8 bidders for emergency power projects announced

Mineral resources and energy minister, Gwede Mantashe, has announced eight new preferred bidders for the Risk Mitigation Independent Power Producer Programme (RMIPPP), which will pave the way for 2,000MW of emergency power to meet the short-term electricity supply gap.

Gwede Mantashe, minister of mineral resources and energy

The eight are:

- The ACWA Power Project DAO
- Karpowership SA Coega
- Karpowership SA Richards Bay
  Karpowership SA Saldanha
- Mulilo Total Coega
- Mulilo Total Hydra Storage
- Oya Energy Hybrid Facility
- Umoyilanga Energy

The preferred bidders are a combination of a range of technologies, including solar PV, wind, liquified natural gas and battery storage.

> *In the midst of load shedding these power ships might seem like a good idea but they'll arrive in South African harbours only next year, contracted for 20 yrs, a world record. Electricity prices will rise and IPPs reputation for delivering cost competitive power will be destroyed* pic.twitter.com/xfBlWsAu8Q*— Anton Eberhard (@AntonEberhard)* March 19, 2021

The prices for the proposed solutions range from R1,468 per MWh to R1,885 per MWh. The weighted average price is R1,575 per MWh.

"These eight projects will inject a total private sector investment amount of R45bn to the South African economy.

"During the construction phase, the South Africa entity participation from these projects is 51%, with black ownership of 41%. This is important because when we release these bids, there's going to be big noise that we are, again, favouring white monopoly capital," he said

About 3,800 job opportunities will be created during the 18 months construction period and a further 13,500 during the 20-year power purchase agreement (PPA) term.

The preferred bidders are required to reach financial close by no later than the end of July 2021, and the first power from these connected from August 2022.