



- The Renewable Energy White Paper of 2003 first targeted 10 000GWh (4%) of renewable energy by 2013. The White Paper is now under review and available for public comment.
- The Integrated Resource Plan (IRP1) published in January 2010, identified the need for at least 1 025 MW from private sector renewable energy suppliers up to 2013.
- The IRP 2010 released for comment in October 2010, targeted 7 200 MW – or 16% - of renewable energy power to be realised in the next two decades.

During 2009, the National Energy Regulator of South Africa (NERSA) announced the South African REFIT programme, Phases I and II. NERSA also published Regulatory Guidelines, a draft Power Purchase Agreement (PPA) and Rules on Selection Criteria for Renewable Energy Projects under the REFIT programme for public comment.

During the course of this year, in response to concerns about a perceived conflict of interest around the role of Eskom as both buyer and procurer, a Government task team, led by the Department of Energy and the PPP Unit in National Treasury, took over the design, management and implementation of the procurement process. The Department and its partners in Government:

- Undertook a review of the regulatory and legal environment.
- Reviewed and assessed the institutional structures for procurement and implementation of IPPs, providing recommendations for more independent and efficient decision-making processes
- Commenced the development of a draft PPA for each technology identified under the REFIT Phase I and II, Lenders Direct Agreements, and Transmission and Connection Agreements.
- Reviewed the regulatory environment in terms of the licensing requirements.
- The DoE have also been busy with a ministerial determination in terms of Section 34 of the Electricity Regulation Act regarding the buyer under the REFIT programme. The Revised Regulations on New Generation Capacity (the New Gen Regulations) will be promulgated imminently





- The team is simultaneously working on procurement documentation for a small project stream. Definitions will be clarified during the procurement process
- The results of the RFI will also be used to inform the IRP2010.
- As part of longer term integrated planning, therefore, it is envisaged that the RFI should become an annual event on the REFIT IPP Energy Calendar.

## **In Conclusion**

Commenting on the unprecedented response to the RFI, Acting Deputy Director General for Electricity, Nuclear and Clean Energy in the Department of Energy, Mr. Ompi Aphane indicated that the Department was delighted with the response – particularly given the limited time provided to the sector for the response.

“Our objectives for the RFI – namely gaining information to support the development of a comprehensive Request for Proposals (RFP) for renewable energy IPP projects; including the state of readiness of potential projects and market interest – were met beyond our expectations.”

Aphane added that: “Government, in driving this process, will target employment creation, skills and technology transfer, and environmental protection. You can look forward to hearing more about these elements in future.”

**Ends**

### **Media enquiries to the Department of Energy:**

<p><b>Mr. Bheki Khumalo: Spokesperson</b></p> <p><b>Cell: 083 773 2388</b></p> <p><b>Email: <a href="mailto:bheki.khumalo@energy.gov.za">bheki.khumalo@energy.gov.za</a></b></p>	<p><b>Mr. Ompi Aphane: Acting DDG: Electricity, Nuclear and Clean Energy</b></p> <p><b>Cell: 082 336 1177</b></p> <p><b>Email: <a href="mailto:ompi.aphane@energy.gov.za">ompi.aphane@energy.gov.za</a></b></p>
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Released by Kathy Berman for Project Steering Committee

[kathyb@spaceconsulting.co.za](mailto:kathyb@spaceconsulting.co.za) 082 808 3712