## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

**RE :** **PARLIAMENTARY QUESTION NO 1014**

# DATE : 5 MAY 2017

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To provide the Minister with a response to Parliamentary Question Number 1014

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| **COVER MEMO AND THE PACKAGING OF PQ BY:****Department of Public Enterprises**  |
| **……………………………….****Acting Deputy Director-General** **Date:** | **COMMENTS:****………………………………………..** |
| **…………………………………****Mogokare Richard Seleke****Director-General****Date:** | **APPROVED/DECLINED/COMMENTS****…………………………………………..****…………………………………………..****………………………………………….** |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 1014**

**DATE OF PUBLICATION: 5 MAY 2017**

Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises: With reference to the recent Cabinet reshuffle and the fact that there is much uncertainty over whether the renewable independent power producers (IPPs) projects will be signed off by Eskom, (a) why has there been such a long delay in signing off the remaining IPPs, (b) what are the exact dates on which they will be signed off, (c) how many IPPs have been signed off by Eskom in total and (d) how many projects are outstanding due to the delay in signing? NW1142E

**REPLY:**

**(a)**, A Government Task team comprising of representatives from NT, the DPE and the DoE under the leadership of the Directors-General (DGs) of these Departments, was established with the aim of resolving Eskom’s concerns and agreeing on a proposed solution. After numerous engagements with Eskom and the IPP office, resolutions by the task team was communicated by Minister of Energy as reflected in **(“b”)** below.

**(b)**

On Friday 01 September 2017, Government, led by Minister of Energy announced the following:

1. The PPA for Bid Window 3.5 and 4 will be signed by the end of October 2017
2. The Department of Energy (“DoE”) through the IPP office will engage with all affected parties for Bid Windows 3.5 and 4 to re-negotiate not above 77c/kWh. This will assist in reducing the requirements for additional government guarantees which would impact negatively in current economic climate and constraints in the fiscus.
3. Eskom to ensure that all contracts are in place for signing on 28 October 2017
4. Minister of Energy will meet all IPP participants in all Bid Windows to discuss issues and concerns from IPPs and for Government to give feedback on how to address the concerns before the date of signing.
5. With regards to the review of the level of participation by historically disadvantaged, there is work underway in this regard that will inform the implementation of the programme.
6. All future programmes will be put on hold until a proper review is done and to allow the IEP and IRP to be concluded giving an indication of how much capacity the country needs.

**1(c)**

Eskom has signed 66 IPP projects indicated in the table below:

|  |  |
| --- | --- |
| DoE IPPPP | No. of projects |
| Renewable Energy IPPs | Bid 1 | 28 |
| Bid 2 | 19 |
| Bid 3 | 16 |
| Bid 3.5 | 1 |
| Peakers | DoE Peakers | 2 |
|  | **Total** | **66** |

**(d)**

There are 38 Renewable IPP Projects and 1 Cogeneration Project which has been awarded Preferred Bidder Status by the DoE and are awaiting signing by Eskom.

**Remarks: Reply: Approved / Not Approved**

**Mr. Mogokare Richard Seleke Ms. Lynne Brown, MP**

**Director-General Minister of Public Enterprises**

**Date: Date:**