

MEDIA STATEMENT

Renewable Energy Independent Power Producer Programme

For immediate release

South Africa is committed in introducing Renewable energy as part of the energy generation mix. This is evidenced by our Integrated Resource Plan which has outlined our aspiration in pursuing the renewable energy and thus reduces the total reliance on fossil fuel. Given the nature of renewable energy projects as well as the potential to stimulate economic development we have decided to embark on this massive renewable energy programme by inviting the private sector to participate as we seek to demonstrate the potential that the country has in securing a cleaner future ourselves as well as future generations.

As some of you have been wondering and waiting patiently to see when we commence work to meet our target of 10 000GWh by 2013 as it is the White Paper on Energy of 1998, I am glad to say that the wait has been long but it is over now as procurement process is in motion. Having a high dependency on coal currently and having a high potential to generate renewable energy it is that we felt we needed to expand the allocation that would have achieved the 10 000GWh to at least triple that hence the current allocation is capped at 3725 MW. We believe that a procurement programme of this magnitude will address both the energy needs as well as contribute towards socio-economic and provide sustainable growth for the renewable energy industry.

Prospective bidders may register on the www.ipp-renewables.co.za and pay a non-refundable fee of R15000 to be able to access the RFP documentation. A bidders briefing session will take place on the 14th September 2011.

Let me re-emphasize some of the key aspects of the IPP procurement programme. The prospective bidders will be expected to submit a bid that meets the criteria which we feel is well balanced both in terms of socio-economic development objectives and the tariff that will be payable by the buyer pursuant to a Power Purchase Agreement that will be entered into between the parties. The generation capacity allocated to each technology is in accordance with the table below and maximum tariff payable as set out in the RFP.

Technology	MW allocated
Onshore wind	1850
Concentrated Solar	200
Solar photovoltaic	1450
Biomass	12.5
Biogas	12.5
Landfill gas	25

Department of Energy

Small hydro	75
Small projects	100

These depicted MW are commensurate with the IRP as Gazetted in May 2011.

Subsequent to this IPP procurement programme separate procurement documentation will be made available for the participation of small and emerging players in the field of renewable energy.

Ends