

# TENDER NO: DMRE/015/2023/24

The Republic of South Africa

Department of Mineral Resources and Energy

## OVERVIEW OF THE REQUEST FOR PROPOSALS FOR NEW GENERATION CAPACITY UNDER THE FIRST BID SUBMISSION PHASE OF THE GAS IPP PROCUREMENT PROGRAMME (GASIPPPP)



mineral resources  
& energy

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Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA

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## RFP OVERVIEW

### 1. Disclaimer

- 1.1 While all reasonable care has been taken in preparing the Request for Proposals for the First Bid Submission Phase of the Gas IPP Procurement Programme ("**RFP**") and this document, the information contained in the RFP and this document 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 ("**the Department**") or any other organ of state of the Republic of South Africa, 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 or opinions stated herein.
- 1.2 This high-level overview of the RFP is provided solely for information purposes and is not intended to form any part or basis of any investment decisions by a Bidder, its Members or its Lenders, including any decision to participate in the Gas IPP Procurement Programme ("**Gas IPPPP**"). Each person to whom the RFP and this document is made available must conduct their own independent assessment of whether or not they wish to participate in the Gas IPPPP. Furthermore, this document does not replace the RFP. Each person must acquaint themselves with the RFP for the Gas IPPPP as well as the functionality and evaluation criteria requirements contained therein.
- 1.3 Terms used as defined, which are not defined in this document are accorded the meaning in the RFP.

### 2. Overview of the Gas IPPPP

- 2.1 The Minister of Mineral Resources and Energy ("**the Minister**") has issued a determination in terms of section 34 of the Electricity Regulation Act No. 4 of 2006 ("**ERA**"), that new generation capacity is required to ensure the continued uninterrupted supply of electricity. In terms of the determination, approximately 3000 (three thousand) megawatts ("**MW**") of new generation capacity from gas fired power generation Facilities should be procured to ensure energy security.
- 2.2 The Gas IPPPP has been identified by the Department as the appropriate programme to procure the new generation capacity designated in the determination made by the Minister.

- 2.3 The Gas IPPPP has been designed to procure the target of 2000 (two thousand) MWs of new generation capacity (including Capacity, Ancillary Services and Energy Output) to be derived from land-based gas fired power generation Facilities, located anywhere within the borders of the Republic of South Africa, developed by the Sellers. The Sellers will enter into PPAs with Eskom to provide new generation capacity in compliance with the Performance Requirements.
- 2.4 The remaining 1000 MW has been reserved for a separate procurement process which will be undertaken for the establishment of new generation capacity by one or more Facilities to be located in the area known as Zone 13, in the Coega Special Economic Zone, near the Port of Ngqura.
- 2.5 In responding to the RFP, Bidders will be required to establish a greenfield Facility. Bidders may construct a completely new Facility alongside an existing facility on the same or conjoining piece of land as that of the existing facility. The new Facility may share infrastructure with the existing facility, provided that the new Facility has unconditional, irrevocable rights (and to the extent possible, real rights) in the shared infrastructure.
- 2.6 Bidders who wish to use brownfield sites for the location of their Facility must ensure that the existing equipment and machinery used for the generation of electricity on the proposed Project Sites are completely decommissioned and that a new Facility is built on the existing site in order to participate in this Gas IPPPP. For the avoidance of doubt, infrastructure such as roads, pipelines, rail sidings, buildings and storage facilities may be retained and need not be demolished and rebuilt.
- 2.7 Bidders wishing to submit Facilities located within the borders of the City of uMhlatuze for participation in this Gas IPPPP are required to secure their Fuel through the Port Authority natural gas terminal.
- 2.8 The Department will limit the amount of MW to be awarded to Facilities located within the borders of the City of uMhlatuze to a maximum of 1000 MW. Notwithstanding the foregoing, the Department may in its sole discretion, procure additional MW, in excess of this 1000 MW limit, from Facilities located within the borders of the City of uMhlatuze if the overall Compliant Bids submitted in respect of Facilities that are outside the borders of the City of uMhlatuze do not take up the remaining 1000 MW.

### 3. Purpose of the RFP

- 3.1 The RFP constitutes the formal invitation to Bidders to submit their detailed Bid Responses in respect of the supply, from new Facilities, of Capacity, Energy Output and Ancillary Services to the Buyer, generated from thermal power generation Facilities utilising natural gas.
- 3.2 The RFP amongst others:
- 3.2.1 sets out the rules of participation in the Gas IPPPP;
- 3.2.2 provides information about the Gas IPPPP to enable Bidders to prepare comprehensive and competitive Bid Responses pursuant to the Gas IPPPP and in respect of their Projects; and
- 3.2.3 provides guidance to Bidders in preparation of their Bid Responses.
- 3.3 The RFP enables the Department to consider those Bid Responses submitted by Bidders that:
- 3.3.1 are technically, financially and legally qualified to develop and execute the Project and meet the criteria described in Part B (*Functionality Requirements*) of the RFP;
- 3.3.2 have sufficient experience, commitment and resources to meet the criteria in Part B (*Functionality Requirements*) of the RFP;
- 3.3.3 fulfil the comparative and competitive Evaluation Criteria and requirements as detailed in Part C (*Evaluation Criteria Requirements*) of the RFP; and
- 3.3.4 are able to execute their Project and provide the new generation capacity, Energy Output and Ancillary Services as envisaged by the Department.
- 3.4 The RFP further enables the Department to select Preferred Bidders.
- 3.5 The RFP does not constitute an offer to enter into a contractual relationship with any Bidder, it 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.

- 3.6 Each Bidder, in submitting a Bid Response, is deemed to do so on the basis that it accepts and acknowledges the terms of the RFP.

#### 4. Structure of the RFP

The structure of the RFP is as follows:

- 4.1 **Part A (General Requirements, Rules and Provisions)** provides general information to Bidders and includes, *inter alia*, a glossary of defined terms used in the RFP, the Gas IPPPP objectives, scope and structure, key features of the Gas IPPPP, the terms and conditions of bidding and an explanation of and background to the procurement process;
- 4.2 **Part B (Functionality Requirements)** details the Functionality Criteria that must be met by a Bidder in order for its 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 contemplated in clause 10 (*Compliant Bids and appointment as Preferred Bidder*) of Part A (*General Requirements, Rules and Provisions*) of the RFP. It also provides the following Volumes which detail, amongst others, the required format of the Bid Responses:
- 4.2.1 **Volume 1 (Legal Notices, Government Policies and Background Documents)** contains key legal notices, approvals and other documents that may be useful to Bidders for purposes of deciding whether to participate in the Gas IPPPP and preparing a Bid Response;
- 4.2.2 **Volume 2 (Legal Functionality Requirements) Part 1 (Legal Functionality Criteria)** sets out the legal functionality criteria pertaining to the structure of the Project, legal matters, land acquisition and land use, environmental consents as well as criteria applicable to the required independent external opinions;
- 4.2.3 **Volume 2 (Legal Functionality Requirements) 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. Bidders are required to populate all applicable aspects of the returnable schedules and/or template forms provided in Volume 2 (*Legal Functionality Requirements*) Part 2 (*Form of Bid and Returnable Schedules*) and should not deviate from the form provided in the RFP or on the Gas 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;

- 4.2.4 **Volume 2 (Legal Functionality Requirements) Part 3 (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 and an Independent Engineer Agreement;
- 4.2.5 **Volume 2 (Legal Functionality Requirements) Part 4 (Connection 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, a Transmission Agreement, Distribution Agreement and Self-Build Agreement and a Connection Direct Agreement;
- 4.2.6 **Volume 2 (Legal Functionality Requirements) Part 5 (Preferred Bidder Documents)** contains copies of the PB PD Undertaking and Form of Preferred Bidder Guarantee, to be submitted to the Department by each Preferred Bidder, for the purpose of developing a Project under the Gas IPPPP;
- 4.2.7 **Volume 2 (Legal Functionality Requirements) Part 6 (Decommissioning Documents)** contains copies of the Form of Decommissioning Cost Bank Guarantee and Form of Rehabilitation Trust Deed, to be submitted by each Bidder in respect of decommissioning of the Facility and rehabilitating and closing of the Project Site;
- 4.2.8 **Volume 3 (Technical Functionality Requirements) Part 1 (Technical Functionality Criteria)** contains the technical functionality criteria;
- 4.2.9 **Volume 3 (Technical Functionality Requirements) Part 2 (Technical Appendices)** contains the technical forms, letter of confirmation as well as the technical data and schedules in respect of the Technical Criteria. The returnable appendices in Volume 3 (*Technical Functionality Requirements*) are templates that the Bidders are required to complete when responding to the RFP;
- 4.2.10 **Volume 4 (Financial Functionality Requirements) Part 1 (Financial Functionality Criteria)** contains the financial functionality criteria;

- 4.2.11 **Volume 4 (Financial Functionality Requirements) Part 2 (Financial Appendices)** contains the appendices in respect of the financial criteria, including Appendix JB (*Evaluation Price Inputs*) which requires information in respect of a number of aspects of the Bid Response to be inputted into a single returnable schedule. The appendices in Volume 4 (*Financial Functionality Requirements*) are templates that Bidders are required to use when responding to the RFP and requirements that the Bidder's Financial Model should comply with. The 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; and
- 4.2.12 **Volume 5 (PPA and IA Tables)** provides information that the Bidders need to make available for the PPA and IA Tables and other information that the PPA and the IA require to be provided by the Bidders for purposes of the PPA and IA schedules;
- 4.3 **Part C (Evaluation Criteria Requirements)** details the evaluation procedure and the Evaluation Criteria to be applied by the Department, if a Part C (*Evaluation Criteria Requirements*) evaluation is necessary, in evaluating and comparing Compliant Bids in respect of each Compliant Bid. The purpose of the Part C (*Evaluation Criteria Requirements*) evaluation is to determine the relative rankings of Compliant Bids for purposes of selection of Preferred Bidders and contains the following Volumes:
- 4.3.1 **Volume 1 (Economic Development Functionality Requirements) Part 1 (Economic Development Information and Returnable Schedules)** contains the Department's objectives and requirements in relation to Economic Development and provides general instructions to Bidders which Economic Development Commitments in order to achieve eligibility to score preference points for specific Economic Development Elements; and
- 4.3.2 **Volume 1 (Economic Development Functionality Requirements) Part 2 (Economic Development Support Information)** contains details of the

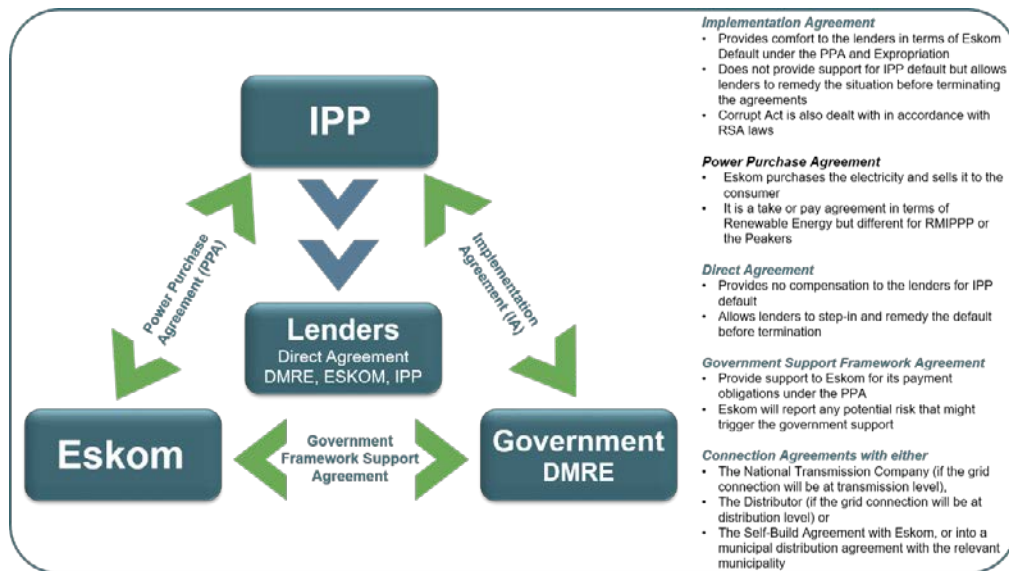


documentary proof required to be included in the Bid Response, for purposes of supporting Bidders' Economic Development Commitments.

5. Part A of the RFP

5.1 Contractual Agreements

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



5.2 Commercial Close and the Commercial Operation Date

5.2.1 Projects submitted for purposes of the Gas IPPPP must be capable of achieving the Commercial Operation Date within a period of 36 (thirty-six) months after Commercial Close. Therefore, the Scheduled Commercial Operation Date projected by a Bidder in its Bid Response must be within a period of 36 (thirty-six) months after Commercial Close and must be based on an estimated date for Commercial Close.

5.2.2 A Bidder's Scheduled Commercial Operation Date must be calculated taking into account its 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 36 (thirty-six) month period between Commercial Close and the Scheduled Commercial Operation Date).

### 5.3 **Electricity Prices and Tariffs**

5.3.1 The ERA 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 ERA.

5.3.2 The Evaluation 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 Gas IPPPP.

5.3.3 Bidders are required to provide an Evaluation Price that will be payable by the Buyer in accordance with the PPA to be entered into between the Buyer and the Project Company of a Preferred Bidder.

5.3.4 Bidders are required to provide an Evaluation Price for the Project expressed at the Base Date. The Evaluation Price must be expressed in R/MWh and must be calculated using the template provided in Appendix JB 8 (*Evaluation Price Output*), Appendix JB 8A (*Evaluation Price calculation template at 65% Load Factor*) and Appendix JB 8B (*Evaluation Price calculation template at 40% Load Factor*) of the RFP which is based on the formulae as set out in clause.2.7 (*Methodology to calculate the Evaluation Price*) of Part 1 (*Financial Functionality Criteria*) of Volume 4 (*Financial Functionality Requirements*) of Part B (*Functionality Requirements*) of the RFP. Furthermore, the Evaluation Price must include the Bidders' cost for grid connection of the Facility to the System and the impact of Carbon Tax as applicable the cost of which must be separately shown in the Financial Model.

### 5.4 **Decommissioning, Rehabilitation and Closure (including Post-Closure) Requirements**

5.4.1 Bidders and, once the PPA and IA have been signed, the 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 the Project 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.

5.4.2 Bidders must include such Decommissioning Costs in their Financial Model. The Decommissioning Costs may be built up over time, in incremental amounts each year. The Financial Model should show the annual increase in both the Decommissioning Costs and the corresponding build-up in the resources provided by the Decommissioning Reserves.

5.4.3 Preferred Bidders must by no later than Commercial Close, establish a Rehabilitation Trust Deed or a combination of a Rehabilitation Trust Deed and an on-demand guarantee in favour of the Department in the form provided, sufficient to cover the Decommissioning Costs.

## 5.5 **Economic Development**

5.5.1 The Department has not been granted a PPPFA Exemption in relation to Economic Development to enable the Department to structure Economic Development as a component of the Functionality Criteria.

5.5.2 For purposes of Part C (*Evaluation Criteria Requirements*) Bid Responses will be scored out of 100 (one hundred) points, of which a maximum of 10 (ten) points can be scored in respect of the Bidders' level of Economic Development Commitments. The Department's requirements regarding Economic Development as a component of evaluation criteria are set out in Part C (*Evaluation Criteria Requirements*) of the RFP and are provided for under the broad categories below:

5.5.2.1 **Job Creation**, which places emphasis on jobs for Citizens, Black People (including Black Women and Black Youth) and Citizens from Local Communities;

5.5.2.2 **Local Content**, which requires a certain percentage of the total value of the Project be spent on South African goods and services;

5.5.2.3 **Ownership**, which requires ownership by Black People (including Black Women), and Local Communities, in the Project Company, and ownership by Black People (including Black Women) in the Material Contractors responsible for Construction and Operations;

- 5.5.2.4 **Management Control**, which focuses on the involvement of Black People (in particular Black Women) in Board Directorship, Executive Management, and Senior Management;
- 5.5.2.5 **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;
- 5.5.2.6 **Enterprise and Supplier Development**, which focuses on the development of emerging enterprises and those in the Supply Chain of the Project Company and the Material Contractors; and on procuring from B-BBEE compliant entities, Black Owned and Black Women Owned Suppliers and QSEs and EMEs; and
- 5.5.2.7 **Socio-Economic Development**, which attempts to address socio-economic needs including those of Local Communities.

5.5.3 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 functionality criteria for Project-related activities.

5.5.4 Each Preferred Bidder's Economic Development Commitments will be incorporated into the IA concluded by the Project Company with the Department.

## 5.6 **Value for Money**

5.6.1 Regulation 9 of the New Gen Regulations provides that the Buyer cannot enter into a PPA unless that PPA presents "value for money". The term "value for money" in the New Gen Regulations 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".

5.6.2 The value for money requirement involves an assessment of a number of issues and considerations. As part of this assessment the Department 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.

## 5.7 Legal Personality of Bidder and its Members and Changes

- 5.7.1 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 such Member will hold its ownership interest in the Project Company through an intermediary entity which is still to be incorporated, such intermediary entity.
- 5.7.2 Each Seller pursuant to their respective PPAs will be required to be a Project Company that has the sole purpose, object and business of undertaking the Bidder's Project, including entering into and fulfilling the purposes of the PPA, the Implementation Agreement, the Direct Agreement, the Independent Engineer Agreement and the Connection Agreements.
- 5.7.3 Preferred Bidder shall be required to provide the Department with certified copies of the Constitutional Documents of its Project Company, following the establishment and incorporation of its Project Company.

## 6. Part B Functionality Requirements

- 6.1 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 Gas IPPP as well as the rules in respect of:
- 6.1.1 the Functionality Requirements to be complied with by the Bidders in order for their Bid Responses to be evaluated as Compliant Bids; and
- 6.1.2 the adjudication and evaluation by the Department of the Bid Responses.
- 6.2 In the first instance, a Bid Response will not be accepted at Bid Submission if the following is not complied with:
- 6.2.1 confirmation that the has provided the Department with a Bid Guarantee in accordance with clause 24.1 (*Bid Guarantee*) of Part A (*General Requirements, Rules and Provisions*) of the RFP; and
- 6.2.2 a working Financial Model that meets the requirements as set out in Part B (*Functionality Requirements*) of the RFP.

6.3 The Functionality Requirements are divided into the following umbrella categories under Part B (*Functionality Requirements*) of the RFP:

6.3.1 **Legal Functionality Requirements**

6.3.1.1 Structure of the Project;

6.3.1.2 Legal Functionality Criteria and Evaluation;

6.3.1.3 Land Acquisition and Land Use Functionality Criteria and Evaluation;

6.3.1.4 Environmental Consent Criteria and Evaluation; and

6.3.1.5 Criteria Applicable to the Independent External Opinions;

6.3.2 **Technical Functionality Requirements**

6.3.2.1 Technical Functionality Criteria; and

6.3.2.2 Decommissioning Cost Report Independent Review

6.3.3 **Financial Functionality Requirements**

6.3.3.1 Financial Functionality Criteria; and

6.3.3.2 Value for Money.

6.4 A Bid Response must meet or exceed the requirements in Part B (*Functionality Requirements*) of the RFP.

6.5 Bidders are also required to complete and submit the PPA and IA Tables provided in Volume 5 of Part B (*Functionality Requirements*) 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 (*Functionality Requirements*) and the Evaluation Criteria contained in Part C (*Evaluation Criteria Requirements*) of the RFP.

7. **Part C Evaluation Criteria Requirements**

7.1 Part C (*Evaluation Criteria Requirements*) of the RFP contains requirements, evaluation methods, criteria and weightings which Bidders will be comparatively evaluated on. For

purposes of Part C (*Evaluation Criteria Requirements*) of the RFP, Bidders will be evaluated in respect of the following:

- 7.1.1 Evaluation Price; and
- 7.1.2 specific goals as contemplated in the Preferential Procurement Policy Framework Act, which in the case of this Gas IPPPP are referred to as Economic Development.
- 7.2 The Department will only consider a Bidder's Bid Response in terms of Part C (*Evaluation Criteria Requirements*) if that Bidder fulfils all of the requirements of Part B (*Functionality Requirements*) of the RFP to the Department's satisfaction and is considered to be a Compliant Bid.
- 7.3 The evaluation in terms of Part C (*Evaluation Criteria Requirements*) will be undertaken in accordance with the 90/10 (ninety/ten) points system. The Evaluation Price will be scored out of 90 (ninety) points and the Economic Development requirements will be scored out of 10 (ten) points.

**8. Timetable for Gas IPPPP**

Milestone	Anticipated Timeline
Issue of RFP	14 December 2023
Bidders' Conference	4 (four) to 6 (six) weeks following the release of the RFP. The exact date will be communicated on the Gas IPPPP Website.
Last date for Bidders to apply to Eskom for a Procurement Programme specific cost estimate letter ("CEL")	31 January 2024 <sup>1</sup>
Last date for Bidders to submit written questions in terms of clause 32 ( <i>Requests and responses to requests</i> ) of Part A of the RFP	30 (thirty) business days prior to the Bid Submission Date
Last date for compulsory Bid Registration, including payment of Bid Registration Fee (as per clause 18 ( <i>Compulsory Bid Registration</i> ) of Part A of the RFP)	20 (twenty) business days prior to the Bid Submission Date
Bid Submission Date	30 August 2024
Announcement of Preferred Bidders	Approximately 3 (three) months post the Bid Submission Date

<sup>1</sup> **Note to Bidders:** This is an indicative timeline. It remains each Bidder's sole responsibility to apply to the relevant Grid Provider in sufficient time for the grid connection time and cost estimates to be provided by the relevant Grid Provider. Bidders are required to contact the relevant Grid Provider directly to ascertain what the relevant deadlines, rules, criteria, requirements and timeframes are in relation to their applications for grid connection issue to enable the Bidder to meet the RFP requirements.

Last date for Bidders to apply for a Budget Quote ("BQ")	Within 1 (one) month of Preferred Bidder announcement
Commercial Close	Approximately 4 (four) to 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 36 (thirty-six) months post Commercial Close



## 9. Overview of the Part B Functionality Criteria Per Discipline

Discipline	Structure of the RFP	Part B Functionality Criteria
Legal	Legal Functionality Criteria	<ol style="list-style-type: none"> <li>1 <b>Structure of Project</b> <ol style="list-style-type: none"> <li>1.1 Structure Criterion 1 – South African Entity Participation; and</li> <li>1.2 Structure Criterion 2 – Structure Diagram.</li> </ol> </li> <li>2 <b>Legal Functionality Criteria and Evaluation</b> <ol style="list-style-type: none"> <li>2.1 Legal Criterion 1: Legal Status of the Project Company and nomination of Sponsors;</li> <li>2.2 Legal Criterion 2: Confirmation of the PB PD Undertaking, the PPA, the Implementation Agreement, Direct Agreement, Independent Engineer Agreement and the Connection Agreements and submission of Returnable Schedules;</li> <li>2.3 Legal Criterion 3: Contracts;</li> <li>2.4 Legal Criterion 4: Fuel Supply Agreements; and</li> <li>2.5 Legal Criterion 5: Provision for the Decommissioning Reserve.</li> </ol> </li> <li>3 <b>Land Acquisition and Land Use Criteria and Evaluation</b></li> <li>4 <b>Environmental Consent Criteria and Evaluation</b></li> <li>5 <b>Criteria Applicable to the Independent External Opinions</b></li> </ol>
Technical	Technical Functionality Criteria	<ol style="list-style-type: none"> <li>1 <b>Technical Functionality Criteria</b> <ol style="list-style-type: none"> <li>1.1 Technical Functionality Criterion 1: General Requirements;</li> <li>1.2 Technical Functionality Criterion 2: Compliance With PPA Performance Requirements;</li> <li>1.3 Technical Functionality Criterion 3: Eligible Capacity;</li> <li>1.4 Technical Functionality Criterion 4: Project Feasibility Study;</li> <li>1.5 Technical Functionality Criterion 5: Grid Connection; and</li> <li>1.6 Technical Functionality Criterion 6: Decommissioning Cost Report.</li> </ol> </li> <li>2 <b>Decommissioning Cost Report Independent Review</b></li> <li>3 <b>Functionality Criteria</b></li> </ol>
Finance	Financial Functionality Criteria	<ol style="list-style-type: none"> <li>1 <b>Financial Functionality Criteria</b> <ol style="list-style-type: none"> <li>1.1 Financial Functionality Criterion 1: Evaluation Price Compliance Test</li> <li>1.2 Financial Functionality Criterion 2: Financial Standing and Robustness of Funding Proposal</li> <li>1.3 Financial Functionality Criterion 3: Robustness of Financial Model</li> </ol> </li> <li>2 <b>Value for Money</b></li> </ol>

#### 10. **Compulsory Bid Registration**

Prospective Bidders are also required to pay a non-refundable Bid Submission Registration Fee of R25 000.00 (twenty thousand rand) per Project/Bid Response to be submitted. Further information on the payment of the non-refundable Bid Submission Registration Fee is available on the Gas IPP Website.

#### 11. **Queries and Requests for Clarification**

Further details regarding participation and access to the RFP, including information on the document access fee can be found on [www.ipp-rm.co.za](http://www.ipp-rm.co.za). Alternatively, queries may be addressed to the Project Officer at [Query@ipp-rm.co.za](mailto:Query@ipp-rm.co.za).