

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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 **Memorandum from the Parliamentary Office**

**National Assembly: 1457**

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 Jacob 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**

**1457. Mr K J Mileham (DA) to ask the Minister of Mineral Resources and Energy:**

With regard to the unsuccessful bidders in the Risk Mitigation Independent Power Producers (IPP) Procurement Programme, (a) what was the (i) nature of each unsuccessful bid, (ii) amount of electricity each bidder would have provided to the grid, (iii) cost of a kilowatt-hour of electricity generated and (iv) earliest anticipated date the IPP would have been able to supply electricity to the national grid and (b) in each case, what was the reason for the rejection of each bid? NW1660E

**Reply**

1. With regard to (a) (i) to (iv), and further to information previously supplied on qualifying bidders in response NO1192E, the list of unsuccessful bidders under the Risk Mitigation Independent Power Producer Procurement Programme (REIPPPP) is as follows:

**Qualifying Bidders who were unsuccessful on the basis of Price Evaluation**

| **Project Number** | **Price Bid(ZAR)** | **Capacity bid (MW)** | **Earliest anticipated SCOD** | **Technology** |
| --- | --- | --- | --- | --- |
| Bidder 1 | 2 504.68 | 217.40 | 31 December 2022 | LPG Gas Turbines and Solar Photovoltaic |
| Bidder 2 | 2 661.00 | 61.00 | 1 September 2022 | LPG Gas Turbines and Solar Photovoltaic |
| Bidder 3 | 2 836.65 | 399.34 | 1 December 2022 | LPG Gas Turbines and Solar Photovoltaic |
| Bidder 4 | 2 871.00 | 112.00 | 31 December 2022 | LPG Gas Turbines, Battery Storage and Solar Photovoltaic |
| Bidder 5 | 3 165.00 | 62.00 | 1 September 2022 | LPG Gas Turbines, Battery Storage and Solar Photovoltaic |
| Bidder 6 | 3 414.00 | 197.40 | 31 December 2022 | LNG Gas Turbines and Solar Photovoltaic |

**Unsuccessful Bidders that failed to meet Qualification Criteria**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project Number** | **Price Bid(ZAR)** | **Capacity bid (MW)** | **Earliest anticipated SCOD** | **Technology** |
| Bidder 7 | 2 737.17 | 50.00 | 1 December 2022 | Solar PV, BESS & Thermal |
| Bidder 8 | 2 839.00 | 75.00 | 31 December 2022 | Solar + Thermal Hybrid |
| Bidder 9 | 1 300.00 | 55.00 | 1 October 2022 | Solar PV, BESS, Gas |
| Bidder 10 | 1 466.00 | 55.00 | 1 October 2022 | Solar PV + BESS, Gas |
| Bidder 11 | 2 049.37 | 80.00 | 1 November 2022 | Solar PV & BESS |
| Bidder 12 | 2 531.18 | 80.00 | 1 November 2022 | Wind, Solar PV and BESS |
| Bidder 13 | 2 196.76 | 80.00 | 1 November 2022 | Solar + BESS |
| Bidder 14 | 2 519.29 | 414.72 | 1 October 2022 | Gas fired reciprocating engines |
| Bidder 15 | 2 509.76 | 414.72 | 1 October 2022 | Gas fired reciprocating engines |
| Bidder 16 | 2 506.92 | 414.72 | 1 October 2022 | Gas fired reciprocating engines |
| Bidder 17 | 2 613.48 | 315.40 | 1 September 2022 | Various (LPG to power; wind; solar PV; BESS |

1. With regard to Bidders who failed the meet the Qualification Criteria, the reasons were among others as follows:
* Failure to comply with the Land and Environmental qualification criteria (did not have the necessary permits, authorisations, land rights or Final Scoping Reports for environmental purposes);
* Failure to meet all the Financial qualification criteria such as debt track records or letters of commitment from the ultimate providers of equity;
* Failing to meet Technical qualification criteria such as demonstration of secure fuel supply agreements; and
* Failure to meet the Economic Development criteria such as proof of substantiating the South African Entity Participation or contributor status level and failure to meet designated local content.