

Department of Energy

CoGeneration IPP Procurement Programme

Bid Window 1A
Preferred Bidder Announcement
11 January 2016



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REPUBLIC OF SOUTH AFRICA



Background



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Introduction

MWs to be procured from Cogeneration

CoGen Determination

December 2012

800 MW

800 MW
to be procured from CoGen
projects



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Overview of procurement design process



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RFB in Brief

Part I: General Rules

- General Requirements
- Rules of the Programme
- Governing laws

Part II: Compliance & Functionality Criteria

Legal

- Confirmation of PPA Signatory
- Tax Clearance Requirements
- Declaration of Interests
- Form of bid

Technical

- IE report
- Size of the Project

Financial

- Price
- Salient Information
- Financial standing

Part III: Competitive & Comparative Evaluation Criteria

- Price
- Contributor Status Level:
Points awarded as per table below

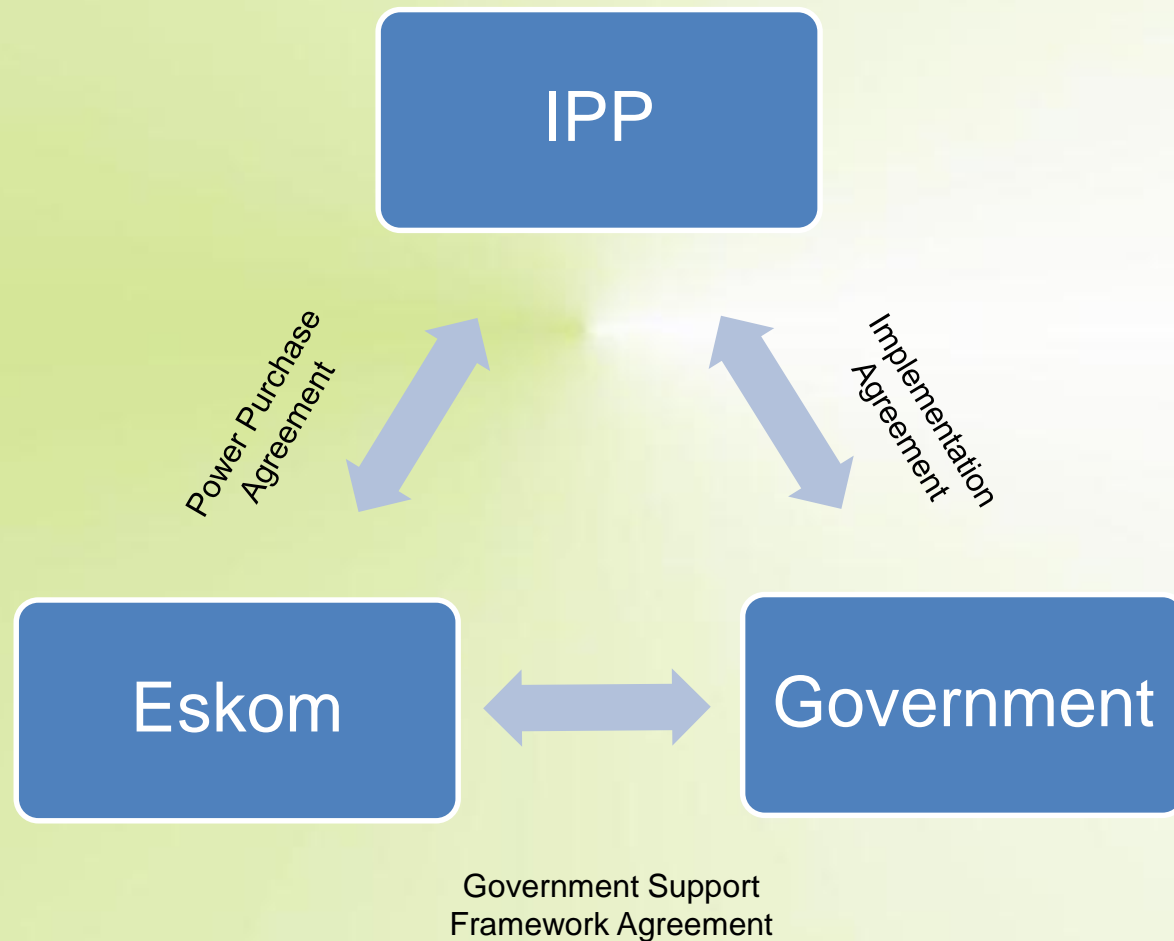
B-BBEE Scorecard / Sector Specific Scorecard level	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0



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Contractual Arrangement



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PART C EVALUATION



Price
90% Fully Indexed (to
CPI) Price –
Rand/MWh



Balanced
Scorecard
commitments

BEE
Scorecard
10%



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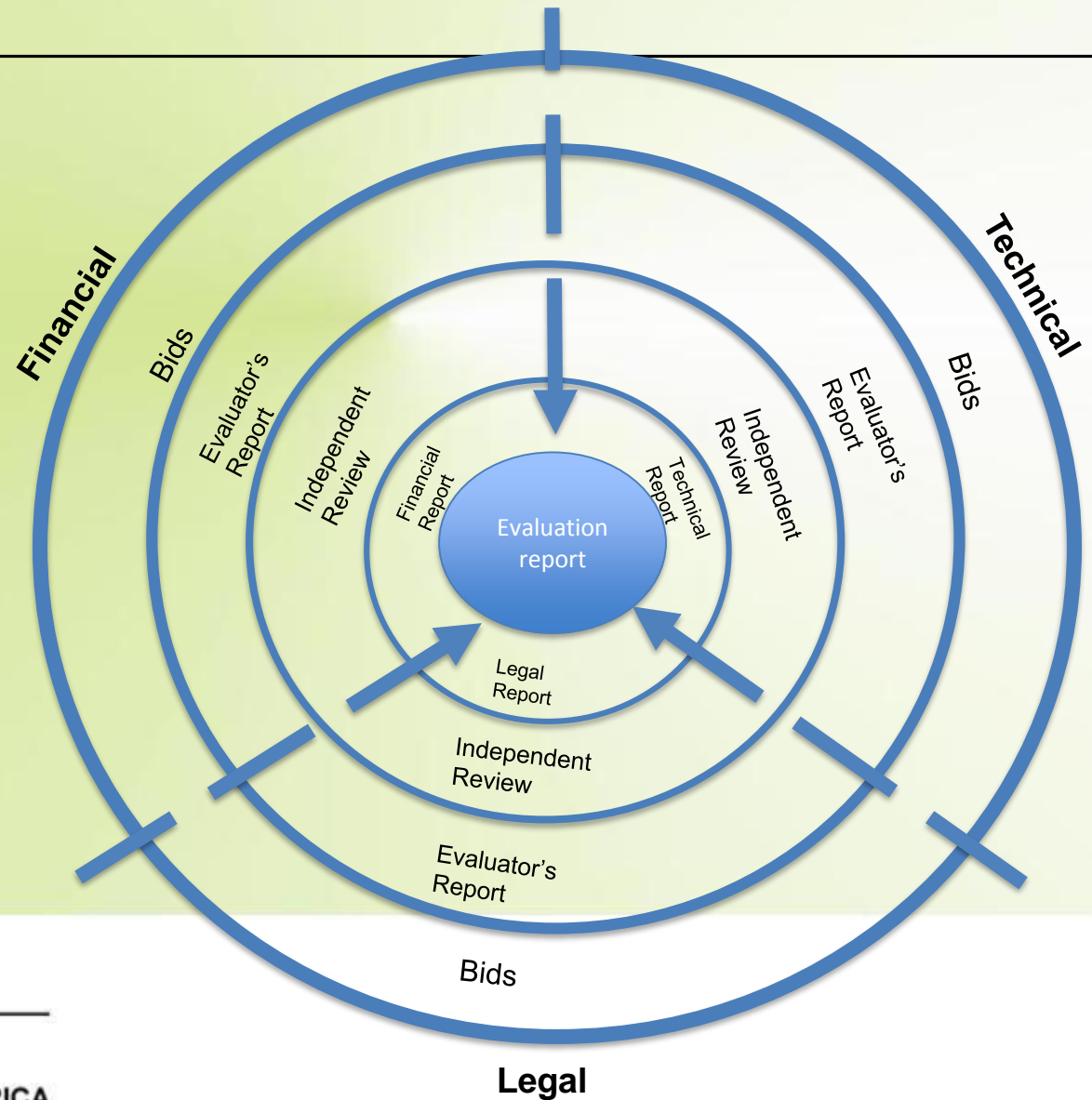
Overview of evaluation process



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Evaluation Approach



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Overview of Bid Window 1A



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Bids received



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Bids received

- Two bids were received for the first bid submission phase. One of the bids was disqualified.
- The preferred bidder was Tugela Energy Proprietary Limited located in KwaZulu-Natal
- The proposed technology is Combined Heat & Power
- The project will supply 11.18MW Contracted Capacity at a R1 per KWh agreed price/base rate
- The total project cost is calculated to be R77.3 million



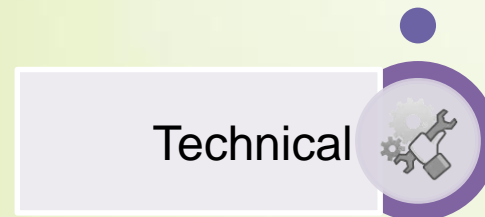
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Part II Qualification Criteria



Part II Qualification criteria



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Part II – Compliant Bid

Technology	CGIPPID Reference Number	Name of Project
Combined Heat & Power	CG_CH_009_001	Tugela Energy Proprietary Limited



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Part III Evaluation

Price



**Part III Evaluation
criteria**



Contributor
Status Level



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Part III - Process

- Part III is required for technologies where the aggregate capacity of compliant Bids exceed available capacity to allocate.
- Scoring and ranking are based on 90% Price and 10% Contributor Status Level.
- In the instance of under subscription or insufficient Compliant Bids, in a particular Technology and PPA Term all the Bidders that have submitted Compliant Bids may be appointed as Preferred Bidders by the Department and will not be required to undergo a comparative evaluation of the Compliant Bids as provided for in Part III of the RFB.
- No Part III were conducted for Cogeneration Bid Submission Phase 1A



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Price Cap per Technology

Description	Waste to Energy	Combined Heat & Power	Industrial Biomass
Price / Base Rate per KWh	R 0.90	R 1.00	R 1.20
Peak Rate per KWh	R 1.18	R 1.31	R 1.57
Off Peak Rate per KWh	R 0.44	R 0.49	R 0.58



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Recommendations



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Recommended Preferred Bidder

Combined Heat & Power

Bid ID	Project Name	Contracted Capacity (MW)	Contracted Capacity Under Determination	Contracted Capacity Available Under RFB
CG_CH_009_001	Tugela Energy Proprietary Limited	11.18MW	800MW	788.82MW

Determination for CoGen of 800MW as approved in December 2012



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Mapping the Project



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