

## **NATIONAL ASSEMBLY QUESTION 2655**

**Mr P D Dexter (Cope) to ask the Minister of Energy:**

How did her department calculate the R15 000 non-refundable fee payable by the independent power producers (IPPs) to access application documents for the procurement programme to supply the national grid with renewable energy? NW3108E

### **REPLY**

The R15 000 non-refundable fee payable for the RE IPP Bid documentation is based on standard practice for large project finance deals of this nature. The rationale is that only serious players who can raise the finance for such deals are meant to collect the documents. Apart from the R15 000, a bid bond of R100 000/MW is payable, for the same reason. If bidders are unable to afford these payments, it is unlikely that they will be able to raise the project financing required for the project.

To address concerns about small and emerging companies, the department has also designed a “small projects” bidding programme, with relaxed conditions relating to the bidding requirements. The documents will be available for a nominal fee, the bid bond will be smaller, and the bid rules will be less onerous in respect of the requirements. This will accommodate those that are not able to participate in the larger programme.