



Request for Information (RFI): Procurement of New Generation Capacity



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1. Disclaimer

While all reasonable care has been taken in consideration while preparing this RFI, the information has been prepared by the eThekweni Metropolitan Municipality (“**EMM**”) of the Province of KwaZulu Natal in the Republic of South Africa. The information has been prepared in good faith, based on various sources. However, neither EMM nor any of its officials accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated herein.

Save where expressly stipulated otherwise, no representation or warranty is or will be given by the EMM or any of its officers, employees, servants, agents or any other person with respect to the information or opinions contained in this RFI, or in relation to this RFI and or the Municipal Independent Power Producer Programme (MIPPP).

The EMM reserves the right to amend, modify or withdraw this RFI or any part of it, or to terminate or amend any of the procedures, processes or requirements detailed in this RFI at any time, without prior notice and without liability to compensate or reimburse any person pursuant to such amendments, modification, withdrawal or termination.

The EMM reserves the right to terminate or amend the Municipal Independent Power Producer Programme, at any time, without prior notice and without liability to compensate or reimburse any person pursuant to such termination or amendment.

The terms and conditions set out in this RFI are stipulated for the express benefit of the EMM and, save as expressly stated to the contrary, may be waived at the EMM's sole discretion at any time. The EMM reserves the right to adopt any proposal made by any person responding to this RFI at any time and to include such proposals in any documents which may or may not be made available at any stage in the Municipal Independent Power Producer Programme to any other persons responding to this RFI, without the obligation or liability to pay any compensation or reimbursement of any nature to any person pursuant to such adoption.

This RFI is provided solely for the purpose set out herein and is not intended to form any part or basis of any investment decision by Participant, its shareholders, members or its lenders. Each person that accesses this RFI must make its own independent assessment of the Project in respect of which it intends submitting an RFI Response, taking such advice (whether professional or otherwise) as it deems necessary.

No Participant, its shareholders, members, contractors, suppliers or lenders shall have any claim against the EMM, its officers, employees, servants, agents, under any circumstance whatsoever, arising out of any matter relating to the design of the Municipal Independent Power Producer Programme or this RFI of any nature whatsoever, including where such claim is based on any act or omission by the EMM, or any of its officers, employees, servants, agents of any nature whatsoever, or where such claim is based on the content of, or any omission from, this RFI of any nature whatsoever.

2. Definitions and Interpretation

In this RFI Document, except as otherwise defined herein, the following terms shall have the following meanings:

Defined Term	Meaning
Baseload Generator	Energy Output produced or capable of being produced at a constant or near constant rate by power stations that have high Load Factors.
Capacity Factor	Refers to the expected output of the plant over a specific time period as a ratio of the output if the plant operated at full-rated capacity for the same time period.
Climate Action Plan (CAP)	A city-wide plan that provides a pathway to transition Durban towards climate resilience and carbon neutrality by 2050, in a manner that is inclusive and leaves no one behind.
Commercial Operation Date (COD)	The date after which all testing and commissioning of the Power Generation Facility has been completed.
Decommissioning	The process by which a generation plant is retired from service and terminates the operating license granted by relevant regulator.
Department of Mineral Resources and Energy (DMRE)	The Ministry responsible for regulating, transforming and promoting the minerals and energy sectors, providing sustainable and affordable energy for growth and development, and ensuring that all South Africans derive sustainable benefit from the country's mineral wealth.
Dispatchable	Refers to sources of electricity that can be used on demand and dispatched at the request of power grid operators, according to market needs. Dispatchable generators can be turned on or off or can adjust their power output according to an instruction from the system operator.
Disposal	The process that entails getting rid of something, within the context of this document, it refers to the disposal of energy waste materials to the landfill.
Distressed Community	The impoverished communities or areas that have a high unemployment rate and declining home prices.
Diversity	The practice or quality of including or involving people from a range of different social and ethnic backgrounds and genders.
Economic Development	Means compliance with the following elements as outlined in the radical economic transformation of eThekweni Municipality: <ul style="list-style-type: none"> • Job creation - with the emphasis on jobs for South African citizens, South African citizens who are black people and South African citizens from local communities; • Local content - with the view that a certain percentage of the project value would be spent in South Africa; • Ownership - with the aims to advance ownership by black people and local communities; • Management Control - with the aim to achieve the involvement of black people in management positions and responsibilities; • Preferential Procurement - with focus on subcontracting to empowered enterprises, black enterprises and enterprises owned by women;

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Defined Term	Meaning
	<ul style="list-style-type: none"> • Enterprise Development - with the aim of development of emerging enterprises, and those emerging enterprises located in local communities; and • Socio-economic - which attempts to address the socio-economic needs of local communities.
Electricity Regulation Act	The Electricity Regulation Act No. 4 of 2006.
Energy Strategic Roadmap (ESR)	<p>A comprehensive framework that provides an outline for envisioning, developing, guiding, and measuring strategic performance. This is a multi-faceted long-term strategy which has multiple objectives:</p> <ul style="list-style-type: none"> • The ESR should guide the development of eThekweni energy policies and where relevant set the framework for regulations in the energy sector. • The ESR should guide the selection of candidate technologies to meet energy demand (i.e. the pricing of technologies, the planning and fuel management) • The ESR should encourage green investment and development of energy infrastructure including decentralised energy generation such as mini-grids, energy storage, hydrogen economy and electric vehicles.
Energy Transition Policy (ETC)	A combination of ESR and EIRP.
Environmental Impact Assessment (EIA)	A process of evaluating the likely environmental impacts of a proposed project or development, considering inter-related socio-economic, cultural and human-health impacts, both beneficial and adverse.
Eskom	A systems operator responsible for generation, transmission and distribution of electricity in South Africa.
eThekweni Electricity Unit	The licensed electricity distributor of the eThekweni Municipality, on the east coast of South Africa. The offtaker of electricity generated by IPPs within the context of Energy Transition Policy.
eThekweni Energy Office	The custodian of the energy sector policy development and procurer of new generation capacity in respect to MIPPP.
eThekweni Integrated Resource Plan (EIRP)	A long-term plan that provides direction on how eThekweni can best meet future demand for power. It shapes how we will provide low-cost, reliable, clean energy, support environmental stewardship, a modernised energy system and foster economic development.
eThekweni Metropolitan Municipality (EMM)	The eThekweni Metropolitan Municipality is a government authority which oversees major services including but not limited to Electricity, Water and Sanitation, Cleaning and Solid Waste across a population of approximately 3.8 million people, making it one of the biggest cities on the coast of the African continent. It is located on the East coast of South Africa and includes the city of Durban as a major urban hub.
Equity	An expansion for the inclusion and participation of individuals coming from disadvantaged or vulnerable communities.
Final Close	The point at which the project receives all its funding for the construction and operation phase, typically consisting of debt and equity finance.
Final Investment Decision	The point in the capital project planning process when the decision to make major financial commitments is taken. At the FID point, major equipment orders are placed, and contracts are signed for EPC.

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Defined Term	Meaning
Flexible Generation	Sources that can adapt easily and relatively quickly to changes in demand. Flexible generators can ramp up or ramp down as needed. And importantly, they can do it quickly.
Greenhouse Gas (GHG) emissions	Compound gases that trap heat or longwave radiation in the atmosphere. It can be generated by industry, transport and power plants.
Hybrid	The combination of multiple generation and/or energy storage systems into a single system.
Independent Power Producers (IPPs)	An independent power producer, being any Project Company that enters into a PPA to sell electricity generated by it or on its behalf, to the Power Buyer in terms of a PPA.
Integrated Development Plan (IDP)	In terms of South Africa's Municipal Systems Act, an IDP is defined as a strategic planning instrument that guides and informs all municipal planning and development in the City. It is a five-year plan that consists of a long-term vision and details the development priorities and objectives that contribute toward achieving this vision. These are implemented through allocation of budget, a process that must be linked with the IDP.
Integrated Resource Plan (IRP)	The Integrated Resource Plan issued by the Minister under Notice No. 42784 dated 18 October 2019 in Government Gazette 1360, pursuant to the Electricity Regulation Act.
Job Creation	The creation of sustainable Jobs to assist members of the local population in securing sustainable employment. It should be noted that this would include both temporary and permanent employment opportunities that are created directly from a project.
KwaZulu Natal Province	The Province on the east coast of South Africa. The second biggest economy of South Africa, providing 16.2% to the GDP.
Local Content	The portion of the price or component price that is not included in the Imported Content, provided that local manufacturing takes place.
Mid-Merit Generator	The Energy Output produced by generating units that load follow and provide most or all of their Energy Output at times when energy demand increases and which either turn off or cycle to a low minimum run level at other times so they can match the diurnal demand patterns.
Ministerial Determination	Means Section 34 of Electricity Regulation Act (No 4 of 2006).
MFMA	The Municipal Finance Management Act (No 56 of 2003).
Municipal Independent Power Producer Programme (MIPPP)	Promote the procurement and generation of least-cost, reliable electricity for the Municipality, secure a diversified energy supply from IPPs, standardize and facilitate the efficient procurement of energy services, and enhances development of local content that contributes to job creation, social upliftment, and broadening economic ownership in the electricity generation sector.
Nameplate Capacity	The maximum rated output of different power plant. Normally is expressed in (kVA).
National Development Plan (NDP)	A blueprint document that outline how the country can eliminate poverty and reduce inequality by the year 2030.
National Energy Regulator of South Africa (NERSA)	The National Energy Regulator of South Africa, established pursuant to Section 3 of the National Energy Regulator Act No. 40 of 2004.
New Generation Capacity	Has the same meaning as set out in section 1 of the Electricity Regulations on New Generation Capacity published in terms of the

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Defined Term	Meaning
	Electricity Regulation Act (No. 4 of 2006) in Government Notice R399 in <i>Government Gazette</i> 34262 of 4 May 2011, as amended.
Original Equipment Manufacturers (OEM)	A company whose goods are used as components in the products of another company, which then sells the finished item to users.
Participant	Any entity or consortium that submits an RFI Response in response to this Document, this includes but is not limited to meeting RFI requirements.
Peaking Generator	The Energy Output produced by generating units that load follow and provide most or all of their Energy Output at times when of high energy demand and turn off at other times.
Power Purchase Agreement (PPA)	The power purchase agreement entered into between the Procurer, Offtaker and the IPP on or before Commercial Close.
Public Private Partnership (PPP) Regulations	Means Section 120 of Municipal Finance Management Act (No 56 of 2003).
Procurement	The process of sourcing and purchasing goods and services from an external source, like a third-party vendor or supplier.
Provincial Growth and Development Strategy (PGDS)	The Provincial Growth and Development Strategy seeks to recognize the economic, social and environmental benefits are not evenly distributed in society.
Recycling	The process of recovery and reprocessing of waste materials for use in new products.
Renewable Energy (RE)	Energy that has been derived from earth's natural resources that are not finite or exhaustible, such as wind and sunlight.
Request for Information (RFI)	This explanation and request for information document for the New Generation Capacity under Municipal Independent Power Purchase Programme.
RFI Response	The completed Response Form, together with all necessary supporting documentation and the letter referred to in paragraph 5.6 (<i>Signing of the RFI Response</i>).
Request for Proposal (RFP)	The request for qualification and proposals to be issued in respect of the Municipal Independent Power Purchase Programme (MIPPP) in due course.
Substation	An infrastructure in which high voltage electricity from power plant is converted to lower voltage electricity for household or factories consumption.
Tariff	The method of trading and charging consumers for consuming electric power, usually in ZAR/kWh.
Transmission System	The national transmission system consisting of all lines and substation equipment which operate at a nominal voltage of above 132 (one hundred and thirty-two) kV.
Variable Renewable Energy (VRE)	Sources that can only produce electricity when weather conditions are right (i.e., when the wind is blowing, or the sun is shining).

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3. General Background

- 3.1 The National Development Plan (NDP) identifies the need for South Africa to invest in a strong network of economic infrastructure designed to support the country's medium and long-term economic and social objectives. Energy infrastructure is a critical component that underpins economic activity and growth across the country; it needs to be robust and extensive enough to meet industrial, commercial and household needs. The NDP envisages that, by 2030, South Africa will have an energy sector that provides reliable and efficient energy service at competitive rates, is socially equitable through expanded access to energy at affordable tariffs, and environmentally sustainable through reduced pollution.
- 3.2 The President of South Africa announced in the 2020 State of the National Address (SONA), where he *inter alia* said “we are taking the following measures to rapidly and significantly increase generation capacity outside of Eskom...We will also put in place measures to enable municipalities in good financial standing to procure their own power from Independent Power Producers (IPPs)”.
- 3.3 On October 16th, 2020, the Minister of Mineral Resources and Energy published amendments to the Electricity Regulation on New Generation Capacity (2011) of the Electricity Regulation Act (No 4 of 2006) that authorizes a municipality to apply to the Minister to procure or buy new generation capacity in accordance with the National Integrated Resource Plan. Provided that the municipality is in good financial standing and the application is aligned with its Integrated Development Plan (IDP).
- 3.4 The amendments authorise a municipality, for the first time in South Africa, to procure power directly from Independent Power Producers (IPPs) and generate power at scale, in accordance with the National Integrated Resources Plan and subject to a feasibility study and compliance with provision of the Municipal Finance Management Act (No 53 of 2003) and the Municipal Public Partnership Regulations.
- 3.5 The KwaZulu Natal (KZN) Provincial Growth and Development Strategy (PGDS/P), strategic objective (5.2) outlines the importance of expanding the application of green technologies to ensure significant reduction of greenhouse gas (GHG) emissions within the KZN Province. This strategic objective relates to a sustainable economy which can be supported through green investment in education, renewable energy industry, skills development, research and development, and innovation.
- 3.6 In 2015, the Council of eThekweni Metropolitan Municipality (EMM) adopted the Durban Climate Change Strategy (DCCS), which was followed by another adoption of Climate Action Plan (CAP) in September 2020. The key strategic areas focused on building sustainable energy sector in Durban, where a significant proportion of Durban's energy needs are supplied by renewable

energy sources, and all sectors have access to safe and affordable electricity. The mid-term and long-term strategic objectives are that, by 2030, eThekweni achieves 40% of its electricity derived from low carbon technologies and 100% by 2050.

- 3.7 On the 13th of November 2020, the eThekweni Council approved the Draft Energy Strategic Roadmap and the eThekweni Integrated Resource Plan to be published for public comments for a period of 30 days or longer. This was informed by Section 195 (1) (e) of the Constitution of the Republic of South Africa Act (No 108 of 1996) and Section 17 of Municipal System Act (No 32 of 2000). All residents and businesses of the eThekweni Metropolitan Municipality were invited to submit their comments.
- 3.8 On the 29th of June 2021, eThekweni Council adopted the Energy Transition Policy (“**ETP**”), which comprises the Energy Strategic Roadmap (“**ESR**”) and eThekweni Integrated Resource Plan (“**EIRP**”). The policy aims to create a resilient, integrated municipal energy system with a diversified energy generation mix to provide least-cost, reliable energy for our residents and businesses over the next 30 years.

Key policy pillars include but not limited to the following:

- 3.8.1 Guide eThekweni’s choice of energy generation to maximize the Municipality’s ability to provide least-cost, reliable electricity to all our citizens and businesses;
- 3.8.2 Stimulate economic diversification and job creation aspects, and meet the key strategic objectives for 2030 and 2050;
- 3.8.3 Provide direction on how eThekweni can best meet the future demand for power in the changing energy landscape; and
- 3.8.4 Create an enabling environment for the regulation and execution of financially viable power generation infrastructure projects.
- 3.9 The MIPPP will be implemented in phases as outlined in the Energy Transition Policy (ETP) under generation capacity build out programme. The short-term target calls for new generation capacity to reach commercial operation in **1 July 2025** or earlier. The medium-term target calls for new generation capacity to reach commercial operation in **1 July 2030** or earlier and while the long-term target aims for 1 July 2050 commercial operation.
- 3.10 The ETP indicates that in order to meet short-term and medium-term target, the EMM should begin implementing the generation capacity build out programme which calls for a diverse mix of new generation capacity from IPPs. The EMM intends to launch a Municipal Independent Power Producer Programme (MIPPP) to reduce reliance on the national grid and restore energy security in the EMM area.

3.11 The EMM recognizes that product offering in the competitive power market continue to evolve and increase, particularly in the area of renewable energy and flexible generation. Our understanding is that IPPs regardless of their generation source are likely to provide competitive rates to the EMM, which will translate to the citizens and business enjoying lower cost of electricity.

3.12 Therefore, the purpose of this RFI process is to:

- Gather information that will support investigation and preparation of procurement by the EMM and identify opportunities in the market for alternative power generation capacity within the eThekweni region;
- Understand each development opportunity's indicative business model, the structure of the organization and contribution to EMM's sustainable development;
- Inform the market about EMM's requirements and objectives to meet 2025, 2030, and 2050 targets;
- Guide the nature of information to be considered and represented in the RFI submissions; and
- Provide a clear RFI process and its indicative timelines.

3.13 The objectives of the MIPPP is to:

- Procure a new generation capacity of **400MW** in order to mitigate the impact of loadshedding to EMM's economy;
- Provide the EMM with a safe, flexible, dispatchable and reliable supply from appropriate energy portfolio mix of generation sources;
- Allow the EMM to increase high penetration of new generation capacity and other low carbon technologies over time to meet current and growing electricity demand and;
- Inform EMM's sensitive budgetary constraints, both in terms of overall cost and in terms of predictability of cost.

3.14 The MIPPP provides direction for the implementation of the generation capacity build out programme as outlined in the Energy Transition Policy. The participant is expected to mention the anticipated types of power generation regime (whether this is Baseload, Peaking, or Mid-Merit Generators) and its preferred mode of operation (whether the plant is dispatchable or hybrid dispatchable).

3.15 The EMM is seeking the input of experienced and knowledgeable energy service providers to assist envision, formulate, and assess opportunities to achieve municipal commitments and future low carbon development goals. This Document is strictly an inquiry. No contract or agreement will be entered into as a result of this process. However, the information contained in the RFI responses will help the EMM advance its energy supply planning efforts, which may result in the launch of a formal procurement.

4. Process and Timelines

4.1 Process

Through this RFI, EMM is conducting an implementation process for generation capacity build out programme also known as MIPPP. This RFI is the first phase of the process. From this RFI process, those proposals that present an interesting opportunity and which meet EMM's requirements as outlined in section 5 below, may be shortlisted for further exploration. Shortlisted opportunities will be invited for further engagement.

Note: An engagement does not constitute award of contract nor does it mean agreement to enter into Public Private Partnership (PPP) or Power Purchase Agreement (PPA)

4.2 RFI Point of Contact

The point of contact for RFI queries is:

Point of Contact	Telephone	Email
Sbu Ntshalintshali	(031) 322 2634	Sbu.Ntshalintshali@durban.gov.za

4.3 Timelines

The key dates, including RFI participants Deliverables, are outlined in the proposed schedule:

Deliverable	Date	Time
Release of the RFI	09 July 2021	Anytime
Deadline for submission of clarification questions	27 Aug 2021	4.00pm
Proposal submission deadline	10 Sept 2021	4.00pm

4.4 Late Proposals

Responses lodged after the deadline or in a manner that is contrary to that specified in this RFI are likely to not be considered. EMM reserves the right of absolute discretion in determining whether to consider a proposal submission under this RFI.

4.5 Non-Conforming Proposals

Proposals which are not directly or relevant to development and benefits of EMM will be considered non-conforming proposals. It is expected that non-conforming proposals must be clearly identified as such and must provide basis for consideration under this process notwithstanding the non-conformance. EMM reserves the right to accept or otherwise, non-conforming proposals at its absolute discretion.

4.6 Submission of Responses

It is expected that all responses be consolidated in accordance with the instructions provided in this section 4 and submitted via email to Priscilla.Moodley@durban.gov.za. Due to ongoing pandemic and lockdown regulations, it is recommended that RFI Documentation is submitted in electronic PDF or Microsoft Word (doc or docx) format.

4.7 Communication between EMM and RFI participants

RFI participants are encouraged to ask questions regarding this RFI process until the date specified in section 4.3 and via email to the EMM representative identified in section 4.2. EMM reserves the right to distribute all clarification questions and answers to all RFI participants prior to the closing date. EMM will not respond to any clarification questions after this deadline.

4.8 RFI participant Briefing

There will be no briefing between EMM and participants. All RFI participants are encouraged to send clarification questions to the RFI Contact in section 4.2. It is the responsibility of the participants to engage with Network Owners for clarification on grid integration.

4.9 Supplementary Information

EMM reserves the right to request additional information of the RFI participant prior to, and following, the closing date detailed above in section 4.3. Supplementary information should be provided electronically to the EMM representative given in section 4.2 and must meet specification outlined in this section.

5. Response Requirements

5.1 EMM requests any and all entities or organizations that may wish to submit a Bid Response in the future under a possible Municipal Independent Power Producer Programme to submit an RFI Response to the EMM in terms of this RFI. Submissions of an RFI Response is, however, not compulsory to participate in the future launch of Municipal Independent Power Producer Programme.

5.2 The RFI Response submitted to EMM should be as comprehensive as possible and include the information requested below for each proposed Project and any supporting documentation in respect thereof.

5.3 Project Details and Facility Information

5.3.1 Participants are required to provide as much detail as possible about their Project/s including the necessary commercial arrangements which have been put in place or still need to be put in place. Such information will assist the EMM in determining the readiness of the market for a possible design of Municipal Independent Power Producer Programme and may inform the preparation of a procurement process.

5.3.2 The Participants should provide a brief summary of the Proposal, including key information on the facility, costs and identification of the proposed structure (s) whether the Proposal is Power Purchase Agreement (PPA) or Public Private Partnership (PPP). Participants are required to highlight any significant, unique attributes of the facility relative to similarly satiated facilities in the energy sector.

5.3.3 The Participant is required to provide the following information about its Project and/or proposed Facility:

5.3.3.1 Name of the Participant or Organization;

5.3.3.2 Name of the Project

5.3.3.3 The name and contact details of the person appointed by the Participant as its representative in the event that the EMM representative wishes to engage on the Project.

5.4 Summary Description of the Project

The Participant is, in respect of the Municipal Independent Power Producer Programme, is required to provide the following details:

5.4.1 Overview of Participant experience and qualifications as it relates to the execution of the Proposal;

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- 5.4.2 Overview of the Project scope and background;
- 5.4.3 The nameplate capacity of the proposed Power Generation Facility;
- 5.4.4 The feedstock details or any other relevant fuel source;
- 5.4.5 The location of the preferred Municipal substation or substations for grid connection of the project;
- 5.4.6 The proposed connection voltage or voltages for the Power Generation;
- 5.4.7 The information regarding Commercial Operation Date (COD) for each project and the duration for reaching Final Investment Decision (FID);
- 5.4.8 The type of power plant and whether it will be Baseload Generators, Mid-merit Generators or Peaking Generators as well as the anticipated capacity factor or guaranteed availability on an annual basis. This includes an estimated number of starts and stops of the plant over a year and over the economic life of the Project if applicable;
- 5.4.9 Information on whether this is an existing Power Generation Facility or imported Power Generation Facility or new Power Generation Facility. In the event that the Power Generation Facility is existing or imported, details are required on the anticipated refurbishment or expansion (if any) to be undertaken of the existing or imported facility including a detailed project plan for such refurbishment as well as the duration of the plant outage if any, to perform the refurbishment or expansion;
- 5.4.10 Regulatory approvals required, an indication of which approvals have been obtained and in the case of any outstanding regulatory approvals, the timelines to obtain such approvals. Key risks to securing necessary future permits approvals. A clear Permitting Plan should be provided;
- 5.4.11 Provide details of the status of discussion or engagement or agreement with any potential Original Equipment Manufacturers (OEMs) of such power generation infrastructure. In addition, provide confirmation of timelines to finalize arrangements with potential suppliers of the power generation equipment;
- 5.4.12 In case of imported fuels or raw materials, a guaranteed supply agreement should align with proposed tenure of the PPA and will be sufficient to cover the requirements for the Power Generation Facility.
- 5.4.13 The proposed indicative PPA terms and conditions for a 3-year, 5-year, 10-year, 15-year, 20-year or 25-year PPA period;
- 5.4.14 In line with Power Purchase Agreement Terms and Conditions in 5.4.13 provide details on an indicative tariff. Details should include capacity charge (ZAR/MW) and energy charge

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(ZAR/MWh) and any other tariff structure that maybe applicable such as variable or fixed costs equivalent to the duration of the proposed PPA period. A detailed motivation for the tariff breakdown is needed or whether is “all-inclusive tariff”;

- 5.4.15 Discussion on any rezoning that may be required, including the schedule and process for rezoning;
- 5.4.16 The Participant to provide any additional information in respect of its Project which it may deem necessary to bring to the attention of the EMM.

Note: Proposed Power Generation Capacity should be constructed within the jurisdiction of eThekweni Metropolitan or few km outside but within the Province of KZN

5.5 Technical Perspectives of the Project

In respect of the Power Generation Facility, the Participant is required to provide the following information, as appropriate;

- 5.5.1 The anticipated time (in months) to reach commercial operation for the proposed Power Generation Facility following Final Investment Decision (FID) of the Project;
- 5.5.2 Provide site and location description including subsurface conditions for the site should be provided;
- 5.5.3 Indicate whether the identified electricity mode of operation is Dispatchable, Variable without storage or Self-dispatched;
- 5.5.4 Any anticipated use of existing infrastructure;
- 5.5.5 Information on whether the Power Generation Facility will connect to Municipal substation and Transmission System; **Note: Arrangements should be made with Network Owners (either eThekweni Electricity or Eskom).**
- 5.5.6 The location of the substation where the Participant intends to connect the Power Generation Facility. This includes discussion on interconnection, status of application, information on any studies and agreements, estimated cost and estimated schedule for completion of upgrades;
- 5.5.7 Provide the details of any interactions with the relevant Network Owner regarding the connection points for the Project as outlined in section 5.5.6;
- 5.5.8 The Participant should provide a monthly Production Guarantee to the EMM. This includes the forecasted annual energy generation;

- 5.5.9 The Participant should provide an Environmental Plan which includes a summary of all environmental diligence completed to date, identified concerns and the associated mitigation strategies;
- 5.5.10 The Participant may provide any additional technical information in respect of its Project which it may deem necessary to bring to the attention of the EMM.

5.6 Financial Mechanism of the Project

The Participant is required to provide a general background on the financing strategy for the overall Project, including as much detail as possible at this stage as to your planning with respect to:

- 5.6.1 The financing strategy of the proposed Power Generation Facility. The Participant is required to provide the status of financing whether funding has been confirmed or not;
- 5.6.2 Proposed debt/equity mix for the Project;
- 5.6.3 Anticipated identity of debt lenders to the Project (including commercial banks, export credit agencies, development finance institutions, South African lenders, offshore lenders). The Funding Plan should be provided.

5.7 Diversity, Equity, Inclusion, Jobs and Environmental Justice

The Participant is required to provide a general background on the Socio-Economic Integration for the overall Project, including stating the level of engagement with communities:

- 5.7.1 Discussion on the community stakeholder engagement plan and identified opportunities for nearby community;
- 5.7.2 A description of improving the historically and disadvantaged communities on the proposed site;
- 5.7.3 Participant should indicate whether the region is considered a distressed community and if the Project will be on tribal land;
- 5.7.4 Participant should indicate the job creation aspects. This includes determining gross versus net jobs and the sustainability of the jobs in the proposed Power Generation Facility;
- 5.7.5 It is expected that Participant will outline the role of women participation in the Project and ensure it is radically transformed.

5.8 Economic Impact of the Project

A Participant in this section is required to provide a description of the expected use of labour, materials and other resources from eThekwini businesses for the development, construction and operation of the Project. Additionally, provide a description of the expected benefits to be derived by the local industries (small emerging companies) and communities associated with the development, construction and operation of the Project.

5.9 Decommissioning, Recycling and Disposal Strategy of the Project

A Participant is required to provide a summary of the decommissioning, recycling and disposal strategy of waste and/or construction materials once the lifetime of the Facility has been reached. This should include stating the expected life cycle of the Project and identifying nearby landfill site/s for disposal. It is expected that the cost of decommissioning, recycling and disposal is to be borne by the Participant should the proposal become successful in the RFP process.

Note: Participants should engage with Landfill Owners regarding disposal of waste materials.

5.10 Additional Information

5.10.1 The Participant is required to provide a capability statement demonstrating the Participant's previous experience and references. Such capability statements shall identify the Project name, location, dates the work was performed, key milestone dates, partners in the project, approximate capital expenditure of the work performed and operational expenditure of the Project.

5.10.2 The Participant **will not** have to pay any monies in order to submit an RFI Response in accordance with this Document;

5.10.3 The Participant is encouraged to submit any additional information that it is of the view that would assist the EMM in the preparation of the procurement process of Municipal Independent Power Producer Programme.

6. Format and Submission of RFI Responses

6.1 **Submission of RFI Responses**

- 6.1.1 To facilitate the preparation of the RFI Response, Participants may access the following website where the RFI can be downloaded at www.durban.gov.za or shortcut from the link attached to RFI advert.
- 6.1.2 The RFI Response, must be submitted to the EMM during office hours and not later than the time and date specified in section 4.3, using this address Priscilla.Moodley@durban.gov.za
- 6.1.3 RFI Responses reaching EMM later than the cut-off time and date specified in section 4.3 of this RFI may, in the EMM's discretion, be rejected without further consideration;
- 6.1.4 RFI Responses may be submitted prior to the cut-off and date specified in section 4.3 of this Document, however only complete RFI Responses will receive attention from the EMM;
- 6.1.5 All costs incurred by a Participant in connection with this Document and the preparation of its RFI Response shall be borne by the Participant.

6.2 **Copies of the RFI Responses**

- 6.2.1 Each RFI Response is required to be submitted to the above email address by way of:
 - 6.2.1.1 1 (one) soft copy of the entire RFI Response, and all supporting documents must be included in one (1) file.
 - 6.2.1.2 It is expected that RFI Responses be properly indexed, are readable and capable of being opened.

6.3 **Format of the RFI Response**

- 6.3.1 The Participant is requested to complete the RFI Response and provide all requested information about the Project and address each and every item in section 5 of this Document (*Response Requirements*).
- 6.3.2 All pages should be numbered consecutively from the beginning to end and there should be a detailed index to the entire RFI Response.

6.4 Language of the RFI Response

- 6.4.1 The RFI Response and all supporting documentation forming part of it shall be in English.
- 6.4.2 Any printed literature submitted with RFI Response may be in another language so long as it is accompanied by an English translation (made by an accredited translator) of the entire document.
- 6.4.3 For the purpose of interpretation of the RFI Response, the English translation provided shall govern.
- 6.4.4 All correspondence and any other documentation and oral communication exchange between the Participant and the EMM shall be in English.

6.5 Signing of the RFI Response

The Participant shall be required to provide a signed letter confirming participation, accuracy and completeness of its RFI Response as per Annexure B attached in this Document.

7. Requests and Clarifications

The Participant may request clarification on any item contained in this RFI by no later than the date stipulated in section 4.3 of this Document. All queries and requests for clarification in respect of this RFI must be addressed to the RFI Contact in section 4.2 (Sbu.Ntshalintshali@durban.gov.za). E-mailed queries addressed to persons other than the RFI Contact, at the aforementioned address, will not be entertained and will not receive a response.

The EMM will endeavour in good faith to respond to all relevant and reasonable written queries and requests for clarification raised by the Participants.

Note: Participant may contact Network Owners specifically for information related to this RFI [e.g. substations and transmission]. This must be done before the deadline of this RFI.

Network Owners shall mean eThekwini Electricity and Eskom.

8. Anticipated Procurement Process

At the conclusion of this RFI, the EMM may decide to pre-qualify potential proposers that can supply a guaranteed and uninterrupted electricity supply. The potential Participants that can demonstrate the financial ability, qualifications and experience necessary to complete the Power Purchase Agreement (PPA) will be favourably considered for the next RFP.

The anticipated procurement process will be done under Request for Proposals (RFP). All entities with sound knowledge and experience would be invited to submit proposals (including those that did not submit RFIs). The outcome of this RFI will inform the RFP and subsequent award of PPA.

The anticipated timelines for RFP and COD:

Deliverable	Month and Year	Time
The release of RFP	Dec 2021	Anytime
Bidder's Conference	Jan 2022	10:00
Submission of clarification questions	Mar 2022	16:00
Deadline for RFP Bid submission	Apr 2022	16:00
Announcement of preferred Bids	Jul 2022	Anytime
Financial Close (4 months) after award	TBC	
Ministerial Determination and NERSA Concurrence	Ongoing	
Other Permitting Approvals such as EIAs	TBC	
Begin Construction	TBC	
Commercial Operation Date	1 July 2025	

Note: The schedule above may change subject to improvements on both internal and external processes. Other deliverables may be achieved sooner than specified above.

9. Confidentiality

EMM encourages RFI Participants to form partnerships with the intention of providing an optimised proposal, which may require sharing of information provided as part of the RFI process. RFI participants must ensure that their partnerships, potential partnerships, employees and subcontractors observe obligations of confidentiality.

This Document and any other relevant documents supplied by EMM in relation to this RFI remain EMM's property and should be treated as such. EMM reserve right to request the immediate return of all documents supplied and any other copies made of them at any time.

RFI Participants are to clearly mark all information submitted in its response as "Confidential" where such information is considered confidential by the RFI Participant. EMM will take all reasonable steps to ensure that information contained in the RFI Participants' response will only be made available to EMM staff members, professional advisers and contract staff engaged on the project that is the subject of this RFI. Any authorised third-party receiving information about this RFI is to be similarly constrained.

APPENDIX A – RFI COMPLUSLORY FORM

[SECTION A]: GENERAL INFORMATION	
Name of the Participant	
Name of the Project	
Name of the appointed person to represent Participant	
Contact Number of appointed contact person	
Email Address of appointed person	

[SECTION B]: EXECUTIVE SUMMARY OF THE PROJECT
Details:

[SECTION C]: POWER GENERATION TECHNICAL INFORMATION	
Type of generation source (e.g. Solar PV, Biomass or LNG etc)	
Project Site location and GPS coordinates	
Plant capacity (MW)	
Dispatchable or Hybrid Dispatchable or VRE (storage)	
Guaranteed annual capacity factor (%)	
Annual production (MWh)	
New substation or existing municipal substation	
Distance to proposed point of grid connection	
Provide details on connection voltage	
Indicative network capacity available	
Network upgrades required to connect the project	
Expected COD (target 1 July 2025)	
Feedstock supply arrangement on volume basis (kg or L)	
Minimum Hours of operation – Low season demand	
Maximum Hours of operation – Low season demand	
Minimum Hours of operation – High season demand	
Maximum Hours of operation – High season demand	
Planned annual shutdown duration (in days)	

This is a Request for Information (RFI) only. eThekweni Metropolitan Municipality (EMM) will not pay for information provided under this RFI. Participants are strongly advised NOT to include any information in their response that might be considered "business sensitive, proprietary, or otherwise".

REQUEST FOR INFORMATION: MUNICIPAL INDEPENDENT POWER PRODUCER PROGRAMME (MIPPP)

[SECTION D]: POWER PURCHASE AGREEMENT (PPA)		
Tariff for 3 Year PPA Contract	Capacity Charge (ZAR/MW)	Energy Charge (ZAR/MWh)
Tariff for 5 Year PPA Contract	Capacity Charge (ZAR/MW)	Energy Charge (ZAR/MWh)
Tariff for 10 Year PPA Contract	Capacity Charge (ZAR/MW)	Energy Charge (ZAR/MWh)
Tariff for 15 Year PPA Contract	Capacity Charge (ZAR/MW)	Energy Charge (ZAR/MWh)
Tariff for 20 Year PPA Contract	Capacity Charge (ZAR/MW)	Energy Charge (ZAR/MWh)
Tariff for 25 Year PPA Contract	Capacity Charge (ZAR/MW)	Energy Charge (ZAR/MWh)
Projected Year to Year escalation %		

[SECTION E]: STATUS QOU OF THE PROJECT (TICK STATUS AND PROVIDE SUPPORTING DOCUMENTS)	
1. Feasibility study complete	
2. Land secured	
3. Environmental Impact Assessment (EIA)	
4. All Permits (grid integration, SALA etc)	
5. Design and Costing complete	
6. Funding secured	

[SECTION F]: FINANCIAL MECHANISM	
Name Financial Lenders (if any)	
International or local funding	
Finance risks	
Applicable guarantees	
Financial model (please attach if available)	

[SECTION G]: ECONOMIC IMPACT	
Percent contribution to KZN GDP	
Local Content spend as percent of total cost (if any)	
Number of construction jobs that will be created	
Indicate the sustainability of the jobs	
Opportunity for local manufacture created by project	
Enterprise and supplier development opportunities	

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[SECTION H]: DECOMMISSIONING, RECYCLING AND DESPOSING

Planned decommissioning date	
Decommissioning cost of the project	
Rehabilitation cost of the project	
Percent of recyclable waste materials	
Disposing strategy of non-recyclable waste materials	
Amount of the non-recyclable waste materials (kg)	
Cost of disposing into the landfill	

[SECTION G]: ADDITIONAL INFORMATION TO ENABLE THE PROJECT

Details:

APPENDIX B – CONFIRMATION LETTER FOR PARTICIPATION

All Participants responding to this RFI must provide confirmation letter of participation: