



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

**SIGNING OF AGREEMENTS FOR PREFERRED BIDDERS CLOSING REMARKS BY
THE DIRECTOR-GENERAL OF ENERGY, MS NELISIWE MAGUBANE**

**FINANCIAL CLOSE FOR THE INDEPENDENT POWER PRODUCERS WINDOW 1
PROCUREMENT PROGRAMME**

5TH November 2012

Centurion, Pretoria

I would like to take this opportunity to greet you all on this historical occasion in South Africa. When we started the programme there was a lot of scepticism and doubt as to whether a day like this would come, and today a momentous milestone is being reached for everyone to see. Despite the scepticism we went ahead and designed a renewable energy programme that is unprecedented in this country and it has been hailed as one of the best worldwide. I would like to thank all those who contributed and worked tirelessly to ensure that this day becomes a reality.

We accept that the programme has its fair share of challenges, but through our resolve there is an even a bigger determination to improve from one window to the next. As previously announced, this is a rolling programme, for which the Minister has already announced additional MW which will be made available for procurement in due course. My office will be preparing the necessary procurement documents in line with the announcement made by the Minister on Monday 29th October 2012.

When we made our announcement last week Monday that we will be signing the project agreements today, some still didn't believe that this day would materialise. Once again let me applaud the project developers who showed a lot of faith even as we encountered various delays during this momentous journey.

I applaud our government for its dedication to clean and renewable energy, and the support that has been given to this programme. It is only by working collaboratively with the departments of Finance, Public Enterprises, Trade and Industry, Economic Development and Environment that this has become a success. Each and every programme requires a champion and our Minister has played a fitting champion role for this programme.

I would like to congratulate all the preferred bidders who will be signing contracts today. I know that they worked under enormous pressure but, I would like to assure them that you were not alone. The government team was also working very long hours in an attempt to finalise all the documents on time and I would like to thank the government team for their sterling work over the past 18 months or so.

Lastly, I would like thank all the financial institutions that made this programme a reality. We all know that this window will increase our economic activity by R47 billion, and without the banks and the resources they bring we would not be signing today.

Today the South African government has completed its part by entering into these agreements through the Department of Energy. And all eyes will be on the bidders to show their readiness as they commit themselves to financial close. Thereafter, we will be looking forward to the sod-turning and actual construction in respect of each project.

I wish you all the best as you begin with your construction work. **To all the preferred bidders signing today, don't forget - I AM WATCHING YOU to make sure you deliver on your commitments!**

Thank you!



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Please note these notes may be used by the Programme director

As already indicated by the Minister, I would like to confirm to you that we are signing the contracts as from 13h00 today and we aim to finish all the before 20h30 tonight.

All preferred bidders have been allocated separate rooms for the purposes of reviewing the final agreements. Should you need any assistance in this regard, please do not hesitate to contact any member of the team and they will gladly assist.

The agreements that will be signed today are as follows:

- **Power Purchase Agreement** – this is an agreement between Eskom and the Bidder. This agreement deals with the sale of electricity to Eskom.
- **Implementation Agreement** – this agreement deals with the commitment made by the bidders in relation to their bids. This will be an agreement between the Department and the Bidders.
- **Direct Agreement** – this is an agreement to be signed between the department, the bidder, and the lender. This agreement provides the necessary support to the lender and the bidder in terms of the commitments made under the PPA and the implementation agreement.

Please note the following:

1. Immediately after these formalities there will be a group photograph taken of the Minister, DG, Eskom representative and 2 representatives from each bid group. The photo will be taken on the steps at the main entrance and will be supervised by the DoE Communication team and the IPP event organisers.
2. We have made provision of 30 minutes for media to take photographs or footage of the first bid signing from 13:00 to 13:30. Given the size of the room, we will not allow anyone else except the bidders in the signing room.

Thank you