

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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**Memorandum from the Parliamentary Office**

**National Assembly: 1349**

Please find attached a response to Parliamentary Questionfor ***written reply*** asked **by Mr K J Mileham (DA) to ask the Minister of Mineral Resources and Energy:**

**Mr J. Mbele**

**Deputy Director General: Programmes and Projects**

**20 / 05 / 2021**

Recommended/ Not Recommended

**Adv. T.S Mokoena**

**Director General: Department of Mineral Resources and Energy**

**………………/………………/2021**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2021**

**1349. Mr K J Mileham (DA) to ask the Minister of Mineral Resources and Energy:**

1. With regard to the successful bidders in the Risk Mitigation Independent Power Producer Procurement Programme, what is the (a) duration of the agreement with the Independent Power Producers, (b) amount of electricity each bidder will provide to the grid, (c) cost to the Republic per kilowatt of electricity generated and (d) earliest anticipated date that each Independent Power Producer will be able to supply electricity to the national grid;
2. Whether any exemptions were granted by either (a) the Department of Environmental Affairs, Forestry and Fisheries, (b) the Department of Trade, Industry and Competition and/or (c) the Department of Mineral Resources and Energy; if not, why not; if so, what are the details in each case;
3. Whether public participation was conducted in connection with each successful bidder’s (a) environmental impact, (b) economic impact and (c) social impact; if not, why not, in each case; if so, what are the details in each case? NW1545E

**Reply**

1. a) the proposed tenure for the Power Purchase Agreements (PPA) is 20 years.

b)

|  |  |  |
| --- | --- | --- |
| **Project Name** | **Contracted Capacity (MW)** | **Evaluation Price**  **(ZAR/kwh)\*** |
| Oya Energy Hybrid Facility | 128 | 1.55 |
| Umoyilanga Energy | 75 | 1.72 |
| ACWA Power Project DAO | 150 | 1.46 |
| Karpowership SA Coega | 450 | 1.49 |
| Karpowership SA Richards Bay | 450 | 1.50 |
| Karpowership SA Saldanha | 320 | 1.70 |
| Mulilo Total Coega | 198 | 1.89 |
| Mulilo Total Hydra Storage | 75 | 1.52 |

*\*the evaluation price is rounded off to the nearest ten*

A further three (3) eligible bidders will only be announced after further value for money propositions have been successfully concluded.

c) See response table above

d) The projects are expected to connect to the grid between June 2022 and December 2022.

1. a) The Department is not aware of any exemptions granted by the Department of Environmental

Affairs, Forestry and Fisheries.

b) The Department of Trade, Industry and Competition granted exemption from certain

designated local content requirements.

c) See response to question (b) above.

1. a) Regarding to environmental compliance, bidders were only were only required to submit a

scoping report as part of their response to the Request for Proposal.

b) No public participation was conducted regarding economic impact of successful bids, but

bidders have committed to prescribed minimum economic development requirements in line with the PPPFA and the RFP.

c) See response to question (b) above.