

Facts sheet
Window one REIPP Economic Development benefits
05 November 2012

Background

This information represents the commitments made by window one preferred bidders. The Department included these commitments in the implementation agreement for each preferred bidder. Each preferred bidder will be required to comply with its commitments and obligations, failing which, penalties will be applied which may lead to termination of the Power Purchase Agreement. The power purchase agreement will be in force for a period 20 years from the operation date.

Job creation

Job creation was a mandatory requirement in the Request for Proposals. All bidders were required to meet certain minimum thresholds and compete thereafter on additional jobs offered. The figures below outline the commitments made per technology during both construction and operation.

Total Jobs (Persons):

	Solar CSP		Solar Photovoltaic		Wind	
	Construction	Operations	Construction	Operations	Construction	Operations
Eastern Cape	0.0	0.0	0.0	0.0	1196.3	1090.3
Free State	0.0	0.0	167.5	225.0	0.0	0.0
Limpopo	0.0	0.0	259.2	1480.0	0.0	0.0
Northern Cape	2353.7	1400.0	7540.6	3024.8	642.0	1040.0
North-West Province	0.0	0.0	307.8	780.7	0.0	0.0
Western Cape	0.0	0.0	403.4	1353.3	198.6	420.0
Total	2,354	1,400	8,679	6,864	2,037	2,550
					Construction	Operation
Grand Total					13,069	10,814

Table 1: Jobs created for South African Citizens

Province	Solar CSP		Solar Photovoltaic		Wind	
	Construction	Operations	Construction	Operations	Construction	Operations
Eastern Cape	0.0	0.0	0.0	0.0	1049.0	43.5
Free State	0.0	0.0	83.8	5.6	0.0	0.0
Limpopo	0.0	0.0	207.3	44.4	0.0	0.0
Northern Cape	1882.9	69.1	5451.0	133.3	642.0	52.0
North-West Province	0.0	0.0	228.6	35.0	0.0	0.0
Western Cape	0.0	0.0	380.2	64.9	167.4	15.6
Total	1,883	69	6,351	283	1,858	111
					Construction	Operation
Grand Total					10,092	463

Table 2: Jobs created for South African Black Citizens

Province	Solar CSP		Solar Photovoltaic		Wind	
	Construction	Operations	Construction	Operations	Construction	Operations
Eastern Cape	0.0	0.0	0.0	0.0	719.2	25.4
Free State	0.0	0.0	50.3	3.4	0.0	0.0
Limpopo	0.0	0.0	129.6	27.8	0.0	0.0
Northern Cape	1386.2	41.7	3095.5	95.9	541.5	40.0
North-West Province	0.0	0.0	141.1	26.4	0.0	0.0
Western Cape	0.0	0.0	209.9	29.9	108.2	7.6
Total	1,386	42	3,626	183	1,369	73
					Construction	Operation
Grand Total					6,381	298

Local content

Most jobs in the renewable energy space can be established in boosting local manufacturing. Therefore the programme outlines minimum requirements in terms of local content. The programme provides minimum thresholds per technology with regards to local content. It is our intention to gradually increase these thresholds in the subsequent windows. The table below gives an overview of money to be spent on local products during construction of the different renewable plants as procured in window one.

Table 3: Local content

Local Content:			
Rands		Average Value per MW	
Construction Period	Operations Period	Construction Period	Operations Period
11,472,384,725.00		7,854,569.85	

Table 4: QSE and EME Procurement

Value of Qualifying Small Entities and EMEs procurement:				Value of Women Owned Vendors procurement:			
Total Value (R):		Average Value per MW(R):		Total Value (R):		Average Value per MW(R):	
Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period
895,677,925.00	871,265,982.00	613,226.02	596,512.38	354,012,240.00	451,464,502.00	242,374.53	309,095.24

Enterprise Development

The department requires that each preferred bidder contributes towards enterprise development especially in communities located closer to the renewable plant. This can only be demonstrated through money spent during both construction and operation period. The table below outlines the amount of money to be spent during construction and operation of the renewable energy power plants.

Table 5: Enterprise Development

Enterprise Development											
Total Revenue (R'):		Average Revenue (R') per MW:		Value of Enterprise Development (R'):		Average value of Enterprise Development per MW (R'):		Adjusted Enterprise Development (R'):		Average Adjusted Enterprise Development Value per MW (R'):	
Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period
30,104,780.00	161,301,286,554.00	20,611.24	110,434,949.03	180,629.00	919,290,307.00	123.67	629,392.24	243,849.00	1,113,866,840.00	166.95	762,609.09

Social Economic Development

It is our requirement that at least 1 percent of the total revenue must be spent on social economic development. However, a bidder may spend more but not less than the 1 percent. See the table below for commitments on social economic development.

Table 6: Socio-Economic Development

Socio-Economic Development											
Total Revenue Value (R'):		Average Revenue Value per MW (R'):		Value of Socio-Economic Development Contribution (R'):		Average Value of Socio-Economic Development Contribution per MW (R'):		Value of Adjusted Socio-Economic Development Contribution (R'):		Average Value of Adjusted Socio-Economic Development Contribution per MW (R'):	
Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period	Construction Period	Operations Period
30,104,780.00	162,826,727,389.00	20,611.24	111,479,342.32	451,572.00	2,085,447,872.00	309.17	1,427,802.19	609,622.00	2,584,495,622.00	417.38	1,769,475.30

Window One Preferred Bidders Analysis

	Allocation to Preferred Bidders: Window 1	MW allocation per Determination
	MW	
Solar PV	631.53	1450.00
Solar CSP	150.00	200.00
Wind	633.99	1850.00
Biomass	0.00	12.50
Biogas	0.00	12.50
Landfill gas	0.00	25.00
Small Hydro	0.00	75.00
Total MW	1415.52	3625.00
Total Capacity - Bids Received	2127.66	
Percentage Preferred Bidders	66.5%	
Number of Passing Bids	28	

Preferred Bidders Solar PV

Solar Photovoltaic		
Project_ID	Project_Name	Capacity (MW)
IPPID164	SlimSun Swartland Solar Park	5.00
IPPID155	RustMo1 Solar Farm	6.76
IPPID064	Mulilo Renewable Energy Solar PV De Aar	9.65
IPPID128	Konkoonsies Solar	9.65
IPPID163	Aries Solar	9.65
IPPID443	Greefspan PV Power Plant	10.00
IPPID696	Herbert PV Power Plant	19.90
IPPID065	Mulilo Renewable Energy Solar PV Prieska	19.93
IPPID052	Soutpan Solar Park	28.00
IPPID035	Witkop Solar Park	30.00
IPPID037	Touwsrivier Project	36.00
IPPID182	De Aar Solar PV	48.25
IPPID572	SA Mainstream Renewable Power Droogfontein	48.25
IPPID031	Letsatsi Power Company	64.00
IPPID032	Lesedi Power Company	64.00

IPPID159	Kalkbult	72.50
IPPID444	Kathu Solar Energy Facility	75.00
IPPID564	Solar Capital De Aar (Pty) Ltd	75.00
No. of Preferred Bidders for Solar Photovoltaic: 18		631.53

Preferred Bidders – Onshore Wind

Wind		
Project_ID	Project_Name	Capacity (MW)
IPPID123	Dassiesklip Wind Energy Facility	26.19
IPPID138	MetroWind Van Stadens Wind Farm	26.19
IPPID202	Hopefield Wind Farm	65.40
IPPID036	Noblesfontein	72.75
IPPID148	Red Cap Kouga Wind Farm - Oyster Bay	77.60
IPPID043	Dorper Wind Farm	97.00
IPPID186	Jeffreys Bay	133.86
IPPID225	Cookhouse Wind Farm	135.00

No. of Preferred Bidders for Wind: 8	633.99
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Preferred Bidders – CSP

Solar CSP		
Project_ID	Project_Name	Capacity (MW)
IPPID798	Khi Solar One	50.00
IPPID118	KaXu Solar One	100.00
No. of Preferred Bidders for Solar CSP: 2		150.00