



mineral resources & energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

To: All media
Date: 30 August 2023

MINISTER MANTASHE SIGNS AGREEMENTS UNDER THE RISK MITIGATION INDEPENDENT POWER PRODUCER PROCUREMENT PROGRAMME

The Minister of Mineral Resources and Energy, Mr Gwede Mantashe (MP), signed Project Agreements with an additional two (2) Preferred Bidders appointed under the Risk Mitigation Independent Power Producer Procurement Programme (RMIPPPP) in Pretoria today, 30 August 2023.

The two Projects, totaling 203MW, are both hybrid renewable Projects, which consist of a combination of Solar PV, Onshore Wind and Battery Storage technologies.

The new Projects that have signed Project Agreements are as follows:

Project Name	Main Developer and Equity Shareholders	Contracted Capacity (MW)	Location
Oya Energy Hybrid Facility	GDF International SA, G7 Power, Meadows Oya Energy and Perpetua RMI4P Oya	128 MW	Matjiesfontein, Western Cape
Umoyilanga Energy	EDF Renewables and Perpetua Holdings	75MW	Avondale, Northern Cape and Dassiesridge, Eastern Cape

The projects will have up to December 2023 to finalise conditions precedent to conclude financial close and start with project construction. The new generation capacity is expected to be online from 2025 onwards.

This brings the total number of Projects that have signed agreements under the RMIPPPP to five (5) out of the eleven (11) Preferred Bidders appointed, which will add a total of 353MW of dispatchable capacity to the national grid. The first three

RMIPPPP Projects that signed agreements in June 2022 are currently in construction, and are set to reach commercial operation in November 2023.

The total investment attracted from the Projects that have signed agreements today is R14.6 billion, which is a substantial input into our economy. These projects will contribute a total of 3 966 job year opportunities in the construction and operation of these power plants and will also contribute over R610 million over their 20-year lifetime on Skills Development, Supplier Development, Enterprise Development, and Socio-Economic Development initiatives in the communities within which they operate.

The Department of Mineral Resources and Energy (DMRE) wishes to congratulate all Preferred Bidders on achieving these milestones.

For enquiries: mediadesk@dmre.gov.za

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Issued by the Department of Mineral Resources and Energy

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 help close the supply gap indicated in the Integrated Resource Plan (IRP2019) and reduce the extensive utilisation of expensive diesel-based peaking electrical generators in the medium to long-term.

The agreements that the Minister has signed with the 2 projects include:

- **The Power Purchase Agreement (PPA):** This agreement regulates the sale of the energy between the respective IPPs and Eskom. This document is signed by Eskom and the IPPs.
- **The Implementation Agreement (IA):** The IA includes all the Economic Development commitments made by the bidders and also provides for the required Government support to the IPPs and the lenders to the project. This document is signed by the Department and the IPPs; and
 - **The Direct Agreement (DA):** This agreement allows the lenders to have step-in rights, in the event an IPP fails to honour its obligations under the Finance Agreement. This enables the lender to take over the plant(s) and/or hand it over to another party to operate the plant(s) on its behalf until the lender has recovered the total amount invested on the respective project. This agreement is signed by the Department, Eskom, IPPs and the Lenders.