



the dme

Department:
Minerals and Energy
REPUBLIC OF SOUTH AFRICA

Private Bag X59, Pretoria, 0001 **Tel:** (012) 317 8680 **Fax:** (012) 322 3416
Mineralia Centre, 391 Andries Street, Pretoria

**CALL FOR AN EXPRESSION OF INTEREST FROM ENTITIES WILLING TO
GENERATE ELECTRICITY FROM RENEWABLE ENERGY TECHNOLOGIES IN
SOUTH AFRICA**

REFERENCE NUMBER: EOI 2008/09

Closing date for submissions is 14 November 2008

**IMPLEMENTATION OF THE RENEWABLE ENERGY DEVELOPMENT
FRAMEWORK FOR SOUTH AFRICA**

ALL CORRESPONDENCE MUST BE IN ENGLISH

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1. Introduction

South Africa is well endowed with renewable energy sources for productive use. While the associated technologies generally have lower operation and maintenance costs, they also often have higher initial investment costs.

Government's long term goal is to establish a renewable energy industry producing modern energy carriers that will offer a sustainable, fully non-subsidized alternative to fossil fuels in the long term. To get started on a deliberate path towards this goal, the Government's target is for renewable energy to contribute at least 10 000 GWh (*equivalent to 1667 MW*) towards final energy consumption by 2013. This renewable energy contribution is expected to be produced largely from biomass (bagasse, landfill and wood based waste), wind and small scale hydro.

Achieving this target requires a phased, flexible strategy. The Renewable Energy target has created a significant interest in the South African market and has prompted several potential Independent Power Producers (IPPs) to propose renewable energy generation projects. Government's preferred approach is to promote a number of "early win" investments to demonstrate the potential of the Renewable Energy sector to contribute to a sustainable energy mix in South Africa. In addition, the department wants to ensure that a balanced portfolio of projects across the different resource types is developed and supported nationally.

Consequently, Government has developed a Renewable Energy Framework in order to accelerate and expand the deployment of renewable energy technologies. In terms of this Framework, electric technologies or grid connected projects are expected to contribute at least 6 000 GWh to the target whilst non-electric technologies will contribute the remaining 4 000 GWh. Given Government's objective of stimulating the renewable energy industry and encouraging smaller players to enter this market, this Framework splits the electric target of 6 000 GWh between Eskom (40%) and IPPs (60%). All government entities particularly the national utility, Eskom and municipalities, are expected to contribute significantly towards the attainment of this target. For full details on the Framework, please visit the DME website www.dme.gov.za.

2. Outcome

To achieve the objectives of the Renewable Energy Development Framework, the Department is issuing this call for an Expression of Interest (EOI) from entities that are willing to generate electricity from the following technologies:

- Biomass projects – specifically from bagasse, wood-based wastes and landfill gas. These projects exclude those that have been approved under the Eskom Cogeneration process.
- Small scale hydro – individual project less than or equal to 10MW;
- Large scale wind projects
- Concentrating Solar Power

The Department wants to use this process to assess the potential RE projects that can contribute towards the target, their location (distribution across the country), size, and technology types in order to prepare an appropriate tender and facilitate access to the grid network. This information will also be used to create a database that will be used for planning purposes by the DME.

3. Pre-qualification Evaluation of EOIs

An evaluation committee chaired by the DME will be constituted to oversee the process of evaluating responses against pre-defined criteria. Projects that meet the criteria will be short-listed and a Request for Proposal (RFP) will be issued only to the short-listed projects.

4. Commercial process

General

Interested parties are requested to submit a non-binding Expression of Interest (EOI), for pre-qualification using the recommended format in **Appendix A** to this document. All EOIs will be evaluated and ranked based on the criteria specified below. This process will be followed by a Request for Proposals (RFP) which will be sent only to short-listed project developers.

EOI Process Summary Timetable

Here is a summary timetable for the EOI process:

| Action | Due Date |
|---|------------------|
| EOI : | |
| Issue public notice and request for EOI | 10 October 2008 |
| Closing date for queries and comments on EOI | 24 October 2008 |
| Latest date for distribution of comments raised by interested parties | 31 October 2008 |
| Closing date for submission of EOIs | 14 November 2008 |

Queries and comments

Interested parties are invited to raise queries and comments on the EOI with the DME representative mentioned below on or before 24 October 2008. Responses to all questions or comments received will be distributed by email to all affected parties.

Representative and contact details

All correspondence to DME for this project must be via e-mail/fax/post/hand delivered to the following DME representative:

Ms. Nomawethu Qase
noma.qase@dme.gov.za
Fax: (012) 317 8793
Postal :Private Bag x 59
Pretoria
0001
Physical: The Department of Minerals and Energy
234 Mineralia Building, Room, F802
Cnr Visagie and Andries Streets
Pretoria

Submission and Timeframe

Interested parties are requested to register an Expression of Interest with DME by 12h00 (South African time) on 14 November 2008. The required documentation to determine eligibility for the EOI process should, as a minimum requirement, be presented in the format contained in **Appendix A** and submitted via e-mail/post/fax/hand delivered to DME offices. Interested parties who fail to submit an EOI will not be eligible to receive the RFP.

5. Criteria to be considered in the EOI process

The following pre-defined criteria will be used to evaluate EOI

- The project must be located within the borders of South Africa;
- The project must use renewable energy technologies with proven commercial value;
- The project must have undergone a pre-feasibility study;
- A potential purchaser for the renewable energy to be generated must be identified;
- High probability that construction of the plant will start within 30 months;
- The project must have an installed capacity of at least a minimum of 5 MW or a cluster of small projects that adds up to at least 5 MW;
- The technical capabilities and experience of the interested parties in relation to the proposed technology/project; and
- At least 25% Black Economic Empowerment ownership that is in line with the objectives of the Broad-based Black Economic Empowerment Act (2003).

6. Appendix A: Expression of Interest (RETURNABLE)

The tables below contain the minimum information which parties will be required to submit during this EOI stage.

Annexure A: Expression of Interest (RETURNABLE)

Department of Minerals and Energy

| | | | |
|--|--|---------------------|--|
| Reference Number (<i>office use</i>) | | Date of submission: | |
|--|--|---------------------|--|

Details of Applicant:

| | | | |
|--|--|-------------------|--|
| Name of company/consortium and description of ownership | | | |
| Country of registration and registration number | | | |
| Description of consortium structure and roles of consortium members (as appropriate) | | | |
| Full registered names of consortium members | | | |
| Corporate registration members or other official identification numbers (as appropriate) | | | |
| Contact person: | | Physical address: | |
| Office number: | | | |
| Cell number: | | Postal address: | |
| e-mail address: | | | |

Details of Project:

| Item | Description of minimum information required | IPP response |
|---|--|--------------|
| Title of project: | Name of the project | |
| Description of Renewable Technology category | Detail what renewable energy resource will be used as primary energy | |
| Location of project (approximate direction and distance from nearest town): | State the general area the plant will be located in | |
| Installed capacity (MW): | State the electrical capacity of the proposed plant | |
| Experience: | Detail previous experience in renewable energy sector | |
| Technical capability and capacity: | Detail technical skills relevant to the renewable energy technologies implementation | |
| Timeframe: | Construction period and proposed date of commissioning | |

| | | |
|---|---|--|
| BEE ownership (in line with the objectives of the Broad-based Black Economic Empowerment Act 2003): | Details of ownership | |
| Estimated total capital cost of project (R million): | Estimated costs of constructing the plant | |

Financing Mechanisms:

| Yes/No | Description | Please provide details: |
|--------------------------|--|-------------------------|
| <input type="checkbox"/> | Has an application been submitted to register this project for Clean Development Mechanism finance? | |
| <input type="checkbox"/> | Has the project applied for soft loans and or any other financial support instruments? | |
| <input type="checkbox"/> | Has the project registered with the Department of Trade and Industry for other South African government subsidy schemes? | |

Note: Applying for the above is not a prerequisite to be pre-qualified for RFP stage

Specific Project Details (Mandatory - Attach the following details and tick the boxes on your Left):

| | |
|--------------------------|---|
| <input type="checkbox"/> | Pre-Feasibility study. (Include estimates of capital, production, revenues, costs, number of jobs to be cre |
|--------------------------|---|

Note: 1) The above details are essential to be pre-qualified for RFP stage
2) The DME will treat all project information as confidential.

Delivery Details (Please email/fax/post/ courier/hand deliver this Expression of Interest form and any supporting material to the DME offices as indicated below.).

| | |
|-------------------|--|
| Physical address: | REFSO, DME, Room C423, 4 th Floor, Mineralia Centre 234 Visagie Street, Pretoria |
| Postal address: | REFSO, DME, Private Bag X59, Pretoria, 0001 |
| For attention: | Renewable Energy Finance and Subsidy Office. For any queries related to this advertisement, please contact us on (012) 317- 8585/8717 or send an email to noma.qase@dme.gov.za |

| | |
|------------------------|-------|
| Applicant's signature: | _____ |
| Capacity: | _____ |