



MEDIA STATEMENT

FIRST PROJECTS REACH FINANCIAL CLOSE UNDER RISK MITIGATION INDEPENDENT POWER PRODUCER PROCUREMENT PROGRAMME (RMIPPPP) PROJECT AGREEMENTS

20 JULY 2022

The Department of Mineral Resources and Energy is pleased to announce that the first three projects under the Risk Mitigation Independent Power Producer Procurement Programme (RMIPPPP) have reached Financial Close on 19 July 2022.

The three Scatec projects, Kenhardt 1, 2 and 3, with a total capacity of 150MW, signed all project agreements on the 2nd June 2022, and had 60 days within which to conclude financial close. Following the fulfilment of all conditions precedent, Scatec has reached financial close on just over R16 billion financing required for the construction and development of the three combined Solar PV and Battery Storage projects in the Northern Cape. Once completed, the three power stations will be the first dispatchable renewable energy projects in South Africa. Eskom is the designated Buyer for the capacity, energy and ancillary to be created by these projects. The projects will be available for dispatch by the System Operator between 5h00 and 21h30.

The projects construction is expected to take no more than 18 months to reach commercial operation. In support of the current economic challenges that South Africa is facing, the three projects, which are 49% South African-owned, have committed to 40% local content during construction and operation phases. In addition, the projects will create around 4 970 job opportunities for RSA citizens (measured in job years) during construction and operation phases. Local communities and enterprises in and around Kenhardt will also benefit through the R444m committed by the projects towards supplier, enterprise and socio-economic development initiatives.

Background to the RMIPPPP

The RMIPPPP bid window was released to the market on 24 August 2020, following the promulgation of the Ministerial Determination of 2 000MW, with concurrence from NERSA. The main objective of the bid window is to close the supply gap indicated in the Integrated Resource Plan (IRP2019) and reduce the extensive utilisation of expensive diesel-based open cycle peaking generators in the medium to long-term.

On Bid Submission Day, 22 December 2020, a total of 28 Bid Responses were received with Contracted Capacity of 5117 MW. The 11 Preferred Bidders were announced in two phases on 18th March 2022 and 1st June 2021.

The remaining eight projects under the RMIPPPP are at varying stages of preparation to sign their agreements, and announcements for further project closures will be made in due course.

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IPP website: www.ipp-projects.co.za