

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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 **Memorandum from the Parliamentary Office**

**National Assembly : 761**

**Mrs E N Ntlangwini (EFF) to ask the Minister of Energy:**

Whether any of the companies which are building renewable energy power plants as part of the independent power producing programme have contracted the services of a certain company (name furnished); if so, in each instance, (a) what is the name of each (i) company and (ii) project and (b)(i) what services have been contracted by each and (ii) at what cost? NW884E

**Reply**

1. (i) and (ii)

Yes, from the informaiton that was submitted, five of the Renewable Independent Power Producers, at the time of financial close, disclosed their intention to enter into a contract for equipment supply with Powertech.

The five projects are as follows:

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| **Project number** | **Name of Project** |
| RE\_OW\_0046\_003 | Golden Valley Wind Project |
| RE\_OW\_0046\_007 | Excelsior Wind Project |
| RE\_PV\_0063\_012 | Zolograph Investments (RF) Pty Ltd |
| RE\_PV\_0063\_021 | RE CAPITAL 2 (RF) PROPRIETARY LIMITED |
| RE\_PV \_0083\_001 | Greefspan PV Power Plant No. 2 (RF) (Pty) Ltd |

IPPs bear all the construction, maintenance and operational risk of their projects and therefore the contractual relationship between the main Engineering, Procurement and Construction (EPC) and Operation and Maintenance (O&M) contractors of the IPPs and their sub-contractors and suppliers are strictly on a commercial basis. Consequently, supplier and sub-Contractor information is not included in the Project Agreements with IPPs and therefore the information available to the Department of Energy at this time is received through optional submissions and could change according to commercial requirements of the IPP projects.

1. According to the information provided, the service that was to be procured was for equipment.
2. Projects are evaluated on their price of which total project cost is but one contributing factor and not on the detailed breakdown of project cost elements. The Department therefore does not have the cost of the equipment supplied by this company.