

Renewable Energy Market Transformation (REMT) Project

Fourth Round: REMT Matching Grants

Port Elizabeth

Cape Town

Polokwane

Johannesburg

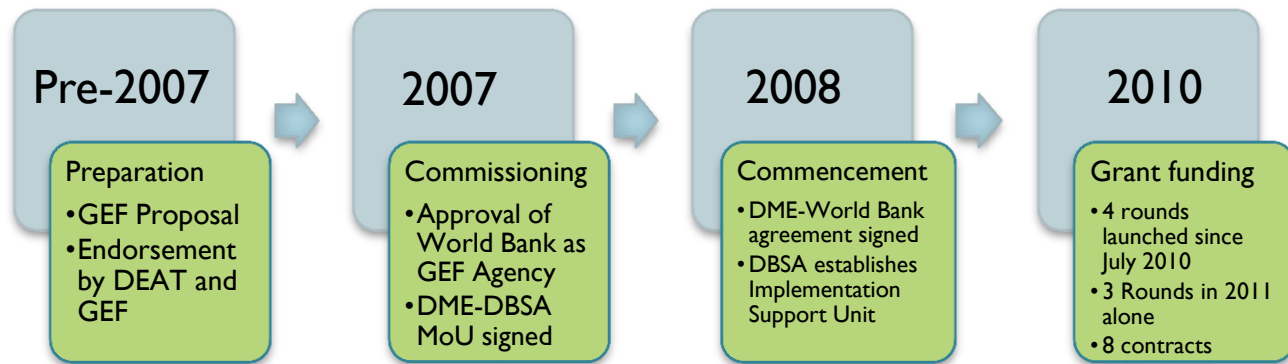
Moeketsi Thobela

December 2011



History and context

Key milestones



REMT

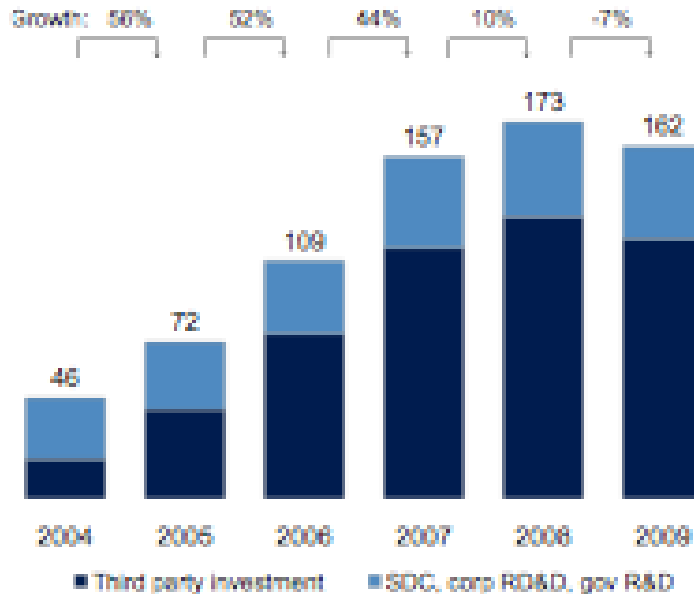
Renewable Energy Market Transformation Project

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History and context

From 'meager' to 'mega'

Global new investment in sustainable energy in \$bn (Source – UNEP, SEFI and Bloomberg NEF)



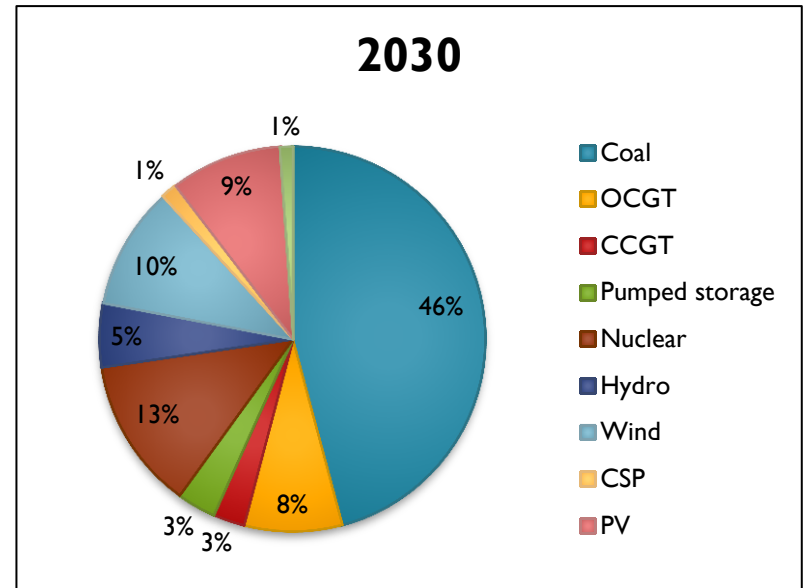
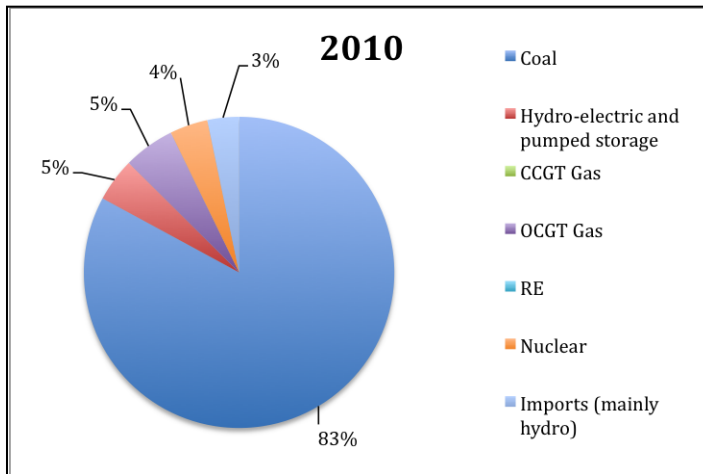
- RE investments: \$46 bn (2004) and \$173bn (2008)
- Slow-down thereafter, one of the factors being the global financial and economic crises

- \$100bn Green Climate Fund as outcome of COP 17?
- South African Green Fund?

History and context

From 'obscurity' to 'maturity'

Increased share of RE sources in diversification of electricity supply (Source: IRP 2010)



REMT Project objective

To establish policy and regulatory frameworks
and build institutional capacity in support of
renewable energy development in South Africa

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REMT Project components

Renewable Energy Power Generation (REPG)

Solar Water Heating (SWH)

Frameworks

- Policy
- Regulatory

Capacity-building

- State organs
- Private sector

Matching grants

- Early-stage co-funding
- Access to expertise

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REMT Project status

Key activities so far...

- National SWH Workshop and Conference
- National SWH Strategy
- CSP Workshop
- RE Summit: Review RE Targets
- Review of RE White Paper Policy and Target (*Consultant's Report only*)
- Legal Review of REFIT PPA
- **Launch of First Round of REMT Matching Grants**
- Upington Solar Park Investor Conference Report
- **Implementation of First Round Matching Grants contracts**
- Mid-term Review. (*REMT Project extended to December 2012*)
- **Second Round of REMT Matching Grants. (*Implementation in progress*)**
- **Third round of REMT Matching Grants. (*Contract negotiation in progress*)**
- **Fourth round of REMT Matching Grants. (*Launched 27 November 2011*)**

REMT Matching Grants

Progress overview

Measure	Round 1		Round 2		Round 3	
	MG	SD	MG	SD	MG	SD
Hard-copy applications	34	25	15	36	16	26
Hard-copy applications short-listed	15	19	8	33	6	26
Applications evaluated	8	19	8	28	6	26
Applications approved	3	19	3	19	4	12
Contracts awarded	3	13	1	1	4	7
Technologies supported	Solar PV Biogas SWH		Solar PV Wind		Solar PV Wind Biogas Biomass	
Amount committed	ZAR1.85 million		ZAR1.12 million (3 contracts) ZAR531,864-00 (1 contract)		ZAR2.29 million	

MG = Matching Grant

SD = REMT Specialist

REMT Matching Grants

Key common challenges so far

Challenges	Causes	Remedies
Incomplete application forms	Lack of attention to detail? Time constraints?	Thorough review of available documents
Not all required documentation submitted		Specific enquiries about identified aspects
Late submissions	Priority setting? Time constraints?	Better planning and resource allocation
Unsuccessful REMT Specialist application	Inadequate experience? Conflict of interest	Best to use Accredited Specialist, where possible
Application for completed activities	Misunderstanding of REMT's focus?	Only key activities to reach future milestone
Non qualifying activities	Lack of attention to detail?	Understanding of eligibility requirements

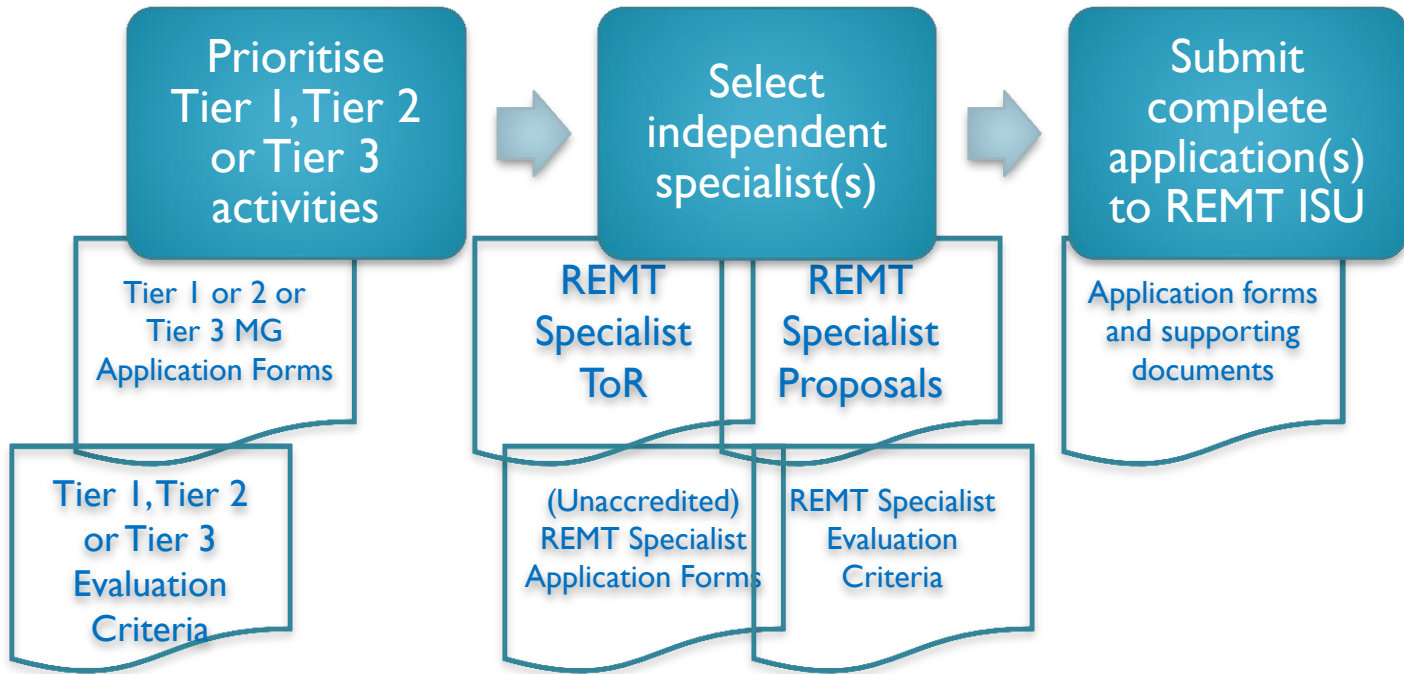
REMT Matching Grants

Overview

Key features	Eligible activities	Qualifying technologies
<ul style="list-style-type: none"> •Funds provided on matching basis, up to 50% of total cost •USD200 000-00 per organisation (REPG) •USD50 000-00 per organisation (SWH) •Supports progress to financial close (Tier 1) •Supports progress to feasibility (Tier 2) •Supports demonstrative SWH improvements or compliance requirements (Tier 3) •Finances access to specialists 	<p>Tier 1: Feasibility phase</p> <ul style="list-style-type: none"> •Technical •Environmental •Socio-economic •Financial •Legal •SWH-related marketing •Public advocacy •SWH-related enterprise development <p>•Tier 2: Pre-feasibility phase</p> <ul style="list-style-type: none"> •Same as Tier 1 but at high level •Except no SWH-related marketing and enterprise development <p>Tier 3: SWH Performance Grants</p> <ul style="list-style-type: none"> Technical Legal/regulatory 	<p>REPG</p> <ul style="list-style-type: none"> Solar (PV, CSP) Wind Biomass Biogas Landfill gas Small-scale hydro <p>Solar Water Heating</p> <p>Matching Grants: Technologies used in SWH implementation projects</p> <p>Performance Grants Improvements in SWH-related technologies, products, systems and/or processes</p>

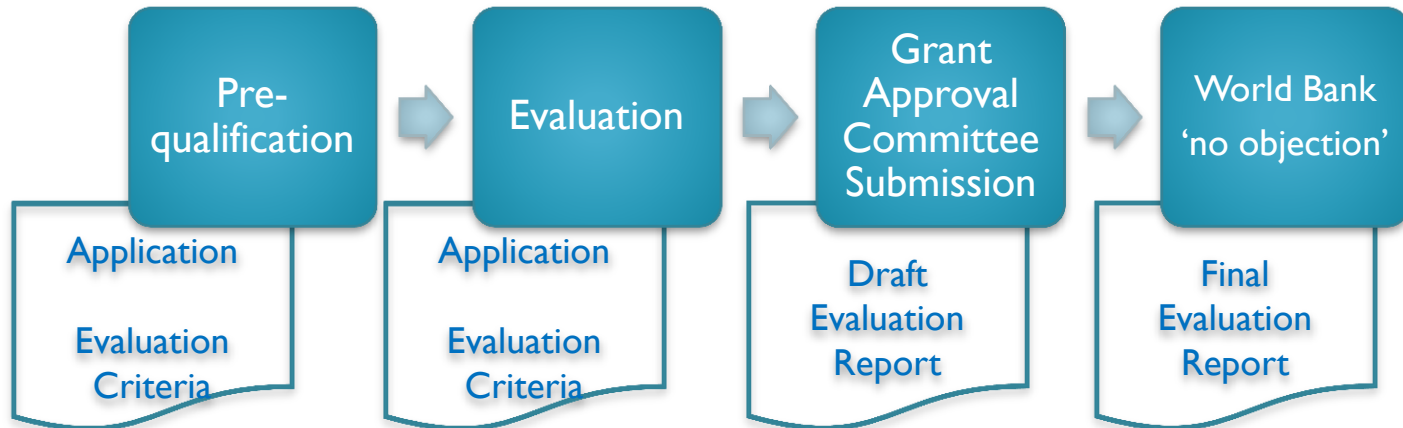
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Application process - overview



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Evaluation of submissions



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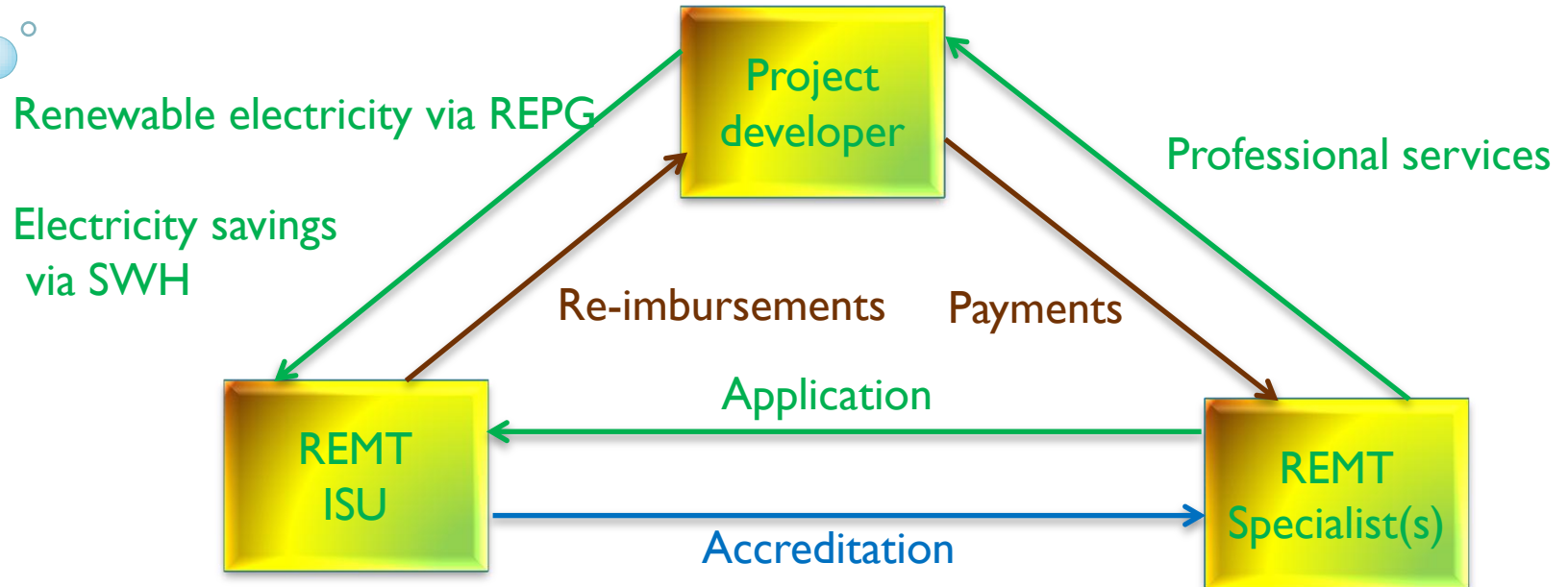
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Contracting – key provisions

REMT ISU	MG Beneficiary
Make available approved co-funding amount	Make co-funding available. If from other public subsidies, REMT's contribution is reduced.
Conduct inspection, verification and/or audit activities	Contract with approved service provider(s) and pay for agreed services
Re-imburse beneficiary against agreed and verifiable deliverables	Ensure effective and efficient execution of activities, including managing scope
Provide information on projects, taking into account confidentiality and procedural requirements	Submission of reports to REMT ISU
Avoid fraud and corruption	Avoid fraud and corruption
Make timely payments	Submission of accurate own invoices, service provider invoices and proof of payment for reimbursement purposes
	Keep accurate accounts and provide for possible audit requirements

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Supports advancement to financial close (Tier 1)

Supports advancement to feasibility phase (Tier 2)

Supports SWH performance improvements (Tier 3)

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Application process – window periods



Current 'window' period: 27 November 2011 – 30 January 2012

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Documents

Keyword Search: [Search](#)

Category: [Matching Grant Documentation - Grant Beneficiary](#)

Title	Date	Author	Category	
Application Evaluation Criteria - Tier 1	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Application Evaluation Criteria - Tier 2	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Application Evaluation Criteria - Tier 3	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Application Form - Matching Grants (Tier 1 or Tier 2)	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Application Form - Matching Grants (Tier 1 or Tier 2) Ver. 97-2003	2011/06/03	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Application Form - SWH Performance Grants (Tier 3)	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Application Form - SWH Performance Grants (Tier 3) Ver. 97-2003	2011/06/03	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
Overview of REMT Matching Grants process	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download
REPG Matching Grant Guidelines (Tier 1 and Tier 2)	2011/05/26	REMT-ISU	Matching Grant Documentation - Grant Beneficiary	Download



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University of Stellenbosch

(Tier 1 & 2)

Technical: Pre-feasibility and Feasibility studies, Site and Market assessments

Socio-economic: Staff or other training, Capacity building

(Tier 3)

Technical: SWH product development and testing

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PPA Energy

(Tier 1 & 2)

Technical: Site and market assessments, Feasibility and Pre-feasibility studies

Financial: Business plan preparation

Environmental: Environmental impact assessments

Socio-economic: Staff or other training

Legal: Legal advisory

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Stephenson & Associates

(Tier 1 & 2)

Technical: Feasibility and Pre-feasibility studies

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Aurecon SA (Pty) Ltd

(Tier 1 & 2)

Technical: Pre-feasibility and Feasibility studies

Environmental: Environmental impact assessments

Legal: Legal advisory

Socio-economic: Other capacity-building activities

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Fichtner GmbH & Co. KG

(Tier 1 & 2)

Technical: Pre-feasibility and Feasibility studies, Site and Market assessments

Socio-economic: Staff or other training

SWH-related marketing: Design and production of promotional materials, industry marketing and advert

Public advocacy: Participation in promotional events

Legal: Legal advisory

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Edward Nathan Sonnenbergs Inc

(Tier 1 & 2)

Legal: Specialized Legal & Regulatory Services

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Inspire South Africa (Pty) Limited

(Tier 1 & 2)

Financial: Company Evaluations; Preparation of business plans and private placement memoranda;

Financial and Business modelling

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Adams & Adams

(Tier 3)

Legal: Specialized Legal & Regulatory Services

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Questions



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More information and documents

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