

TENDER NUMBER: B/SM 89/25

Stellenbosch Municipal Independent Power Producer
Procurement Programme
Solar PV and BESS

Non-Compulsory Bidders Conference 23 April 2025



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Agenda



	Topic	Presenter	Time
1	Welcome and Introduction Administrative and Other Matters	Deon Louw (Pegasys)	10h00 – 10h15
2	Stellenbosch Municipality's Strategic Objectives Feasibility Study and Council Approval	Rendani Makungo (Stellenbosch Municipality: Alternative Energy Generation Directorate: Infrastructure Services)	
3	Western Cape Municipal Energy Resilience Initiative	Tim Parle (Western Cape Government – Department of Infrastructure)	
4	Request for Proposal (RFP) – Overview of the STMIPPPP and RFP Requirements	Cresco Advisory Consortium	10h15 – 11h30
5	Questions and Answers	Francois Viljoen (Cresco)	11h30 – 11h55
6	Closing and Thank You	Deon Louw (Pegasys)	11h55 – 12h00



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The Stellenbosch Municipality would like to welcome all prospective bidders to the Non-Compulsory Bidders Conference for the:

STELLENBOSCH MUNICIPALITY INDEPENDENT POWER PRODUCER PROCUREMENT PROGRAMME (STMIPPPP)

issued on 29 March 2025.

Please note there will be a Compulsory Bidders' Conference on 31 July 2025.



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Administrative and Other Matters



Can all attendees please register their attendance

- Prospective Bidders that are physically present are requested to sign the registration register.
- Prospective Bidders that are attending online are requested to add their names and email addresses to the chat.

If there are questions these can be added to the Chat.

Alternatively, there is time allocated after the presentation for Questions and Answers.



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Introduction – Background

Stellenbosch Municipality's Strategic Objectives



The Stellenbosch Municipality's Integrated Development Plan, in its Portfolio Infrastructure Services five-year plan, lists the Directorate: Infrastructure Services and the Department: Electrical Services as being responsible for:

- developing alternative energy supply;
- the purchasing of electricity from IPPs; and
- the conclusion of an IPP tender as a key priority, with a target of 30% of total energy supply to be purchased from IPPs by 2027.

The Municipality is in the process of investigating several alternative energy supply solutions, and the STMIPPPP is a key project to the Municipality in achieving its strategic objectives.



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Introduction – Background Feasibility Study and Council Approval



A Council Meeting held on 30 March 2022 supported further investigation into procuring power from IPPs.

Before embarking on a procurement process, it was deemed necessary to conduct a feasibility study to investigate, amongst others, the technical and financial viability of technical solutions, staff implications as well as the legal and regulatory environment.

A Feasibility Study was completed on 27 June 2024 and submitted to the Stellenbosch Municipal Council for approval, where approval was also sought to initiate the process of procurement of electricity from Solar PV and Battery Energy Storage Systems (BESS).

Municipal Council approved the Feasibility Study and initiation of the procurement process on 14 August 2024.



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Introduction – Background

Western Cape Energy Resilience Programme



The Stellenbosch Municipality has been prioritised as the first municipality to implement one of the Pioneering Projects that form part of the Western Cape Municipal Energy Resilience Initiative which was initiated and executed by the Western Cape Government (WCG) in 2021/22.

This now forms part of the WCG's Energy Resilience Programme – a R1.1bn, whole-of-government approach.

The WCG's Department of Infrastructure (DOI) facilitated and funded the appointment of a Transaction Advisor (the Cresco Advisory Consortium comprising Cresco Advisory, Edward Nathan Sonnenbergs Inc, ED Platform, Osmotic Engineering Group and Turner & Townsend) as well as a Project Manager (Pegasys) to support the Municipality in developing a Feasibility Study and Procurement Documents. This was through an open tender number T008/23.

The WCG's DOI also provides strategic support to the Municipality and the STMIPPPP Project Team on an ongoing basis.

Request for Proposal

Overview of the STMIPPPP and RFP Requirements



Topic	Presenter	Slides
Overview and Introduction	Francois Viljoen	8 - 11
SCM and Administrative Matters	Vanessa Snyman	12 - 16
Structure of the RFP	Pippa Reyburn	17 - 21
Key Features of the STMIPPPP	Andrew Johnson	22 – 30
Functionality Criteria – Legal Criteria	Pippa Reyburn	31 - 34
Functionality Criteria – Financial Criteria	Enriko Fourie	35 – 37
Functionality Criteria – Technical Criteria	Andrew Johnson	38 - 39
Evaluation Criteria – Introduction	Enriko Fourie	40
Evaluation Criteria – Price	Enriko Fourie	41 - 42
Evaluation Criteria – Specific Goals	Paul Jackson	43 - 44
Impact of Grid Constraints	Andrew Johnson	45
Value for Money	Francois Viljoen	46
PPAs	Pippa Reyburn	47
PPA - Special Conditions of Contract	Paul Jackson	48
Q&A	Francois Viljoen - Facilitator	49



PROCUREMENT PROCESS OVERVIEW

Bidder Clarification Requests



All requests for clarification on the RFP and other queries from Bidders must be in writing and sent to the Contact Person by way of email.

Contact Persons:

Technical queries:

Name: Project Officer

Email: stelmippp@ Stellenbosch.gov.za

SCM queries:

Name: Renae Bergstedt

Email: renae.bergstedt@ Stellenbosch.gov.za

It is requested that Bidders always copy the Project Officer on all communication.



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PROCUREMENT PROCESS OVERVIEW

Briefing Notes



The Stellenbosch Municipality may, at any time and for any reason, whether at its own initiative or in response to a clarification requested by a Bidder, supplement, amend, vary or modify any part or aspect of the RFP by the issue of Briefing Notes.

All Briefing Notes will be communicated to prospective Bidders through publication on the Stellenbosch Municipality website.

Bidders shall be obliged to accept any amendments specified in Briefing Notes. All Briefing Notes shall be deemed to be part of the RFP. Bidders must ensure that their Bid Responses are prepared taking into account all Briefing Notes issued by the Stellenbosch Municipality prior to the Bid Submission Date, and every Bidder is responsible for ensuring that it checks the Stellenbosch Municipality website on a regular basis so that it is aware and takes account of the contents of every Briefing Note.

Please note Briefing Note 1 has been published responding to clarification requests received from 29 March 2025 to 9 April 2025.



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PROCUREMENT PROCESS OVERVIEW

Compulsory Bid Registration



- Any entity or organisation which intends to submit a Bid Response, and is not ineligible as provided in clause 6.3 (*Non-eligible persons*) of the RFP, is required to notify the Stellenbosch Municipality in writing on or before the Bid Registration Date of its intention to participate, by completing and submitting the Registration Form, which is provided in Appendix 1 (*Registration Form*)
- The completed Registration Forms must be submitted to the Stellenbosch Municipality by no later than **22 August 2025**, by email addressed to the Project Officer
- A Bidder which has completed and submitted the Registration Form must notify the Stellenbosch Municipality of any subsequent amendments to the information previously provided, prior to the Bid Submission Date



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PROCUREMENT PROCESS OVERVIEW

Bid Submission Date



Please note the Bid Submission Date has been amended in Briefing Note 1 to 30 September 2025.

- Bidders must submit their Bid Responses to the Stellenbosch Municipality by no later than 12h00 (midday) on the Bid Submission Date, by depositing the Bid Response in the tender box situated in the Main Hall Entrance of the Stellenbosch Municipality Offices, Town House Complex, 1st Floor, Plein Street, Stellenbosch
- The Tender box is accessible 24 hours a day but if the completed Tender package cannot fit in the Tender box, the completed Tender package must be delivered by hand to Stellenbosch Municipality Offices, Town House Complex, 1st Floor, Plein Street, Stellenbosch, between the hours of 08h00 and 15h30 on weekdays only.
- The Stellenbosch Municipality shall reject any Bid Response received after 12h00 (midday) on the Bid Submission Date
- Bid Responses received after 12h00 (midday) on the Bid Submission Date shall be returned unopened by the Stellenbosch Municipality to the Bidder Representative, marked “Late Bid Response” and with the date and time that the Stellenbosch Municipality received the Bid Response



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PROCUREMENT PROCESS OVERVIEW

Bid Validity



- All Bid Responses constitute an irrevocable binding offer by the Bidder to the Stellenbosch Municipality
- Bid Responses must remain valid and binding for 270 (two hundred and seventy) calendar days from the Bid Submission Date (“**Bid Validity Period**”)
- Once Preferred Bidders are appointed, the Bid Validity Period for all Preferred Bidders will be deemed to be extended until Commercial Close, and all Bid Responses of Preferred Bidders must remain valid and binding for such period.



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PROCUREMENT PROCESS OVERVIEW

Bid Guarantee



- Stellenbosch Municipality requires Bidders to provide an on-demand Bid Guarantee in favour of the Stellenbosch Municipality, in the amount of R10 000 (ten thousand Rand) per MW of the Contracted Capacity of the proposed Facility for the Project in respect of which the Bidder submits that Bid Response
- A Bid Guarantee shall be valid and effective from the date of its issue until the expiry of the relevant Bid Validity Period or, in the case of a Preferred Bidder, the date on which the Preferred Bidder Guarantee is duly received by the Stellenbosch Municipality as required in terms of clause 10.2.1 (*Preferred Bidder Guarantee*) of the RFP
- Notwithstanding the above provisions, this Bid Guarantee shall terminate and be returned to the issuing Bank within fifteen (15) Business Days of payment of an amount or amounts which in aggregate equal the Guarantee Amount, or of expiry of the Bid Guarantee
- Bidders must ensure that the issuing Bank uses the following template for purposes of their Bid Guarantee:
 - Appendix 11: Form of Bid Guarantee



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PROCUREMENT PROCESS OVERVIEW

Format of Bid Response



- Bidders must complete and submit each returnable form/schedule, with the Bid Response
- Tenders submitted must be in a sealed envelope or package clearly marked with the Tender number, placed in the Tender box or hand delivered before closing time. Failure to submit in time will result in the Tender being disqualified
- Tenders must be accompanied by the completed Tender documents. Tenders not accompanied by a complete set of Tender documents, will not be considered.



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PROCUREMENT PROCESS OVERVIEW

Key timelines



Issued RFP (including Project Agreements)	29 March 2025
Bidders' preparation period	29 March 2025 – 30 September 2025
Period during which Bidders may submit comments on the draft Project Agreements	29 March 2025 – 23 May 2025
Initial non-compulsory Bidders' Conference	23 April 2025
Compulsory Bidders' Conference	31 July 2025
Last date for submission of Bidder clarification questions to the Stellenbosch Municipality	1 August 2025
Bid Registration Date	22 August 2025
Bid Submission Date	30 September 2025
Bidder post-submission clarification process / engagements, if applicable and Bid Response evaluation	October 2025 – December 2025
Issue Preferred Bidder appointment and or regret letters	January 2026
Commencement of MFMA section 33 approval process	January 2026
Council meeting to make decision on MFMA section 33 approvals	Calendar quarter 2 2026
Finalisation of Project Agreements (on finalisation of MFMA section 33 approval)	Calendar quarter 2 2026
Commercial Close – Solar PV (including signature of Project Agreements)	June 2026
Commercial Close – BESS (including signature of Project Agreements)	June 2026
Commercial Operation Date – Solar PV	No later than 20 (twenty) months post Commercial Close
Commercial Operation Date - BESS	No later than 18 (eighteen) months post Commercial Close

STRUCTURE OF THE RFP



GENERAL CONDITIONS OF BIDDING

1. BID NOTICE
2. DISCLAIMER
3. DEFINITIONS AND INTERPRETATION
4. INTRODUCTION
5. PROJECT STRUCTURE AND AGREEMENTS
6. BIDDERS
7. PROCUREMENT PROCESS
8. INSTRUCTIONS FOR SUBMISSION
9. FUNCTIONALITY ASSESSMENT AND EVALUATION OF PREFERRED BIDDERS
10. PREFERRED BIDDERS
11. GENERAL CONDITIONS

STAGE 1: FUNCTIONALITY CRITERIA

12. PURPOSE AND OVERVIEW
13. LEGAL CRITERIA
14. LAND ACQUISITION AND USE CRITERIA
15. ENVIRONMENTAL CONSENT CRITERIA
16. FINANCIAL CRITERIA
17. TECHNICAL CRITERIA
18. FUNCTIONALITY EVALUATION



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STRUCTURE OF THE RFP



STAGE 2: EVALUATION CRITERIA

19. PURPOSE AND OVERVIEW
20. POINTS AWARDED FOR PRICE
21. POINTS AWARDED FOR SPECIFIC GOALS
22. OVERALL SCORING, OBJECTIVE CRITERIA WHICH MAY BE APPLIED AND APPOINTMENT AS PREFERRED BIDDER

RETURNABLE FORMS AND SCHEDULES

- GENERAL CONDITIONS OF BIDDING - Appendix 1 - Appendix 12
- FUNCTIONALITY CRITERIA - Appendix 13 - Appendix 30 ^(a)
- EVALUATION CRITERIA - Appendix 31A - Appendix 35
- OTHER - Appendix 36

(a) Appendix 18 Distribution Agreement and Appendix 19 Connection Direct Agreement will be issued via Briefing Note



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STRUCTURE OF THE RFP

Stage 1: Functionality Assessment



- The Functionality Criteria are divided into the following categories:
 - Legal Criteria (clause 13 of the RFP)
 - Land Acquisition and Land Use Criteria (clause 14 of the RFP)
 - Environmental Consent Criteria (clause 15 of the RFP)
 - Financial Criteria (clause 16 of the RFP)
 - Technical Criteria (clause 17 of the RFP)
- The Bidder must respond to each heading in each clause of the Functionality Criteria
- Certain Functionality Criteria require the submission of a Legal Opinion, as part of the Bid Response
- The legal practitioner(s) responsible for providing the Legal Opinions contemplated in the Functionality Criteria must meet the criteria set out in clause 12.7 of the RFP
- The evaluation shall be on the basis that the relevant Bidder has either passed or failed the requirements of each Functionality Criterion applicable to the Technology
- Bidders are required to pass the requirements of every Functionality Criterion applicable to the Technology, in order for its Bid Response to be deemed to be a Compliant Bid



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STRUCTURE OF THE RFP

Stage 2: Comparative Evaluation



- The Stellenbosch Municipality will evaluate all Compliant Bids in accordance with the Stage 2 criteria
- In Stage 2, Compliant Bids will be scored, per Technology, in accordance with the 90:10 preference points system, against the following Evaluation Criteria:
 - Price, for which the maximum score will be 90 (ninety) points;
 - for BESS, the Specific Goal of *B-BBEE Contributor Status Level*, for which the maximum score will be 10 (ten) points;
 - for Solar PV, the Specific Goals of *B-BBEE Contributor Status Level and Locality* for which the maximum score for each will be 5 (five) points
- The Evaluation Criteria in Stage 2 require the completion and submission of the following returnable forms and/or schedules:
 - Appendix 31A (*MBD 6.1 Preference Points Claim Form – Solar PV*)
 - Appendix 31B (*MBD 6.1 Preference Points Claim Form – BESS*)
 - a valid B-BBEE Certificate issued by a B-BBEE Verification Agency
 - Appendix 32 (*B-BBEE Verification Agency letter*)
 - Appendix 33 (*Job Creation Returnable*)
 - Appendix 34 (*Pricing Schedule: Solar PV*)
 - Appendix 35 (*Pricing Schedule: BESS*)
- For Solar PV only, if the Bidder intends to claim points for Locality:
 - a certified copy of a municipal services or rates account
 - a certified copy of a currently valid lease agreement in the name of the Bidder or applicable Member



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STRUCTURE OF THE RFP

Overview of Project Agreements



- Power Purchase Agreement – separate for each of Solar PV and BESS
 - entered into between a Project Company of a Preferred Bidder (as Seller) and the Stellenbosch Municipality (as Buyer)
- Direct Agreement in respect of the PPA (Solar PV and BESS)
 - entered into between a Project Company, its Lenders and the Stellenbosch Municipality in respect of the PPA
- Distribution Agreement
 - entered into between a Project Company and the Stellenbosch Municipality (a draft will be issued to prospective Bidders by way of a Briefing Note prior to the Bid Submission Date)
- Connection Direct Agreement
 - entered into between a Project Company, its Lenders and the Stellenbosch Municipality in respect of the Distribution Agreement (a draft will be issued to prospective Bidders by way of a Briefing Note prior to the Bid Submission Date)
- Independent Engineer Agreement – separate for each of Solar PV and BESS
 - entered into between a Project Company, the Stellenbosch Municipality and the selected independent engineer
- **Bidders are invited to submit comments on the draft Project Agreements by no later than 23 May 2025. Stellenbosch Municipality will consider all comments and may re-issue the draft Project Agreements**
- **The Project Agreements will be non-negotiable post-award**



STMIPPPP AND KEY FEATURES Technologies



- **Solar PV:** Bidders may select the most appropriate type of Solar PV, as long as all of the requirements of the RFP and the Solar PV PPA are met. For example, a Solar PV project may be ground-mounted (single-axis tracking or fixed tilt), rooftop-mounted, agrivoltaics, floating, etc
- **Battery Energy Storage System (BESS):** Bidders are allowed to use any battery technology, as long as it fulfils the minimum RTE requirement (85%).
- BESS operating philosophy:
 - Dispatched (charge/discharge) by the Municipality via dispatch instructions
 - Normally: Arbitrage i.e. off-peak TOU and/or solar PV excess → peak TOU
 - Normally: 2x cycles per day, except for weekends / public holidays
 - Not directly linked to Solar PV plants (i.e. separate Delivery Points for BESS and Solar PV)
 - Municipality will determine if / when excess Solar PV is available within its network
- Bidders are required to submit a separate Bid Response for each Project, and may not combine Solar PV and BESS in a single Project.



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STMIPPPP AND KEY FEATURES

Solar PV Project Sizes, Delivery Points and Term



- A Solar PV Project must have a Contracted Capacity within the range specified below

Electrical Network	Minimum Contracted Capacity (MW _{AC})	Maximum Contracted Capacity (MW _{AC})
Stellenbosch	5	22.8
Cloetesville	4.8	9.6
Franschhoek	4	8.0
Bien Donne	1.5	1.5

- Maximum of one Project for each Electrical Network
- Maximum of one Facility per Project, however Facility may comprise multiple Units (more later)
- The minimum and maximum Contracted Capacity must be adhered to
- The maximum allowable DC/AC Ratio in respect of any Solar PV Project is 1.21
- The term of the Solar PV PPA will be 20 (twenty) years commencing on the Scheduled Commercial Operation Date.



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STMIPPPP AND KEY FEATURES

BESS Project Sizes, Delivery Points, RTE and Term



- A BESS Project must have a Contracted Capacity at COD as specified in the table below*

Electrical Network	Contracted Capacity at COD (MW)
Stellenbosch	5.0
Cloetesville	1.2
Franschhoek	1.0
Bien Donne	0.2

- The required minimum RTE for a BESS Project at COD is 85%
- Capacity in BESS PPA is expressed as MW available over a two-hour period i.e. 5 MW = 10 MWh
- Capacity and RTE degradation are allowed for in the BESS PPA
- The term of the BESS PPA will be 15 (fifteen) years commencing on the Scheduled Commercial Operation Date
- BESS PPA may terminate before 15 (fifteen) years if Capacity reaches End of Life (EOL) Capacity (i.e. is dependent on usage / dispatch of the BESS)

*Unlike solar PV, BESS Contracted Capacity is not a range
i.e. all or nothing



STMIPPPP AND KEY FEATURES

Delivery Point Options



- **Appendix 36 – Electrical networks and Distribution Connection Networks**
- Details of each Electrical Network
- Details of the Delivery Point Options for each Electrical Network
- Both 66 kV and 11 kV connection options exist
- Additional capacity limits exist for each Delivery Point Option, based on network capacity
- Distribution Connection Works are defined for each Delivery Point Option
- Distribution Connection Works shall be financed, procured, constructed, commissioned by the Seller and handed over to the Municipality



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STMIPPPP AND KEY FEATURES

Delivery Point Options – Stellenbosch Network



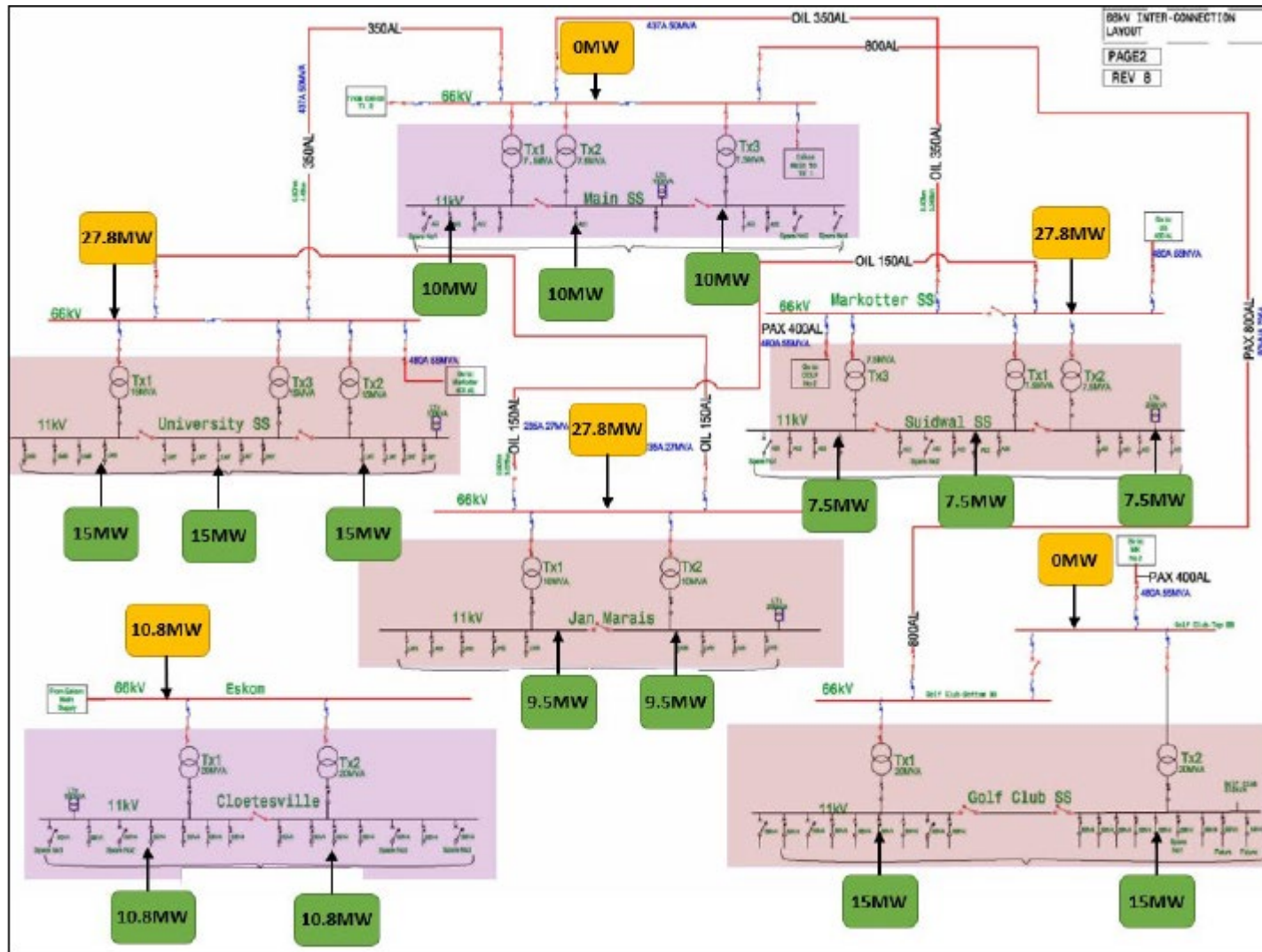
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STMIPPPP AND KEY FEATURES

Delivery Point Options – Stellenbosch Network



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STMIPPPP AND KEY FEATURES

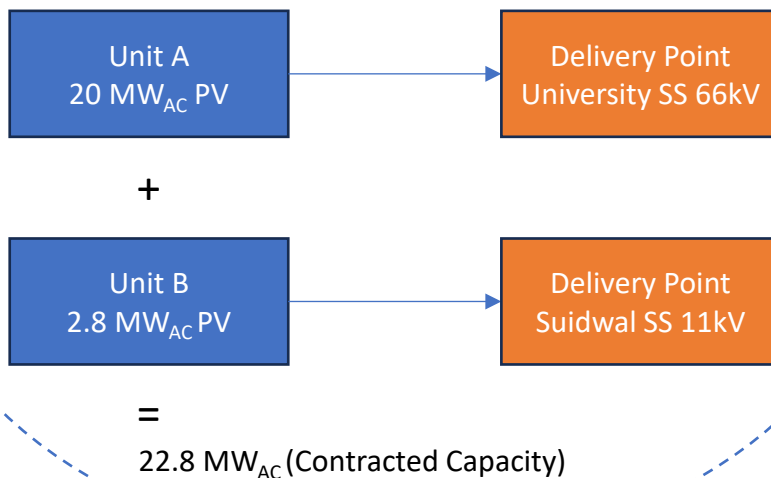
Technologies



- Bidders are required to submit a separate Bid Response for each Project, and may not combine Solar PV and BESS in a single Project.
- Each Project (i.e. each Bid Response) shall comprise one Facility.
- A Solar PV Facility or a BESS Facility may comprise multiple Units.
- Units may have different Delivery Points as long as each Unit has only one Delivery Point, and all Delivery Points for the Units making up a Facility must be within the same Electrical Network.

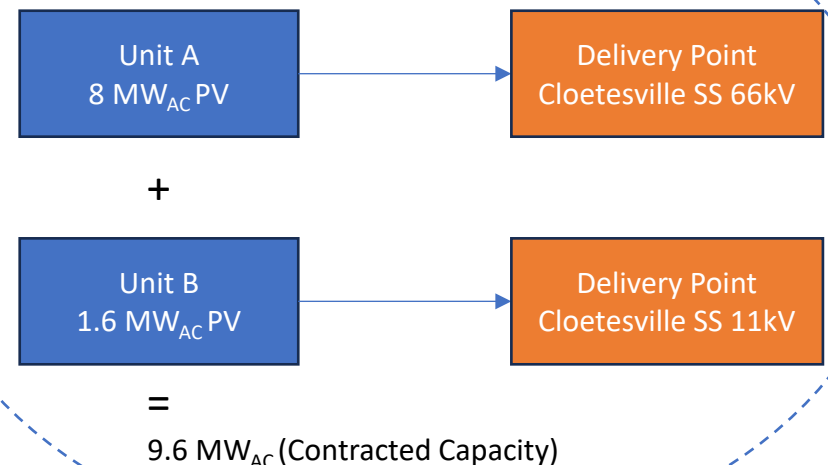
Facility X (Bid Response X)

Stellenbosch Electrical Network



Facility Y (Bid Response Y)

Cloetesville Electrical Network



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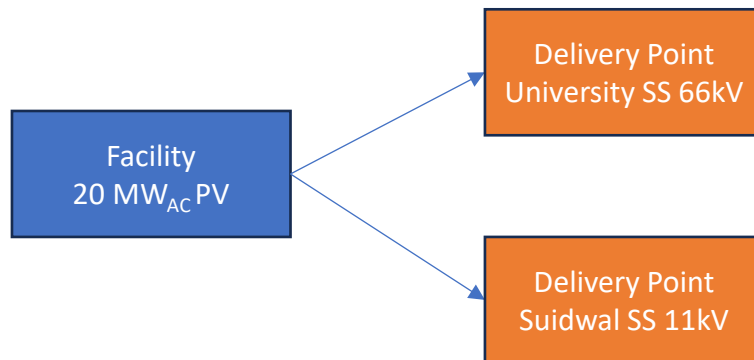
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STMIPPPP AND KEY FEATURES Technologies



Facility X (Bid Response X)

Stellenbosch Electrical Network



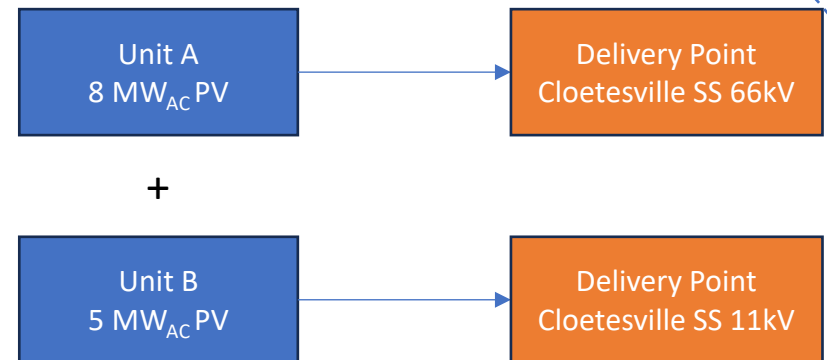
=
20 MW_{AC} (Contracted Capacity)



Contracted Capacity: OK
1x Facility connected to 2x Delivery Points: NOT OK

Facility Y (Bid Response Y)

Cloetesville Electrical Network



=
13 MW_{AC} (Contracted Capacity)



Contracted Capacity > Maximum for Cloetesville: NOT OK



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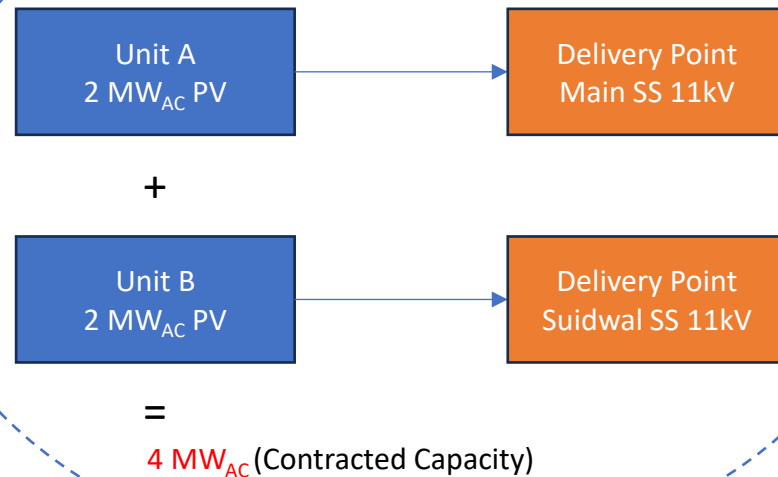
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STMIPPPP AND KEY FEATURES Technologies



Facility X (Bid Response X)

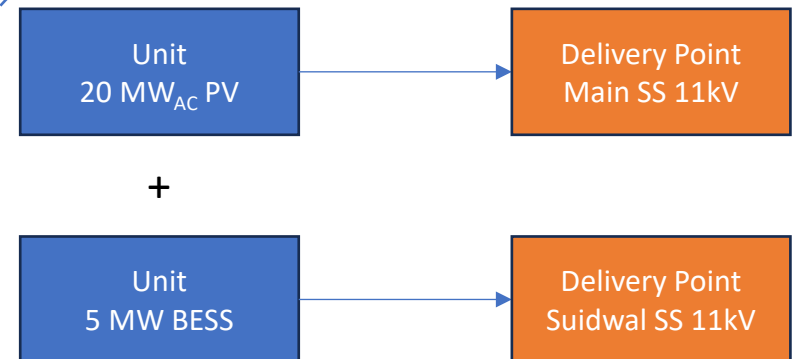
Stellenbosch Electrical Network



Contracted Capacity < Minimum for Stellenbosch: NOT OK

Facility Y (Bid Response Y)

Stellenbosch Electrical Network



PV and BESS must be separate Bid Responses



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FUNCTIONALITY CRITERIA

Legal Criteria



- **Legal Criterion 1 – Project Company**
 - The Constitutional Documents of the Project Company, when it signs the Project Agreement, must reflect that its sole purpose is to undertake the Bidder's Project, including entering into and fulfilling the Project Agreements, and that it is a ring-fenced company under the Companies Act
 - The Bidder must confirm that by Commercial Close, the Project Company will be incorporated with ownership stakes as per the Bid Response, its Constitutional Documents will reflect its sole purpose tied to the Project, it will have the ability to provide Renewable Energy Certificates (RECs) for Stellenbosch Municipality with associated costs borne by the Seller, and it will be registered as a "ring fenced" company with "(RF)" in its name.
 - A template of the written confirmation is included in Appendix 13 (*Declaration of Bidder*) of the RFP
- **Legal Criterion 2 – Acceptance of Project Agreements**
 - The Bidder must confirm that the Bidder, and each of its Members and/or Shareholders accept the Project Agreements and all annexes thereto.
 - A template of the written confirmation is included in Appendix 13 (*Declaration of Bidder*) of the RFP



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FUNCTIONALITY CRITERIA

Legal Criteria



- **Legal Criterion 3 – Completion and Submission of Returnable Schedules**
 - Invitation to Bid Form - Appendix 2
 - Declaration of Bidder - Appendix 13
 - MBD 4 - Declaration of Interest Form - Appendix 4
 - MBD 5 - Declaration for Procurement above R10 Million Form - Appendix 5
 - MBD 6.1 - Preference Points Claim Form – Solar PV - Appendix 31A
 - MBD 6.1 - Preference Points Claim Form – BESS - Appendix 31B
 - MBD 8 - Declaration of Bidder's Past Supply Chain Management Practices - Appendix 6
 - MBD 9 - Certificate of Independent Bid Determination - Appendix 7
 - MBD 10 - Certificate for Payment of Municipal Services - Appendix 8
- **Legal Criterion 4 – Decommissioning**
 - Bidders (and Sellers under the PPA) will be required to make financial provision for the costs of the decommissioning of the Facility, rehabilitation and closure of the Project Site, and post-closure monitoring of environmental impacts in respect of the Facility
 - The Bidder must, in its Bid Response, include a detailed and comprehensive Decommissioning Plan, and a Decommissioning Financial Plan



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FUNCTIONALITY CRITERIA

Land Acquisition and Land Use Criteria



- A Bidder must submit a Legal Opinion issued by legal practitioner/s who meet the requisite criteria, substantiating the nature of the land acquisition or land use arrangements entered into by the Bidder in respect of the Project Site to be utilised for purposes of the Project
- In order to demonstrate compliance with the Land Acquisition and Land Use Criteria, Bidders must:
 - provide the required Legal Opinion, confirming that all requisite land acquisition rights have been secured, and land use rights have been applied for, for the Project
 - provide a statement confirming that the Legal Opinion was obtained from a legal practitioner meeting the criteria stipulated in clause 12.7 of the RFP (wording for such a statement is included in Appendix 13 (*Declaration of Bidder*))
 - satisfy the Stellenbosch Municipality that if any of the land rights secured for the Project are subject to conditions, the Bidder is in a position to comply with the conditions within the relevant STMIPPPP time-frames



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FUNCTIONALITY CRITERIA

Environmental Consent Criteria



- A Bidder must submit a Legal Opinion issued by legal practitioner/s who meet the requisite criteria, indicating sufficient progress on all applicable Key Environmental Consents and Other Environmental Consents by the Bid Submission Date, so as to ensure timely securing thereof by Commercial Close
- The **Key Environmental Consents** which must be secured by a Project Company before Commercial Close are :
 - Environmental authorisation under NEMA, or where applicable, registration under the Solar PV or BESS Exclusion Norms
 - Water use entitlement or allocation confirmation under the National Water Act 36 of 1998 for all Project water needs and impacts on watercourses (or a SACNASP verification report)
- The **Other Environmental Consents** (if applicable) which must be secured by a Project Company before Commercial Close, may include biodiversity permits, protected tree licences, heritage approvals, and others under various environmental and heritage legislation



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FUNCTIONALITY CRITERIA

Financial Criteria



Financial Criterion 1: Experience in raising Debt : provide details of their experience in raising debt (minimum of 3 and up to 10 examples) of IPP energy projects where the projects listed have reached Financial Close and are in construction or operation.

Financial Criterion 2: Experience in raising Equity Finance: provide details of their experience in raising equity finance (minimum of 3 and up to 10 examples of projects where they have successfully raised equity funding)

Financial Criterion 3: Financial Model and Forecast Cash Flow Waterfall: prepare a Financial Model for the Project, in order to demonstrate the methodology applied to calculate the Price.

- complete Appendix 22 (*Financial Returnable Schedule F3 - Template 1a and Template 1b*) of the RFP, linked to, and as an output of, the Bidder's Financial Model. Appendix 22 (*Financial Returnable Schedule F3 - Template 1a and Template 1b*)
- complete Appendix 22 (*Financial Returnable Schedule F3 – Templates 2, 3, 4, and 5*), which includes information pertaining to Capital Expenditure, Debt funding arrangements, technical information and intended B-BBEE funding arrangements.
- consider: timing; curtailment; indexation; foreign exchange rates; interest forward curves; taxation; all Inclusive; and decommissioning;



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FUNCTIONALITY CRITERIA

Financial Criteria (2)



Financial Criterion 4: Price

Bidders are required to provide their proposed **Price** for Commercial Energy or Energy Output / Deemed Energy, as the case may be, to be delivered through the applicable Technology, as outlined below and in clause 16.4 of the RFP.

- Solar PV - the Bidder must provide the Price as at the Base Date, on the basis of a single tariff in Rand per kWh for Commercial Energy;
- BESS - the Bidder must provide the Price as at the Base Date, on the basis of a single tariff in Rand per kWh for Energy Output and Deemed Energy.

Bidders are required to submit their **Evaluation Price** calculated in Appendix 22 (Financial Returnable Schedule F3 - Template 1a and Template 1b), where the Solar PV Evaluation Price is identified in cell H31 of Appendix 22 (Financial Returnable Schedule F3 - Template 1a) and the BESS Evaluation Price is identified in cell H75 of Appendix 22 (Financial Returnable Schedule F3 - Template 1b), which Evaluation Price should be determined in accordance with the methodology set out in clause 16.4.6 for Solar PV, and clause 16.4.7 for BESS.



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FUNCTIONALITY CRITERIA

Financial Criteria (3)



Financial Criterion 5: Project Funding Arrangements :

- Funding Plan provide a detailed funding plan for raising the required Equity Finance and Debt (including mezzanine facilities);
- Debt Considerations: no restriction in how Project is funded - any Debt raised may not have recourse to the Stellenbosch Municipality except to the extent allowed for in the PPA and Direct Agreement (preliminary credit approved Project Finance Term Sheet required)
- Equity Finance Considerations: must provide a clear written explanation of intended approach to raise the required Equity Finance for the Project (Equity Finance term sheets required)



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FUNCTIONALITY CRITERIA

Technical Criteria Solar PV



- Bidders to provide required technical information of the Solar PV Project per unit (if applicable)
- Bidders are required to demonstrate experience in developing and/or constructing Solar PV projects, providing a minimum of three Solar PV reference projects that have reached commercial operation. The minimum project size for each of the reference projects is 3 MWp.
- The Bidder's DC/AC Ratio and Contracted Capacity must fall within the maximum and minimum limits stated in clause 4.2 (STMIPPPP Scope and Key Features) of the RFP
- Bidders to provide detailed energy forecast report that must clearly state and justify all assumptions made to estimate the P50 and P90 energy forecasts at the Delivery Point/s ("Energy Forecast Report").
- The Bidder is required to provide a Project schedule at a weekly resolution, showing key activities, lead times, dependencies and milestones from the Project development phase up to the Commercial Operation Date ("Project Schedule")
- The Bidders are required to state the Delivery Point for the Facility (in the case of a Facility comprising only one Unit), or for each Unit (in the case of a Facility comprising more than one Unit).



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FUNCTIONALITY CRITERIA

Technical Criteria BESS



- Bidders to provide required technical information of the BESS Project per unit (if applicable)
- The Bidder is required to demonstrate experience in developing and/or constructing BESS projects, providing a minimum of two BESS reference projects that have reached commercial operation. The minimum project size for each of the reference projects is 0.5MW/1MWh.
- The Bidder shall demonstrate the proposed EPC Contractors' experience in engineering, procuring, constructing and commissioning BESS projects, by providing a minimum of two BESS project references that have reached commercial operation. The minimum project size for each of the reference projects must be 0.5MW/1MWh
- The Bidder's Contracted Capacity at COD and RTE at COD must comply with the requirements stated in clause 4.2 (STMIPPPP Scope and Key Features) of the RFP.
- The Bidder is required to provide a Project Schedule at a weekly resolution, showing key activities, lead times, dependencies and milestones from the Project development phase up to Commercial Operation Date.
- The Bidder is required to state the Delivery Point for the Facility (in the case of a Facility comprising only one Unit) or for each Unit (in the case of a Facility comprising more than one Unit).



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STAGE 2: EVALUATION CRITERIA

Introduction



- The Stellenbosch Municipality will evaluate all Compliant Bids in accordance with the Stage 2 criteria
- In Stage 2, Compliant Bids will be scored, per Technology, in accordance with the 90:10 preference points system, against the following Evaluation Criteria:
- **Solar PV**
 - **Evaluation Price** - maximum score will be 90 (ninety) points;
 - the Specific Goals of *B-BBEE Contributor Status Level and Locality* for which the maximum score for each will be 5 (five) points
- **BESS**
 - **Evaluation Price** - maximum score will be 90 (ninety) points;
 - for BESS, the Specific Goal of *B-BBEE Contributor Status Level*, for which the maximum score will be 10 (ten) points;



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STAGE 2: EVALUATION CRITERIA

Solar PV Price and Evaluation Price



- provide the Price as at the Base Date, on the basis of a single tariff in Rand per kWh for Commercial Energy
- submit price in Appendix 34 – must agree to the Price specified in Appendix 22: Template 1a (if different, price in Appendix 22 will apply)
- inclusive of the Bidder's cost and include cost of connection of the Unit/s and/or Facility (as applicable) to the Distribution System, which cost must be separately shown in the Financial Model
- consideration: timing; curtailment; indexation; foreign exchange rates; interest forward curves; taxation; all Inclusive; and decommissioning;
- submit Evaluation Price calculated in Appendix 22: Template 1a, where the Solar PV Evaluation Price is identified in cell H31.



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STAGE 2: EVALUATION CRITERIA

BESS Price and Evaluation Price



- provide the Price as at the Base Date (Rand per kWh for Energy Output and Deemed Energy)
- submit price in Appendix 35 – must agree to the Price specified in Appendix 22 Template 1b (if different, price in Appendix 22 will apply)
- inclusive of the Bidder's cost and include cost of connection of the Unit/s and/or Facility (as applicable) to the Distribution System (shown separately in Financial Model)
- consideration: timing; curtailment; indexation; foreign exchange rates; interest forward curves; taxation; all Inclusive; and decommissioning;
- Evaluation Price calculated in Appendix 22: Template 1b (BESS Evaluation Price in cell H75:
 - payment structure in Schedule 9 (Calculation of Payments) of Appendix 16 (BESS PPA);
 - impact of a Bidder's RTE will be fully taken into account;
 - Annual Cycles equal to 624 will be used
 - 10% Eskom tariff escalation per annum in respect of the Energy Input cost is assumed
 - populate the Price, Contracted Capacity and RTE in each Contract Year
 - buyer NPV cost calculated and divided by BESS Energy Output over the PPA term (R/kWh);
 - RTE + Contracted Capacity to agree with Appendix 27 (BR1 - Technical Information) info.



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STAGE 2: EVALUATION CRITERIA

Specific Goals – Solar PV



Preference points out of a total of 10 points shall be awarded for: 1) B-BBEE Status Level of Contributor (maximum of 5 points); and 2) Locality of supplier (maximum of 5 points). Proof of compliance to claim preference points:

- A valid B-BBEE Certificate issued by a B-BBEE Verification Agency, in respect of the Bidder.
- A valid municipal account or proof of valid lease agreement or sworn affidavit, as evidence that the Bidder has a business premises situated in the Municipal area of Stellenbosch (WC024).

Important notes related to proof of compliance:

- Bidders must refer to the B-BBEE Codes of Good Practice, 2013 (as amended) for the measurement framework for unincorporated consortia / joint ventures.
- A B-BBEE Exempted Micro Enterprise (EME)/ Qualifying Small Enterprise (QSE) sworn affidavit will not be accepted.
- The B-BBEE Verification Agency must be accredited by the South African National Accreditation System to issue B-BBEE Certificates.
- The B-BBEE Verification Agency must provide a letter that tabulates the Black People shareholding in the Bidder. See Appendix 32 (B-BBEE Verification Agency letter).
- Preferred Bidders are required to reach Financial Close with the same Black People ownership structure as declared in their Bid Response.
- Locality points can be claimed for the lead Bidder or one of the members in a Bidder that is comprised of an unincorporated consortium/ joint venture.

Other guidance:

- Section 8 of MBD 6.1 - Sub-contracting relates to the contract for the supply of electricity and not the contracts that a successful Bidder will issue in the course of building the energy generation plant.



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STAGE 2: EVALUATION CRITERIA

Specific Goals – BESS



Preference points out of a total of 10 points shall be awarded for: 1) B-BBEE Status Level of Contributor (maximum of 10 points). Proof of compliance to claim preference points:

- A valid B-BBEE Certificate issued by a B-BBEE Verification Agency, in respect of the Bidder.

Important notes related to proof of compliance:

- Bidders must refer to the B-BBEE Codes of Good Practice, 2013 (as amended) for the measurement framework for unincorporated consortia / joint ventures.
- A B-BBEE Exempted Micro Enterprise (EME)/ Qualifying Small Enterprise (QSE) sworn affidavit will not be accepted.
- The B-BBEE Verification Agency must be accredited by the South African National Accreditation System to issue B-BBEE Certificates.
- The B-BBEE Verification Agency must provide a letter that tabulates the Black People shareholding in the Bidder. See Appendix 32 (B-BBEE Verification Agency letter).
- Preferred Bidders are required to reach Financial Close with the same Black People ownership structure as declared in their Bid Response.

Other guidance:

- Section 8 of MBD 6.1 - Sub-contracting relates to the contract for the supply of electricity and not the contracts that a successful Bidder will issue in the course of building the energy generation plant.



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STAGE 2: EVALUATION CRITERIA

Impact of Grid Constraints



- Appointment of any Preferred Bidder will only be made after confirmation from the Municipality's Electricity Department that there are no grid capacity constraints that would hinder connection of the Project
- If there are two or more Projects assessed by the Municipality as Compliant Bids, but those Projects all intend to connect to a common Delivery Point and/or within the same Electrical Network, the Municipality will consult with the Electricity Department to confirm any constraints
- If the available capacity is insufficient to accommodate all of the Projects, then the Municipality may, in its sole discretion, comparatively evaluate the affected Compliant Bids which are competing for the available capacity to score and rank those "Competing Compliant Bids" relative to each other
- The Competing Compliant Bidder/s which rank the highest will be considered for appointment as Preferred Bidders, up to the capacity available



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STAGE 2: EVALUATION CRITERIA

Value for Money



- Project has to deliver Value for Money; as such the proposed project will also include the following evaluation:
 - affordability of the individual Project, which would include the impact of the Project pricing on the Stellenbosch Municipality supply tariffs; and
 - affordability of all the Projects up to the maximum MW allocation, as detailed in clause 4.2.3.2 of the RFP.
- The Stellenbosch Municipality reserves the right, subject to applicable laws, to engage with Bidders which submitted Compliant Bids but whose Projects are determined not to represent Value for Money, for purposes of Price negotiations aimed at achieving a lower Price offer which represents Value for Money for the Stellenbosch Municipality.



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PPA: Solar PV

PPA: BESS



- A draft Solar PV PPA is included as Appendix 15
- A draft BESS PPA is included as Appendix 16
- As stated earlier, Bidders may submit comments on the draft PPAs and other Project Agreements by no later than 23 May 2025
- Stellenbosch Municipality will consider all comments received, and may re-issue the draft Project Agreements prior to the Bid Submission Date, by way of a Briefing Note
- The PPAs and other Project Agreements are intended to be non-negotiable post-award, but will be populated with each Preferred Bidder's individual Project-related information



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SPECIFIC GOALS

Special Conditions of Contract



Job Creation:

- Forty percent (40%) of total RSA-based Employee Person Months during the Construction Measurement Period must be delivered by Verified Residents of the Local Community.
- Fifty percent (50%) of total RSA-based Employee Person Months during the Operating Period must be delivered by Verified Residents of the Local Community.
- One hundred percent (100%) of total Unskilled RSA-based Employee Person Months must be delivered by Verified Residents during both Periods.

Compulsory Bid Returnable: Job Creation declaration for the Construction Measurement Period and Operating Period, respectively, provided at Appendix 33 (Job Creation Returnable) of the RFP.

Skills Development Spending:

- Zero-point two percent (0.2%) of total Revenue in each Contract Year during the Operating Measurement Period must be spent on internships and bursaries related to post-secondary school education and training of Verified Residents of the Local Community who are Black People, to improve their employability.

Social Spending:

- Zero-point eight percent (0.8%) of total Revenue in each Contract Year during the Operating Measurement Period must be spent on Social Well-Being Programmes and Social Infrastructure, to improve the quality of life of the Local Community

Local Presence:

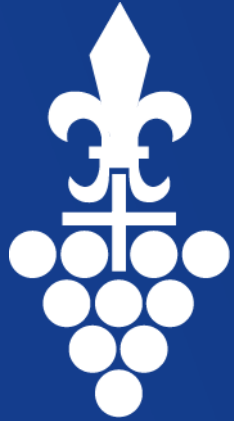
- The Seller must establish and maintain an administrative office in Stellenbosch Municipality from the Commercial Operating Date until termination of the PPA.



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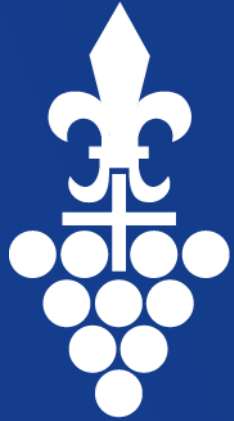
Questions and Answers



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