

NATIONAL

DMRE launches three bidding rounds to add 7,600MW to the grid

The deadline for bid submissions is April 30

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by DENENE ERASMUS



Picture: 123RF

The department of mineral resources & energy (DMRE) has launched three new requests for proposals under the independent power producer procurement programme for 7,615MW of new generation capacity. This is equal to about eight stages of load-shedding of new generation capacity from renewable energy, gas and battery energy storage.

The inaugural government-backed procurement round for gas-to-power projects will seek to procure 2,000MW generation capacity (almost the capacity of Koeberg nuclear power station) from land-based facilities using natural gas.

According to the DMRE, the projects can be located anywhere in SA.

Last week the department launched bid window 7 of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP).

“The request for proposals calls for 5,000MW of new generation capacity, which includes 1,800MW of solar and 3,200MW of onshore wind power from projects that are at an advanced stage of development and will be able to be constructed and connected to the national grid not later than 24 months post commercial close,” the DMRE said.

After announcing the winning bidders in the first battery energy storage procurement round at the start of December, the DMRE has now opened the second round, calling for 615MW of storage capacity from eight facilities to be located near certain Eskom transmission substations in the Northwest Supply Area.

The four battery storage projects selected under bid window 1 will add about 500MW of capacity and are expected to reach commercial close by May 2024.

The department said prospective bidders under any of these new bid windows should note the available grid capacity in the different areas of supply as indicated in Eskom’s 2025 Generation Connection Capacity Assessment. The assessment showed there was about 20,000MW of available generation connection capacity available across various provinces.

Most of the available capacity is in Mpumalanga, Gauteng, KwaZulu-Natal and Limpopo. There was no more available generation capacity in the three Cape provinces — the most favourable areas for wind and solar power generation.

In bid window 6 of the REIPPPP, the DMRE issued a call for proposals for 5,200MW of renewable energy generation capacity but ended up procuring only about 1,000MW of solar power capacity and no wind power.

This was due to a lack of available grid access capacity to connect more projects to the grid in the Western Cape and Northern Cape, where most of the projects in the bids that were submitted would have been located.

SA Wind Energy Association CEO Niveshen Govender said they noted that bid window 7 takes into consideration the country’s grid constraints.

“To ensure a successful bid window, the industry is mindful of outstanding critical issues which require clarification, particularly those related to grid capacity and its allocation. Therefore, ongoing constructive engagement with Eskom will be maintained until these issues are effectively resolved,” Govender said.

The deadline for bid submissions is April 30 and the DMRE will host a bidders’ conference on January 17 and 18 to provide more information on the qualifying criteria and bid submission expectations.

erasmusd@businesslive.co.za