



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

Media Statement

Embargo – None

Durban, 07 December 2011- The Department of Energy published a Request For Proposals (RFP) on the 3rd of August 2011 requesting Independent Power Producers to submit proposals for the first window closing on the 4th November 2011. All bidders intending to bid for the first and the second window were required to attend a compulsory Bidders Conference held on the 14th September 2011.

The conference was compulsory for all bidders intending to submit their bids for the first and the second window as per the provisions of the RFP. Most bidders were aiming for the first window but some were not ready given the readiness criteria outlined in the RFP.

In accordance with the provisions of the RFP, all bidders intending to submit for the first window were requested to submit their bids as from the 3rd August whilst the closing date was on 12h00 on the 04th of November 2011. The Department received 53 bids and the received bids cut across all the different technologies.

Bids received on phase 1 were on Solar PV, Solar CSP, Wind and Small Hydro. It was expected that wind and solar will dominate the bids given the South African environment. You will notice that even the determination gave wind and solar more MW allocation compared to the other technologies.

The evaluation of the received 53 bids started on the 4th of November and was concluded on 28 November 2011. The venue where evaluation took place was under 24 hour voice and visual CCTV monitoring. The evaluation team was composed of:

1. International reviewers:
 - a. Legal
 - b. Technical
 - c. Finance
 - d. Governance
2. South Africa's legal evaluators were:
 - a. Bowman Gilfillan
 - b. Edward Nathan Sonnebergs
 - c. Ledwaba Mazwai &
 - d. Webber Wentze
3. South Africa's technical evaluators were:
 - a. Matt Macdonald
4. South Africa's financial evaluators were:
 - a. Ernst & Young
 - b. PWC

The following six streams were evaluated; 1. Environmental; 2. Land; 3. Commercial legal; 4. Economic Development; 5 Financial; & 6. Technical. Bidders had to pass all six streams in order to be selected Preferred Bidders.

Evaluation Outcomes;

Of the total 3 725 MW determined by the Minister under section 34 of the Electricity Regulation Act, in concurrence with NERSA, 3 625 MW was made available for large scale renewable projects (100 MW has been reserved for Small Projects).

From phase 1 of the large scale renewable project, 53 bids amounting to 2 128 MW were received across Wind, Solar PV, Solar CS and Small Hydro. The evaluation resulted in 28 bids with a total MW of 1 416 being selected as Preferred Bidders. These were from the following technologies; 1 .Solar PV (631.53 MW), 2. Solar CSP (150 MW) & 3. Wind (633.99 MW).

Based on the allocation from phase 1 as indicated above, a total of 2 209 MW is still to be allocated from the remaining phases to make up the required total of 3 625 MW.

The evaluation outcomes were evaluated by the independent review team in the following areas;

1. Independent Legal Review
2. Independent Technical Review
3. Financial cross-moderation
4. Governance review.

The Department is confident that the Preferred Bidders will successfully conclude their project arrangements in order to meet the Financial Close deadline of 30th June 2012 and for construction to commence shortly thereafter.

Overall recommendations

1. Recommended Preferred bidders (Technology allocations)

	Allocation to Preferred Bidders: Window 1		Allocation per Determination <u>Still Available</u>		MW allocation per Determination
	MW	Percentage	MW	Percentage	
Solar PV	631.53	43.6%	818.47	56.4%	1450.00
Solar CSP	150.00	75.0%	50.00	25.0%	200.00
Wind	633.99	34.3%	1216.01	65.7%	1850.00
Biomass	0.00	0.0%	12.50	100.0%	12.50
Biogas	0.00	0.0%	12.50	100.0%	12.50
Landfill gas	0.00	0.0%	25.00	100.0%	25.00
Small Hydro	0.00	0.0%	75.00	100.0%	75.00
Total MW	1415.52	39.0%	2209.48	61.0%	3625.00
Total Capacity - Bids Received	2127.66				
Percentage Preferred Bidders	66.5%				
Number of Passing Bids	28				

2. 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

3. 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

4. Recommended Preferred Bidders – Solar CSP

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

END

Media Enquiries:

Thandiwe Maimane

Tel: 012 444 4256; Cell: 083 645 7837;

Email: thandiwe.maimane@energy.gov.za