

STELLENBOSCH LOCAL MUNICIPALITY

REQUEST FOR PROPOSAL

**For the appointment of Independent Power Producers to
supply**

**Energy Output generated from one or more Solar PV
Facilities**

and/or

**stored Energy Output delivered by one or more Battery
Energy Storage Systems**

TENDER NUMBER: B/SM 89/25

**STELLENBOSCH MUNICIPALITY INDEPENDENT POWER
PRODUCER PROCUREMENT PROGRAMME**

Briefing Note No: 2

1. INTRODUCTION

- 1.1 This Briefing Note 2 is issued in terms of clause 7.6 of the Request for Proposals issued by the Stellenbosch Municipality in respect of the Stellenbosch Municipality Independent Power Producer Procurement Programme (Tender number: B/SM 89/25) (**“STMIPPPP RFP”** or **“RFP”**), dated 29 March 2025.
- 1.2 Unless otherwise expressly stated, or the context otherwise requires, words and expressions defined in the STMIPPPP RFP shall bear the same meaning in this Briefing Note as those ascribed to them in the STMIPPPP RFP.

2. PURPOSE OF THIS BRIEFING NOTE

- 2.1 The purpose of this Briefing Note is to:
 - 2.1.1 provide Bidders with responses to clarification requests received by Stellenbosch Municipality between the period 10 April 2025 to 29 April 2025 including clarification requests received during the non-compulsory Bidders Conference held on 23 April 2025.

3. LIST OF DOCUMENTS ISSUED TOGETHER WITH THIS BRIEFING NOTE / AMENDMENTS TO THE STMIPPPP RFP

- 3.1 No documents have been appended to this Briefing Note
- 3.2 Bidders are reminded that all communications addressed to the Stellenbosch Municipality must be made directly to the Contact Person as stipulated in Clause 7.3 of the RFP. Where SCM queries are directed to Renae Bergstedt it is requested that Bidders copy the Project Officer (stelmippp@stellenbosch.gov.za) on all communication.

4. RESPONSES TO CLARIFICATION REQUESTS RECEIVED BY STELLENBOSCH MUNICIPALITY

No	Date Received	Category	RFP Reference	Query	Response
1.	10-Apr-25	RFP	clause 4.2.3.14	<p>Is there a practical reason why the Municipality is stipulating a maximum allowable dc/ac ratio as referenced on page 23, section 4.2.3.15, and set at 1.21/1.</p> <p>This makes no sense at all, as it limits the options of ground mount systems which can negatively affect the Municipality.</p>	<p>Stellenbosch Municipality conducted a feasibility study to inform this RFP. The feasibility study assessed a range of technologies and made typical / generic technology assumptions, including a DC/AC ratio of 1.21 for solar PV systems. The contracted capacities which were subsequently determined for this RFP were based on, amongst other things, the energy forecast from a solar PV system with this DC/AC ratio, the Stellenbosch Municipality's load profile, and an expected tariff congruent with the DC/AC ratio. Given that the Buyer will pay for Deemed Energy (e.g. when energy production is greater than load), it is important that the quantity of Deemed Energy not be exacerbated by a DC/AC ratio which is higher than the assumed DC/AC ratio of 1.21.</p> <p>The DC/AC ratio limit does not preclude any technologies (as it is simply a design parameter in any solar PV system) and is an important factor in limiting the Buyer's exposure to Deemed Energy Payments.</p>
2.	16-Apr-25	RFP - Land Acquisition and Use Criteria	Clause 14 and Clause 22.4	<p>It is important to note that critical information regarding the location of the substation and its available capacity—a key determinant for assessing suitable project sites—was only disclosed with the release of this tender. Prospective bidders have no prior knowledge of this vital detail, which is now</p>	<p>The Functionality Criteria are intended to test Project feasibility and readiness. If a Bidder has not secured land rights to the Project Site by the Bid Submission Date, the Stellenbosch Municipality will have no assurance that the Project is feasible or that it will be ready for Commercial Close on the</p>

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				<p>essential for selecting sites that meet both technical and commercial requirements.</p> <p>Request: Will the Municipality accept provisional documentation, or a detailed site selection plan based on this newly disclosed substation location? Such flexibility would enable bidders to incorporate this key information into their planning before final site selection and ensure the bid reflects realistic assumptions.</p>	<p>anticipated date. The Stellenbosch Municipality thus requires at minimum that the Bidder has secured an option in respect of the Project Site by the Bid Submission Date, and that it has identified and made applications in respect of any land use approvals or amendments required. The Land Acquisition and Land Use Criteria will not be relaxed or waived.</p>
3.	16-Apr-25	RFP - Land Acquisition and Use Criteria	Clause 14 and 15	<p>Rezoning, Land Use Change, and Permit Approvals: The present requirements mandate that bidders secure or be in a position to obtain all necessary land rights and permits—including rezoning and land use change approvals—within the RFP timelines. In Stellenbosch, where agricultural activities are predominant, obtaining such permissions is inherently time-consuming due to involvement of various national and local authorities, necessary detailed specialist studies (e.g., biodiversity, agriculture, water usage, etc.) and the extended processing times required prior to an Environmental Impact Assessment (EIA) application.</p> <p>Request: Could the Municipality clarify whether a phased or “best-effort” approach to compliance will be considered? For example, if the land documents e.g. ownership, lease agreement, option to lease, etc. is submitted along with an action plan for obtaining permits, be acceptable at bid submission?</p>	<p>Please refer to clauses 14 and 15 of the RFP for the detailed requirements in respect of the Land Acquisition and Use Criteria, and the Environmental Consent Criteria. The lease / option in respect of the Project Site is required by the Bid Submission Date, and the Bidder must show progress, to the extent provided for in those provisions of the RFP, in respect of the remaining consents, approvals, permits etc. However, the Bidder need not have obtained all the necessary approvals by the Bid Submission Date.</p>
4.	16-Apr-25	RFP - Land Acquisition and Use Criteria	Clause 14, 15 and Clause 22.4	<p>On one hand, the tender requires bidders to submit various permits and approval documents—such as land use approvals and Key Environmental Impact Assessment (EIA) Consents—by the bid submission date. On the other hand, the Municipality reserves the right to apply an objective criterion when selecting the Preferred Bidders, which could potentially override the scoring order. These two provisions appear to be in conflict. Furthermore, the lack of a clearly</p>	<p>Please refer to clauses 14 and 15 of the RFP for the detailed requirements in respect of the Land Acquisition and Use Criteria, and the Environmental Consent Criteria, as it seems that some requirements may have been misread. With regard to the objective criterion, the Stellenbosch Municipality reserves the right to give preference to a Project in respect of which the Key Environmental</p>

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				defined and quantifiable evaluation methodology raises concerns about transparency in the bid evaluation process. We respectfully request clarification on why the tender does not adopt a clear functionality scoring system—such as requiring a minimum threshold score (e.g., 70 out of 100) to qualify for financial bid evaluation—which has been effectively implemented by other municipalities.	Consents have been secured by the Bid Submission Date. The purpose of this provision is to facilitate the Stellenbosch Municipality's achievement of its renewable energy targets. The Stellenbosch Municipality will not amend its bid evaluation methodology for this tender.
5.	16-Apr-25	RFP - Environmental Consent Criteria	Clause 15	<p>a. Applicability of Solar EA Exemption: We note that the Solar EA Exemption applies only when the project is located in areas of low or medium land sensitivity. However, given that many potential sites in the Stellenbosch area have high agricultural potential, classification may frequently fall outside the exemptions' criteria, thereby subjecting such projects to the full burden of environmental NEMA authorizations.</p> <p>b. Time and Resource Requirements: Additionally, the process to prepare and submit an EIA often requires multiple specialist studies—covering aspects such as biodiversity, agriculture, water, and other environmental factors—which entail significant time and financial resources.</p> <p>Request: Please clarify whether the Municipality is willing to accept preliminary evidence of ongoing environmental assessments and consider relaxing EA Exemption n requirements and allow reasonable time to secure EIA if the proposed site requires full scoping EIA process. Alternatively, would the Municipality consider extending the RFP timelines to ensure that bidders can realistically meet these environmental consent requirements without compromising the competitiveness or viability of their proposals?</p>	Please refer to clause 15 of the RFP for the detailed requirements in respect of the Environmental Consent Criteria, as it seems that some requirements may have been misread.
6.	16-Apr-25	RFP	General	Taking the above points together, the current RFP timelines and detailed documentation expectations appear to favor bidders already in advanced stages of development, with secured/in process land approvals and environmental consents. Many interested parties have awaited this tender	The tender is not intended primarily for advanced players. The tender timelines are intended to be fair and equitable, and to strike a balance between the interests of the Stellenbosch Municipality in

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				<p>release and only now have access to critical project information (such as the substation location), only to face stringent requirements and compressed timelines that are challenging to meet.</p> <p>Request: Could the Municipality confirm whether the current tender framework is intended primarily for advanced players? If not, can additional flexibility be introduced (for example, by extending key deadlines or exemption of certain functionality requirements) to ensure fair competition between advanced and early-stage bidders alike?</p>	achieving its objectives, and the interests of prospective Bidders.
7.	16-Apr-25	RFP	BESS dispatch regime	<p>We are not able to find BESS Dispatchable regime. Kindly guide us to the relevant documents and section.</p> <p>For how many hours the BESS should be designed?</p>	<p>No dispatch regime has been specified. The Stellenbosch Municipality or Buyer will issue Dispatch Instructions to the Seller. Refer to Clause 7 (Declarations and Dispatch) of the BESS PPA.</p> <p>Refer to the definition of Contracted Capacity in Clause 1.43 of the BESS PPA. The Contracted Capacity at COD for BESS is specified in the clause 4.2.3.15 of the RFP.</p> <p>Also refer to the definition of Capacity in Clause 1.24 of the BESS PPA, which states that Capacity is expressed in MW available over a two hour period.</p> <p>For example, a BESS Facility with 5MW Contracted Capacity at COD, will need to deliver 5MW for 2 hours i.e. 10MWh at COD.</p>
8.	22-Apr-25	Appendix 36	Grid Connection	Where will Bien Donne substation connect to Eskom (Dwarsrivier substation?)	The location of the new Bien Donne Substation is specified in Table 3-3 of Appendix 36.

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9.	22-Apr-25	Appendix 36	Grid Connection	Please provide an Indicative layout of how the existing three input points (Pniel, Hollandse Mollen & RFG) will connect to the proposed Bien Donne substation, and Eskom connection points to the wider Eskom grid	This information is not available. All information which is currently available for the Bien Donne substation is provided in Appendix 36.
10.	22-Apr-25	Appendix 36	Grid Connection	Is the proposed Bien Donne substation in Drakenstein Municipality and where will the Stellenbosch Municipality battery limit be?	The location of the new Bien Donne Substation is specified in Table 3-3 of Appendix 36. The substation will be owned by Stellenbosch Municipality. The battery limit is as described in Section 11 of Appendix 36.
11.	22-Apr-25	Appendix 36	Grid Connection	Could Kylemore be considered?	No. The Bidder shall select only from the Delivery Point Options described in Appendix 36.
12.	22-Apr-25	PPA	Deemed Energy	Will the municipality still pay for the power provided up to the Contracted Capacity, even if the municipal demand is less than the contracted capacity?	The PPAs provide for Deemed Energy Payments. Please refer to the Solar PV PPA clause 8.2 and BESS PPA clause 1.58.
13.	22-Apr-25	Appendix 36	Grid Connection	What is the boundary of the municipal supply area in Franschhoek?	Not considered relevant to this RFP. The Delivery Point Options available for Franschhoek Electrical Network are detailed in Appendix 36.
14.	22-Apr-25	Appendix 36	Grid Connection	Please confirm if it is possible to connect to municipal 11kV network directly (not via Franschhoek Municipal Substation). If so, please provide the Franschhoek Transmission Network Diagram/Layout	The Bidder shall select only from the Delivery Point Options described in Appendix 36.
15.	23-Apr-25	Appendix 36	Grid Connection	Do the existing Identified Substations have space to accommodate additional infrastructure such as transformers esp at the stellenbosch substation and not only space for feeder bays as shown in Appendix 36	There is sufficient space directly adjacent to Stellenbosch Main Substation (southern side) to accommodate an additional transformer(s). If the Bidder proposes to locate an additional transformer at or adjacent to the Stellenbosch Main Substation this will form part of the Distribution Connection Works.

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16.	23-Apr-25	Appendix 36	Grid Connection	Do we have to connect through underground cable network? Or is overhead connection available.	Within the urban areas, only underground cable is allowed. Outside of urban areas, Bidders may propose either overhead line or underground cable.
17.	23-Apr-25	Appendix 36	Grid Connection	Are there any existing cable servitudes(Right of way) that can be used to connect to the substation if the project site is located within 15kmz of Stellenbosch.	There are no existing cable servitudes that can be used. Servitudes not required for Stellenbosch Municipality owned land.
18.	23-Apr-25	Appendix 36	Grid Connection	What would the process be of getting the servitudes to connect the Facility to the Substation if, they are Municipality owned or private?	Servitudes are not required for Stellenbosch Municipality owned land. For privately owned land, it is the Bidder's responsibility to identify and secure the required rights.
19.	23-Apr-25	Appendix 36	Grid Connection	Why is not possible to connect on the Eskom side of the Stellenbosch Substation ?	The connection point will need to be on the Stellenbosch Municipality side of the grid. The procurement is with the Stellenbosch Municipality.
20.	23-Apr-25	Appendix 36	Grid Connection	Will the Stellenbosch Municipality be providing the connection solution in form of Cost Estimate letter? And at what stage would they be issuing any such document?	No, there will not be a Cost Estimate Letter process. Bidders shall price for all necessary works to connect their Facility to the Municipality's network. The Distribution Connection Works outlined in Appendix 36 shall be used as a guideline.
21.	23-Apr-25	Appendix 36	Servitudes	Are there any existing cable servitudes(Right of way) owned by the munic, that can be used to connect to the substation if the project site is located within 15kmz of Stellenbosch.	There are no existing cable servitudes that can be used. Servitudes are not required for Stellenbosch Municipality owned land.
22.	23-Apr-25	RFP	Project Capacity	Based on the table of the capacity ranges for various sites, the total installed capacity will be 41.9MW not 50MW as required. Could you please clarify. Do you also have the minimum size of the BESS split up in between various sites?	A Solar PV Project must have a Contracted Capacity within the range specified in clause 4.2.3.13 of the RFP and a BESS Project must have a Contracted Capacity as specified in clause 4.2.3.15 of the RFP.

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23.	23-Apr-25	RFP	Project Capacity	What is the real size of the PV and BESS systems since I saw in the English version a different value comparing to the Afrikaans version?	A Solar PV Project must have a Contracted Capacity within the range specified in clause 4.2.3.13 of the RFP and a BESS Project must have a Contracted Capacity as specified in clause 4.2.3.15 of the RFP.
24.	23-Apr-25	General		Will Section 33 of the MFMA play a role in the run-out of the adjudication process and what will the impact be on the award timeline	The MFMA section 33 process will only commence once Preferred Bidders have been appointed. Preferred Bidder appointments will be subject to securing section 33 approval.
25.	23-Apr-25	General		Will the Bidders Conference Presentation be shared	The Bidders Conference presentation will be shared and published on the Stellenbosch Municipality Website. Please note the Bidders Conference presentation is provided as background information and no part of it is considered as part of the RFP, unless specifically issued in the form of a Briefing Note.
26.	23-Apr-25	General		Will Internationally Owned IPPs be able to participate. Will this bid be awarded to one single IPP or is it going to be broken up to a number of IPPs	There is no restriction in the RFP on foreign ownership of a Project Company. Bidders are required to submit individual bids for each Project and Bidders will be appointed as Preferred Bidders based on the evaluation of their responses to the Functional and Comparative Evaluation Criteria stipulated in the RFP.
27.	23-Apr-25	Appendix 36	Servitudes	What are the existing cable servitudes that will be used to connect the Substations - will this be overhead or underground. How will the IPP go about getting access to the servitudes.	See responses to Questions 16,17 and 18.
28.	23-Apr-25	Appendix 36		Stellenbosch Main substation - Is there any possibility to connect infrastructure that is not a feeder bay on the Municipality's side	It is not clear whether the concern is with the "feeder bay" or "the Municipality's side". Connection is only allowed on the Municipality's side of the

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					<p>substation and only via the Delivery Point Options described in Appendix 36.</p> <p>The Bidder may submit an additional clarification to make the question clearer, if necessary.</p>
29.	23-Apr-25	RFP	Land	Does the Municipality have any land available to the Project that has been earmarked to the Project.	The Stellenbosch Municipality has not made land available as part of the STMIPPPP. However, there is nothing in the RFP that would prevent a Bidder from securing rights on Municipal land for its Project.
30.		PPA	Special Conditions of Contract	Regarding the requirement to construct and maintain an Administrative Office in Stellenbosch - are there any requirements as to how big the office should be and how many people the office should accommodate	<p>There is no requirement to construct the office (i.e. it could be purchased or leased), and there are no specific requirements regarding the size.</p> <p>The site office will only need to be established 90 days after Commercial Close,</p>
31.	24-Apr-25	Appendix 36	Connection points	<p>As part of our preliminary requirements for the Stellenbosch 41.9 MW Solar PV and 14.8 MWh BESS project, we kindly request the following information:</p> <p>Exact location and area of the proposed grid plug-in/connection point</p> <ul style="list-style-type: none"> o Please provide a site map along with GPS coordinates. 	GPS co-ordinates for each substation are provided in Table 3-3 in Appendix 36 of the RFP.
32.	24-Apr-25	RFP	Land	<p>Confirmation of land availability</p> <ul style="list-style-type: none"> o We will require approximately 90 hectares of secured land within proximity to the identified grid/pylon connection point to accommodate the project footprint. (We can secure) 	Bidders are required to identify and secure rights to their Project Site on their own.
33.	24-Apr-25	RFP	Land	<p>Clarification on land use and tenure</p> <ul style="list-style-type: none"> o Will the municipality be issuing land use consent for the solar farm following the tender process, or must this be secured beforehand? 	Bidders are required to identify and secure rights to their Project Site on their own.

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				<p>o Is there an option to rent the land instead of purchasing, and what are the terms of each option?</p> <p>o In the event of a land purchase or lease, what happens with ownership rights after a 15-year term? Specifically, who retains ownership at the end of the term under both scenarios?</p> <p>Additional Note: Zoning Context – Agricultural Land Use (Agr Zone)</p> <p>For reference, please consider the zoning implications below regarding the proposed site, if classified under "Agricultural" use:</p> <ul style="list-style-type: none"> • Primary permitted uses include agriculture, intensive horticulture, dwelling house, and conservation-related activities. • Additional use rights (with certain conditions) may permit a second dwelling, bed and breakfast, or home occupation. • Consent uses required for: guest house, hotel, tourist accommodation, intensive animal farming, utility services, and renewable energy infrastructure (e.g., wind/solar installations). 	<p>Clause 14 (Land Acquisition and Use Criteria) of the RFP specifies the requirements in respect of land use requirements.</p> <p>These questions are matters that the prospective Bidder should seek its own advice on. The Stellenbosch Municipality will not provide advice to individual prospective Bidders.</p>
34.	24-Apr-25	Appendix 36	Grid Connection	Can we install a transformer next to Main Stellenbosch Substation, and extend the 11 kV busbar, which will allow us to connect more MWs to the Municipality Electrical Network?	As per Question 15, there is sufficient space directly adjacent to Stellenbosch Main substation (southern side) to accommodate an additional transformer(s). There is not sufficient space to extend the 11 kV busbar.
35.	23 Apr 2025	General	clause 4.2.3.14	I see the meeting is being recorded. Are you able to share the recording with the participants?	The Bidders Conference recording will be shared and published on the Stellenbosch Municipality Website. Please note the Bidders Conference presentation is provided as background information and no part of it is considered as part of the RFP, unless specifically issued in the form of a Briefing Note.

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36.	25 April 2025	General	Agreements	Please can you kindly provide the draft Project Agreements in word (editable) version so we can mark them up.	Clause 5.2.12 the RFP requires: All Bidder comments must be: 5.2.12.1 in one or more MS Word documents, in which the Bidder extracts the relevant clause of the draft Project Agreement at issue, copies over the relevant clause (version issued with this RFP), and tracks all suggested changes (with any comments thereto in footnotes) on the MS Word extract.

5. Schedule of Briefing Notes

Briefing Note No.	Issue Date	Details of Briefing Notes
1	11 April 2025	This Briefing Note addresses Bidders' queries and clarification requests received between 29 March 2025 and 9 April 2025.
2	14 May 2025	This Briefing Note addresses Bidders' queries and clarification requests received between 10 April 2025 and 29 April 2025.