



MINISTER OF ENERGY, DIKOBE BEN MARTINS:

**Remarks at the announcement of the outcome of the Window 3
Renewable Energy Independent Power Producer Procurement Programme
(REIPPP)**

04 November 2013

Director General of the Department of Energy, Ms Nelisiwe Magubane

Officials of the Ministry and Department of Energy

Members of the media

Ladies and Gentlemen

Good morning!

Today's announcement is in line with government's plan to accelerate the rollout of economic infrastructure central to economic growth and development, industrialisation and competitiveness.

In the State of the Nation Address to Parliament in February 2009, His Excellency President Jacob Zuma, announced government's commitment to accelerate the rollout of critical infrastructure and services. Since then, significant strides have been made to rollout enabling infrastructure and services across all sectors of the economy.

Government's infrastructure plans also find concrete expression in the National Development Plan (NDP) which outlines the country's strategy for achieving its social and economic development goals by 2030. The energy sector is expected to play a

crucial role in creating green jobs, developing skills and transferring technology into our economy.

The accords on the Green Economy, Localization and Skills Development entered into between government, civil society, business and labour are central to the implementation of the Renewable Energy Independent Power Producers Programme.

The Renewable Energy Independent Power Producers Programme constitutes one of the energy mixes as outlined in the National Development Plan and the Integrated Resource Plan 2010. In terms of the Integrated Resource Plan (IRP) 2010 about 42% of the electricity generated in South Africa is required to come from renewable resources.

1. Since the Integrated Resource Plan (IRP) was initiated in March 2010, the Department of Energy has:

- Under **Bid Window 1**: entered into 28 agreements on the 5th November 2012
- Under **Bid Window 2**: it entered into 19 agreements on the 9th May 2013
- In regard to the current Bid, **Bid Window 3**:
 - 93 bids were received on the 19th August 2013
 - The Bids amount to 6,023 MW, whilst the available MW for allocation is only 1,473MW
 - The Department of Energy was obviously pleased to note the competitive pricing offered in the bids received.

2. The Renewable Energy Independent Power Producer Programme (REIPP): is aimed at bringing additional MW into the electricity system through private sector investment in **wind, solar, photovoltaic, solar concentrating power, biomass** and **small hydro technologies**.

These renewable energy technologies form part of a broader energy mix, that includes coal, gas, nuclear, and imported hydro-technologies that we intend to utilize to meet South Africa's energy demand.

To date the Department has committed to purchase 2,400 MW from independent power producers under windows 1 & 2 of the Renewable Energy Independent Power Producer Programme (REIPPP). Most of the projects under **Windows 1 & 2** are under construction.

It is anticipated that by December 2013, some of these projects will deliver energy.

South Africa is presently rated as the 12th most attractive investment for Renewable Energy. The programme has to date, attracted over R 150 billion in foreign direct investment. This bodes well for South Africa, as the programme has received international acclaim for fairness, transparency and the certainty of this programme.

A progressive increase in local content and job creation numbers has also been witnessed. **Window 3** will contribute approximately R 4.4 billion to socio-economic development, aggregating to a cumulative investment of R9.0 billion.

Program Director,

Ladies and Gentlemen:

The Department will continue to work with the IDC, the co-ordinator of the government's green energy programme, and other stakeholders in the energy industry and local communities, to ensure that the socio-economic commitments related to job creation, skills development, local procurement and local economic development are met.

We wish all Preferred Bidders good fortune as they prepare to achieve financial close.

I now hand over to the Director General to announce the Preferred Bidders under **Window 3** of the **Renewable Energy Independent Power Producer Programme**.

Thank you