in the first phase (affordability)
- Alignment with procurement legislation (Constitution, PFMA, PPPFA, ER Act)
- COP 17



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Legal requirements

The Minister with the concurrence of Nersa, has, under the Electricity Regulation Act of 2006, determined that:

- New generation capacity is required and must be generated through renewable energy sources
- The required new generation capacity must be 3725 MW

In terms of the Determination, the Minister allocated MW as follows:

- 1850 MW for wind
- 1450 MW for solar photovoltaic
- 200 MW for concentrated solar power (CSP)
- 12.5 MW for biomass
- 12.5 MW for biogas
- 25 MW for landfill gas
- 75 MW for small hydro
- 100MW (for small projects up to 5MW)



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Request for Qualification and Proposals

The RFP was published on the 3rd of August 2011 with the following requirements:

- The minimum MW per technology must be 1MW
- The maximum capacity per plant must be 140 MW for wind, 75 MW PV, 100 MW CSP and 10 MW for hydro, biomass and biogas respectively

Each IPP under this programme must be in operation at least by 2016

Bidders are required to specify price per technology and it must not exceed the provided caps in the RFP
Bidders will be scored against their contribution towards economic development criteria including localisation, BBBEE, skills development etc.



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Bidders are expected to sign:

- Power Purchase Agreement with Eskom as a buyer
- Connection Agreement with Eskom and Municipalities
- Implementation Agreement with the Department of Energy

The programme has been designed to allow for 5 bid submission phases:

- Phase one will be based on the total 3725 MW but if undersubscribed, the available MW will be made available for the next window.
- The first submission date is the 4th of November 2011
- The department reserves the right to reallocate the above MW
- Bidders will have until June 2012 to get to financial close



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In terms of the RFP:

- Bidders are required to submit all questions about the programme in writing to query@ipp-renewables.co.za
- The department may issue additional information in writing to all bidders up to 15 business days prior to the relevant bid submission date
- Amendments to the RFP will be made through briefing notes published under the IPP website www.ipp-renewables.co.za

The department will host a bidders' conference as follows:

- Date: 14 September 2011
- Venue: Gallagher Conference Center
- Starting Time: 08h00



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