

TENDER NO: DMRE/028/2022/23

**The Republic of South Africa
Department of Mineral Resources and Energy**

**OVERVIEW REQUEST FOR QUALIFICATION AND PROPOSALS FOR THE BATTERY
ENERGY STORAGE CAPACITY IPP PROCUREMENT PROGRAMME**



**mineral resources
& energy**

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

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1. DISCLAIMER

- 1.1 While all reasonable care has been taken in preparing this document, the information contained in it does not purport to be comprehensive or to have been verified by the Department of Mineral Resources and Energy of the Government of the Republic of South Africa ("**Department**") or any other organ of state of the Republic of South Africa ("**the Government**"), any of its officers, employees, servants, agents, advisors or any other person. Accordingly, neither the Department nor any of its advisors accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information stated in this document.
- 1.2 This high-level overview of the Request for Pre-Qualification and Proposal ("**RFP**") is provided solely for information purposes and is not intended to form any part or basis of any investment decisions by the Bidder, its Members or its Lenders including any decision to participate in the Battery Energy Storage Independent Power Producers Procurement Programme ("**BES IPP Procurement Programme**"). Each person to whom this document is made available must conduct their own independent assessment of whether or not they wish to participate in the BES IPP Procurement Programme. Furthermore, this document does not replace the need for a party to fully acquaint itself with the RFP for this BES IPP Procurement Programme and compliance with the qualification and evaluation criteria set out in the RFP.

2. PURPOSE

- 2.1 The Department launched the RFP for the establishment of new generation capacity under the BES IPP Procurement Programme on 07 March 2023. The intent of this document is to provide a high-level overview of the BES IPP Procurement Programme and procurement process under the RFP.
- 2.2 While this document provides a high-level overview of the RFP it does not replace, supplement or amend the RFP. Potential bidders wishing to participate in the BES IPP Procurement Programme will be required to purchase the RFP and comply with all the requirements of the RFP.

3. OVERVIEW OF THE BES IPP PROCUREMENT PROGRAMME

3.1 Determination of New Generation Capacity Required

- 3.1.1 The Minister of Mineral Resources and Energy ("**the Minister**") published the Integrated Resource Plan ("**IRP 2019**") as GN 1360 of 18 October 2019 in Government Gazette No. 42784. The IRP 2019 is the policy planning tool that facilitates planning of future electricity supply by modelling various demand scenarios and the decisions that need to be taken in order to meet such demand at the time when it arises.
- 3.1.2 To give effect to the IRP 2019, the Minister, on 18 February 2020 and in accordance with section 34 of the Electricity Regulation Act, No. 4 of 2006, issued a Determination requesting Nersa's concurrence. Nersa provided its concurrence with the Ministerial Determination on 2 September 2020 resulting in the Determination being gazetted on 25 September 2020 ("**the Determination**").

- 3.1.3 The Determination provides that the electricity produced from the various energy sources set out in such Determination shall be procured from Independent Power Producers ("IPPs") through one or more IPP Procurement Programmes as contemplated in the Electricity Regulations on New Generation Capacity, 2011 ("**the New Generation Regulations**").
- 3.1.4 In line with the Determination, the BES IPP Procurement Programme has been designed to facilitate the procurement of up to 513 megawatts (MW), to contribute towards socio-economic and environmentally sustainable growth, to continue the successes of the IPP Procurement Programme since its inception.

3.2 Purpose of the RFP

- 3.2.1 The RFP for BES IPP Procurement Programme constitutes the formal invitation to Bidders to submit their detailed Bid Responses to make available Capacity and Ancillary Services to the Buyer, pursuant to the Determination and public notice or advertisement of the BES IPP Procurement Programme.
- 3.2.2 The RFP, amongst others, sets out the rules of participation in the BES IPP Procurement Programme; provides further information about the BES IPP Procurement Programme, so as to allow potential Bidders to prepare comprehensive and competitive Bid Responses in respect of the Projects; gives guidance to Bidders in the preparation of their Bid Responses.
- 3.2.3 The RFP further sets out the rules to enables the Department to assess the Bid Responses submitted by Bidders that are technically, financially and legally qualified to execute the Project and meet the criteria described in Part B (*functionality criteria requirement*); have sufficient experience, commitment and resources to meet the criteria of a Compliant Bid in respect of Part B (*functionality criteria requirement*); fulfil the competitive Evaluation Criteria requirements as detailed in Part C (*Evaluation Criteria Requirements*); are able to execute their Projects and make available Capacity and Ancillary Services as envisaged in the PPA and the Implementation Agreement amongst others; and enables the Department to select Preferred Bidders and facilitate Commercial Close.
- 3.2.4 This RFP does not constitute an offer to enter into a contractual relationship with any Bidder, but is merely a solicitation of Bid Responses to enable the Department to select the Preferred Bidders which will form Project Companies in order to conclude an Implementation Agreement, a PPA, Direct Agreement, Independent Engineer Agreement and the Connection Agreements, with the Buyer and the other relevant counterparties on Commercial Close.
- 3.2.5 Each Bidder, in submitting a Bid Response, is deemed to do so on the basis that it accepts and acknowledges the terms of this RFP.

3.3 Structure of the RFP

- 3.3.1 **Part A (General Requirements, Rules and Provisions)** provides general information to the Bidder and includes, *inter alia*, the glossary of defined terms used in this RFP; the BES IPP Procurement Programme objectives, scope and structure; key features of the BES IPP Procurement Programme; the terms and conditions of bidding, including details regarding the required format of Bid Responses; and an explanation of and background to the procurement process;
- 3.3.2 **Part B (Functionality Criteria Requirements)** details the Functionality Criteria that must be met by the Bidder in order for a Bid Response to be considered by the Department as a Compliant Bid. Once a Bidder's Bid Response is considered to be a Compliant Bid by the Department, this may, in the sole discretion of the Department, form the basis for the Bidder to be appointed as a Preferred Bidder, as set out in clause 16.10 of this Part A (*General Requirements, Rules and Provisions*) of the RFP. Alternatively, and if necessary, the Compliant Bid will, in addition, be evaluated in accordance with Part C (*Evaluation Criteria Requirements*);
- 3.3.3 **Volume 1 Part 1 (Legal Notices, Approvals and Other Documents)** contains certain key legal notices, approvals and other documents that may be useful to Bidders for purposes of deciding whether to participate in the Energy Storage Procurement Programme and preparing a Bid Response;
- 3.3.4 **Volume 1 Part 2 (Form of Bid and Returnable Schedules)** contains the Form of Bid and other returnable schedules which must be submitted by Bidders as part of the Bid Response, including Appendix JB (*Front Sheet Template for Financial Model and Technical Information*) which requires information in respect of a number of aspects of the Bid Response to be inputted into a single returnable schedule. Bidders are required to populate all relevant aspects of the returnable schedules and/or template forms provided in Volume 1 Part 2 (*Form of Bid and Returnable Schedules*), and should not deviate from the form provided in the RFP or on the Energy Storage IPP Website (except to the extent that any such form is amended in terms of a Briefing Note, in which case Bidders will be required to use the amended version of such form); nor should any item or field be added or removed; nor amended in any other way;
- 3.3.5 **Volume 2 (Legal Functionality Requirements) Part 1 (Legal Functionality Criteria)** contains the functionality criteria pertaining to the structure of the Project; legal matters; land acquisition and land use; and environmental consents;
- 3.3.6 **Volume 2 (Legal Functionality Requirements) Part 2 (Legal Agreements)** contains copies of the legal agreements that will (subject to any subsequent amendments issued by the Department) be required to be entered into by the Project Company of a Preferred Bidder and the counter-parties, if applicable, namely, an Implementation Agreement, a PPA, a Direct Agreement, a Transmission Agreement or a Distribution Agreement, an Independent Engineer Agreement and a Connection Direct Agreement;

- 3.3.7 **Volume 3 (Technical Functionality Requirements) Part 1 (Technical Functionality Criteria)** contains the technical functionality criteria;
- 3.3.8 **Volume 3 (Technical Functionality Requirements) Part 2 (Technical Appendices)** contains the appendices in respect of the Technical Criteria. The returnable schedules in Volume 3 (*Technical Functionality Requirements*) are templates that the Bidders are required to use when responding to this RFP, and provide a standardised approach for presenting the information required by the Department for purposes of assessing compliance with each Technical Functionality criterion. If any such template is provided in the RFP or on the Energy Storage IPP Website for the submission of information in respect of a functionality criterion, Bidders should populate all aspects of the template and should not deviate from the template provided (except to the extent that any such template is amended in terms of a Briefing Note, in which case Bidders will be required to use the amended version of such template); nor should any fields be added or removed; nor amended in any other way;
- 3.3.9 **Volume 4 (Financial Functionality Requirements) Part 1 (Financial Functionality Criteria)** contains the financial functionality criteria;
- 3.3.10 **Volume 4 (Financial Functionality Requirements) Part 2 (Appendices)** contains the appendices in respect of the Financial Criteria. The appendices in Volume 4 (*Financial Functionality Requirements*) are templates that the Bidders are required to use when responding to this RFP and requirements that the Bidder's Financial Model should comply with. Templates provide a standardised approach for presenting the information required by the Department for the financial functionality criterion. If a template is provided in the RFP for the submission of information in respect of a functionality criterion, Bidders should not deviate from the template provided in the RFP (except to the extent that any such template is amended in terms of a Briefing Note, in which case Bidders will be required to use the amended version of such template), and no fields should be added or removed or amended in any other way unless it is specifically indicated that items can be added or amended;
- 3.3.11 **Volume 5 (PPA and IA Tables and Information)**, which provides for information that the Bidders need to make available for the PPA and IA Tables and other information that the PPA and the IA requires to be provided by the Bidders for purposes of the PPA and IA schedules;
- 3.3.12 **Part C (Evaluation Criteria Requirements)** details the evaluation procedure and the Evaluation Criteria to be applied by the Department, if a Part C evaluation is necessary, in evaluating and comparing Compliant Bids in respect of each Energy Storage Substation. The purpose of the Part C evaluation is to determine the relative rankings of Compliant Bids for purposes of selection of Preferred Bidders; and
- 3.3.13 **Volume 1 (Economic Development Scoring) of Part C (Evaluation Criteria Requirements)** comprises two parts. Part 1 (*Economic Development Scoring Eligibility Criteria*) contains detailed information regarding key aspects of the Economic

Development requirements, and the appendices required to be completed by each Bidder for purposes of satisfying the Economic Development Functionality Criteria. Part 2 (*Economic Development Required Supporting Information*) contains details of the documentary proof required to be included in the Bid Response, for purposes of supporting Bidders’ Economic Development Commitments.

4. PART A OF THE RFP

4.1 Technologies and Contracted Capacity

4.1.1 The BES IPP Procurement Programme is designed to procure 513 MW of Capacity and Ancillary Services in the Northern Cape. The substations forming part of the BES IPP Procurement Programme are all located in the Northern Cape.

4.1.2 The Capacity to be procured in the Northern Cape under the BES IPP Procurement Programme is in respect of the following substations, and their respective storage capacity (“Substations Energy Storage Capacity”), as follows:

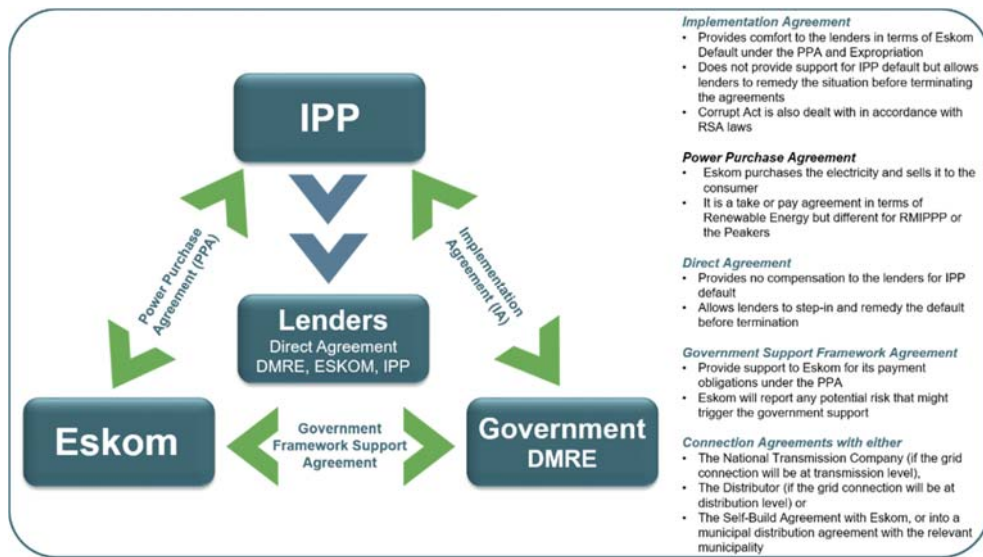
Substation	Maximum Capacity at Substation
Aggeneis	77 MW
Ferrum	103 MW
Garona	153 MW
Mookodi	77 MW
Nieuwehoop	103 MW
Total	513 MW

4.1.3 Bidders which are consortia may submit one or more Bid Responses in respect of one or more Energy Storage Substations to which they would like their Facility to connect and make available Capacity and Ancillary Services in line with the rules of this RFP. Each Bid Response must be for the full Substation Energy Storage Capacity at the particular Energy Storage Substation elected by the Bidder. The Department intends to select a single Preferred Bidder in respect of each Energy Storage Substation.

4.1.4 The BES IPP Procurement Programme is open to the world wide public and is not restricted to Bidders comprised only of Citizens and South African entities.

4.2 Contractual Agreements

4.2.1 The bankability of the IPP Procurement Programme is secured through the terms and conditions of three non-negotiable agreements, the Implementation Agreement (IA), Power Purchase Agreement (PPA) and Direct Agreement (DA), as depicted in the **Figure 3** below. The agreements provide Bidders with complete transparency in relation to the contractual terms.



4.3 Commercial Close and Commercial Operation Date

- 4.3.1 Projects submitted on the BES IPP Procurement Programme Bid Submission Date must be capable of achieving the Commercial Operation Date within a period of 24 (twenty four) months after Commercial Close. Therefore, the Scheduled Commercial Operation Date projected by a Bidder in its Bid Response must be within a period of 24 (twenty four) months after Commercial Close, and must be based on an estimated date for Commercial Close.
- 4.3.2 A Bidder's Scheduled Commercial Operation Date must be calculated taking into account the Project's own construction and commissioning time-table, as well as the time for grid connection as estimated by the Grid Provider (all of which must fall within the maximum 24 (twenty four) month period between Commercial Close and the Scheduled Commercial Operation Date).

4.4 Capacity Prices and Tariffs

- 4.4.1 The Electricity Regulation Act vests NERSA with the authority to regulate prices and tariffs. NERSA remains empowered, at the time of considering any licence application, to make a tariff determination taking into consideration all relevant factors, including the statutory tariff principles provided for in section 15 of the Electricity Regulation Act.
- 4.4.2 The Price submitted in a Bid Response and which is accepted by the Department upon appointment of Preferred Bidders, is subject to approval by NERSA when issuing generation licences in respect of Projects selected in the Energy Storage Procurement Programme.

4.4.3 Bidders in the Energy Storage Procurement Programme are required to bid the Price which will be payable by the Buyer in terms of the PPA to be entered into between the Buyer and the Project Company of a Preferred Bidder.

4.4.4 The Bidder is required to offer a single Price based upon full CPI indexation of such Price. The Price reflected in a PPA will be adjusted annually on 1 April every year following the Base Date, reflecting any change in CPI in the immediately preceding year commencing 1 January and ending 31 December.

4.5 Decommissioning, Rehabilitation and Closure (including Post-Closure) Requirements

4.5.1 Bidders and, once the PPA and Implementation Agreement have been signed, Sellers will be required to make financial provision for the costs of the decommissioning of the Facility and the rehabilitation and closure of the Project Site and the post-closure monitoring of environmental impacts in respect of the Facility upon the termination of the PPA, whether following a premature termination of the PPA due to Seller Default, Corrupt Act or Government Default (i.e. premature termination) or upon the expiry of the term of the PPA (i.e. final closure), in their Financial Model.

4.5.2 In this regard, Bidders must include such Decommissioning Costs in their Financial Model. The Decommissioning Costs may be built up over time, in incremental amounts each year over the Operating Period, but these costs must be reflected in the Financial Model.

4.5.3 Preferred Bidders must also provide a Decommissioning Cost Bank Guarantee to ensure that from the Commercial Operation Date, sufficient reserves are available at all times to undertake Decommissioning

4.6 Economic Development

4.6.1 In the BES IPP Procurement Programme, unlike in some of the previous Bid Submission Phases of other IPP Procurement Programmes, the Department has not been granted a PPPFA Exemption in relation to Economic Development to enable the Department to structure the Economic Development as a component of the Qualification Criteria.

4.6.2 The Department's requirements regarding Economic Development as a component of the Qualification Criteria set out in clauses 5 (*Threshold Requirements Pertaining to Economic Development*) and 7 (*Economic Development Evaluation Criteria*) of Part 1 (*Economic Development Scoring Eligibility Criteria*) of Volume 1 (*Economic Development Functionality Requirements*) of Part C (*Evaluation Criteria Requirements*) of the RFP, are provided for under the broad categories listed below:

4.6.2.1 **job creation**, which places emphasis on jobs for Citizens, Black People (including Black Women and Black Youth) and Citizens from Local Communities;

4.6.2.2 **local content**, which requires compliance with local content designations under South African procurement law, and that a certain percentage of the total value of the Project be spent on South African goods and services;

- 4.6.2.3 **ownership**, which requires ownership by Black People (including Black Women), South African entities (minimum 49% (forty nine percent)), and Local Communities, in the Project Company, and ownership by Black People (including Black Women) in the Project Company and in the Contractors responsible for Construction and Operations;
 - 4.6.2.4 **management control**, which focuses on the involvement of Black People (in particular Black Women) in board directorship, Executive Management, and Senior Management;
 - 4.6.2.5 **skills development**, which focuses on the contributions made by the Project Company to improve the skills of Employees, learners at higher education institutions, and disabled persons;
 - 4.6.2.6 **enterprise and supplier development**, which focuses on the development of emerging enterprises, including emerging enterprises located in Local Communities and those in the Supply Chain of the Project Company and the Contractors; and on procuring from Black Enterprises and enterprises owned by Black Women; and
 - 4.6.2.7 **socio-economic development**, which attempts to address socio-economic needs including those of Local Communities.
- 4.6.3 Active Participation is encouraged, to advance economic transformation of the energy industry. As such, Black Shareholders should be given a preferential right to participate in Project-related activities through Preferential Procurement arrangements with the Project Company and/or the Contractors, if they meet the qualification criteria for Project-related activities.
- 4.6.4 Each Preferred Bidder's Economic Development Commitments will be incorporated into the IA concluded by the Project Company with the Department.

4.7 Value for Money

- 4.7.1 Regulation 9 of the New Gen Regulations provides that the Buyer cannot enter into a PPA unless that PPA presents "value for money". "Value for Money" is defined to mean that "the new generation capacity project results in a net benefit to the prospective buyer or to the Government having regard to cost, price, quality, quantity, risk, transfer, or a combination thereof".
- 4.7.2 The value for money evaluation under the RFP involves an assessment of a number of issues and considerations. As part of its assessment the DMRE will benchmark the Bidder's costs and rates embedded in its Financial Model and ultimately reflected in its offered Price, against local and international benchmark costs and rates.

4.8 Legal Personality of Bidder and its Members

- 4.8.1 For the purposes of submitting a Bid Response, a Bidder may be either a Project Company or a consortium. If the Bidder is a consortium, then the Project Company that is to be incorporated by the consortium to be the Seller shall have as its Shareholders, in the proportions stated in the Bid Response, the Members of the consortium, or if any

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such Member will hold its ownership interest in the Project Company through an intermediary entity which is still to be incorporated, such intermediary entity.

- 4.8.2 Each Bidder under a PPA will be required to be a Project Company that has a sole purpose, object and business of undertaking the Bidder's Project, including entering into and fulfilling the purposes of the PPA, the IA, the DA, the Independent Engineer Agreement and the Connection Agreements.
- 4.8.3 Preferred Bidders are required to provide the Department with certified copies of the Constitutional Documents of its Project Company following the establishment and incorporation of the Project Company.

5. PART B OF THE RFP REQUIREMENTS

- 5.1 The purpose of Part B (*Functionality Criteria Requirements*) of the RFP is to set out the requirements relating to the submission of Bid Response under the BES IPP Procurement Programme, as well as the rules in respect of:
 - 5.1.1 the Functionality Criteria to be complied with the by the Bidders; and
 - 5.1.2 the adjudication and evaluation by the Department of the Bid Responses.
- 5.2 In the first instance, a bid will not be accepted at Bid Submission if the following is not complied with:
 - 5.2.1 Confirmation that the Bidder has the required financial backing and a Bid Guarantee in respect of its bid response. Such a Bid Guarantee must be provided by a Financial Institution and must be an original; and
 - 5.2.2 A working Financial Model that meets the requirements as set out in Part B.
- 5.3 The Functionality Criteria Requirements are divided into the following umbrella categories under Part B and the Volumes of Part B of the RFP:
 - 5.3.1 Structure of the Project;
 - 5.3.2 Legal Functionality Criteria and Evaluation;
 - 5.3.3 Land Acquisition and Land Use Functionality Criteria and Evaluation;
 - 5.3.4 Environmental Consent Functionality Criteria and Evaluation;
 - 5.3.5 ;
 - 5.3.6 Technical Functionality Criteria and Evaluation;
 - 5.3.7 Financial Functionality Criteria and Evaluation and
 - 5.3.8 Value for Money
- 5.4 In summary, a Bid Response must meet or exceed the requirements under each heading in the Part B of the RFP.
- 5.5 Bidders are also required to complete and submit the PPA and IA Tables provided in Volume 5 of the Part B of the RFP in their Bid Responses. For the purposes of the RFP, the information provided by the Bidders in the completion of these tables will be used for the

purposes of determining whether a Bid Response is a Compliant Bid in terms of the relevant Functionality Criteria in Part B and the Evaluation Criteria contained in Part C of the RFP.

6. PART C OF THE RFP REQUIREMENTS

- 6.1 The purpose of Part C (*Evaluation Criteria Requirements*) is to outline the requirements for which the Bidders will be comparatively evaluated. Bidders will be evaluated in terms of the following two elements:
- Price; and
 - Specific goals as contemplated in the Preferential Procurement Policy Framework Act, which in the case of this BES IPP Procurement Programme are referred to as Economic Development Commitment.
- 6.2 The Bidder will be considered or eligible for Part C only if that Bidder fulfils all of the requirements in Part B of the RFP.
- 6.3 The evaluation will be undertaken in accordance with the 90:10 points system. The maximum score for Price will be 90, and 10 points is allocated for specific goals that have been developed for Economic Development.

7. TIMETABLE FOR THE ENERGY STORAGE GENERATION CAPACITY OF THE BES IPP PROCUREMENT PROGRAMME

The following is the indicate timetable for the Battery Energy Storage IPP Procurement Programme.

ANTICIPATED DATES	
Issue of RFP	7 March 2023
Bidders' Conference	6 (six) to 8 (eight) weeks following the release of the RFP. The exact date will be communicated on the IPP Website.
Last date for Bidders to submit written questions in terms of clause 26.3 (<i>Requests for clarification on the RFP and responses to requests</i>) of this Part A	Approximately 30 (thirty) business days prior to the Bid Submission Date. The exact date will be communicated on the IPP Website
Last date for compulsory Bid Registration, including payment of Bid Registration Fee (as per clause 11 (<i>Compulsory Bid Registration</i>) of this Part A)	Approximately 20 (twenty) business days prior to the Bid Submission Date. The exact date will be communicated on the IPP Website
BID SUBMISSION PHASE STAGES	
Bid Submission Date	5 July 2023
Announcement of Preferred Bidders	Approximately 2 (two) months post the Bid Submission Date

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Commercial Close	Approximately 6 (six) months post Preferred Bidder announcement
Financial Close	Long stop date of 1 (one) month post Commercial Close
Scheduled Commercial Operation Date	Long stop date of 24 (twenty four) months post Commercial Close

8. OVERVIEW OF PART B AND VOLUMES QUALIFICATION CRITERIA PER DISCIPLINE:

Discipline	Structure of the RFP	ENERGY STORAGE
Legal	Legal qualification criteria:	<ol style="list-style-type: none"> 1. Four (4) key criteria are assessed in the legal evaluation, namely: <ol style="list-style-type: none"> i. Structure of the Project; ii. Legal Qualification Criteria and Evaluation; 2. Legal Criterion 1: Legal Status of the Project Company; 3. Legal Criterion 2: Confirmation of the PPA, the Implementation Agreement, Direct Agreement, Independent Engineer Agreement and the Connection Agreements and submission of Returnable Schedules; 4. Legal Criterion 3: Contracts; 5. Legal Criterion 4: Key Equipment Supply; and 6. Legal Criterion 5: Provision for the Decommissioning Reserve; 7. Land Acquisition and Land Use Qualification Criteria and Evaluation; and 8. Environmental Consent Qualification Criteria and Evaluation.
Technical	Technical qualification criteria:	<ol style="list-style-type: none"> 1. Battery Storage Technology for a minimum duration of 4 hours at the Contracted Capacity 2. IPP to declare availability and the SO will determine the Charging, Discharge or Steady State 3. Min Round Trip Efficiency (RTE) of 70% to be tested yearly 4. Measurement and management of the max number of cycles per contract year. Max 730 Equivalent charge and discharge cycles/annum. 5. NDC testing regime same as RMIPPPP, will be done on yearly basis and on request by system operator. 6. Minimum 95% over 8760 hours per contract year, to be confirmed. Requirement as it will be dealt with via the penalty regime for non-availability. 7. As part of evaluation, RTE and availability will be factored into evaluation price calculation 8. As part of evaluation, RTE, RVC factor and availability will be factored into evaluation price calculation 9. Rapid Voltage Change will be factored as a Evaluation Tariff parameter to consider distance from the S/S. 10. The project contracted generation capacity size range will be a minimum of 77MW minimum and maximum 153MW for 4 hours.

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Discipline	Structure of the RFP	ENERGY STORAGE
		<p>11. The Facility would be expected to provide Instantaneous Reserves, Regulating Reserves, Ten Reserves and Supplemental Reserves.</p>
Finance	Financial Qualification Criteria	<ol style="list-style-type: none"> 1. Evaluation Price –the bidder to provide evaluation price for the contracted capacity including Ancillary Services as of the 1st of April 2022 base date. The price must be calculated in accordance with the parameters outlined on the RFP. 2. The parameters include an assumption of 730 charge or discharge cycles per annum at 4 hours discharge per cycle at 100% of the Contracted Capacity. These assumptions must be included in the Financial Model to be submitted to the Department at Bid Submission Day. 3. The RFP further requires Bidders to bid a price for Capacity Charge referred to as Capital Cost Recovery Charge rate (CCR). The CCR must be in ZAR per MW per hour for the Contracted Capacity based on full indexation at the Base Date of 1 April 2022. 4. The facility will be charged R461.84/MWh for charging from the grid referred to as the “Facility Charge Cost”. The Facility Charge Cost should be indexed to a based date of April 2022 and be escalated annually by CPI. 5. The Bidder is required to charge Eskom the same R461.84/MWh for the energy dispatched from the facility using the same base date of April 2022 escalated by CPI.

9. COMPULSORY BID REGISTRATION

Prospective Bidders are required to pay a non-refundable Bid Registration Fee of R25 000 (twenty five thousand Rand) per Project / Bid Response to be submitted. Further information on the payment of the non-refundable Bid Registration Fee is available on the REIPPP Website.

10. FURTHER DETAILS AND PARTICIPATION

Further details regarding participation and access to the RFP, including information on the document access fee can be found on www.ipp-storage.co.za; or alternatively queries can be addressed to query@ipp-storage.co.za.