NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

APPLICATION FOR AN ELECTRICITY GENERATION LICENCE IN TERMS OF THE ELECTRICITY REGULATION ACT, 2006 (ACT NO. 4 OF 2006).

Please return completed form to:

HOD: Electricity Licensing and Compliance
National Energy Regulator of South Africa
Kulawula House, 526 Vermeulen Street
Arcadia, 0083
Pretoria

Or:

HOD: Electricity Licensing and Compliance
National Energy Regulator of South Africa
P.O. Box 40343
Arcadia
0007

Tel (012) 401 - 4600
Fax (012) 401 - 4700

SECTION A PARTICULARS OF APPLICANT

A1 Full name of applicant (business name) and business registration number

- **Ngonyama Solar (RF) (Pty) Ltd**
- **2022/308072/07**

A2 Address of applicant, or in the case of a body corporate, the registered head office

Physical address

- **Mazars House Rialto Road**
  Grand Moorings Precinct
  Century City
  Western Cape
  7441

Postal address

P O BOX 134
Century City
Western Cape
7446

A3 Telephone number of applicant

(_____) N/A

A4 Fax number of applicant

(_____) N/A

A5 Email address of applicant

info@ibvogt.com

A6 Contact person

First name **Sachin Jaichund**

Surname **Thakurpersad**

Telephone No N/A

Mobile No REDACTED

Fax No. _____

Email address info@ibvogt.com

A7 Legal form of applicant

- Private Company

Note to Section A

1) State whether the applicant is a local government body, a juristic person established in terms of an act of parliament, a department of state, a company or other legal body.

2) If the applicant is a local government body, attach a copy of the proclamation establishing such body. Where the applicant is a company, the full names of the current directors and the company registration number are required.

3) Also provide shareholding information of the company.

- BEE Partner **48.5%**
- **Ib vogt** **49%**
- **Marula Community Trust** **2.5%**

SECTION B COMMENCEMENT DATE OF LICENCE

B1 Desired date from which the licence (if granted) is to take effect

- **June 2023**

Note to Section B

4) The normal processing time for a licence application is 120 days once all relevant information has been provided and there are no objections received.

5) If the applicant intends operating more than one generation station under the proposed licence, please complete separate application forms for each generation station.

SECTION C PARTICULARS OF PROPOSED GENERATION STATION

C1 Name of generation station

- **Ngonyama Solar PV Plant**

C2 Geographical location of generation station (please attach maps) and GPS coordinates (x^0xx'xxx" S, y^0yy'yyy" E)

28°39'09.2"S 25°39'13.5"E

C3 Address of generation station

- **THE FARM DOORNHOEK 37, PORTION 4 (GIBEON) OF THE FARM STERKFONTEIN 639, PORTION 3 OF THE FARM BRAKFONTEIN 636, PORTION 2 (VERGENOEG) OF THE CONSOLIDATED FARM BRAKFONTEIN 636, DISTRICT BOSHOF, FREE STATE PROVINCE**

C4 Contact person at generation station

First name and Surname	No person has been appointed yet
Telephone No	
Mobile No	
Fax No	
Email address	info@ibvogt.com

C5 Type of generation station (thermal, nuclear, hydro, pumped storage, gas turbine, diesel generator or other) (Please specify)

- **Solar Photovoltaic Plant**

C6 Expected commissioning date for a proposed generation station or at which the station was commissioned (if an existing station). Also state construction period required if applicable.

- **24 months of construction**
- **Expected COD: June 2025**

C7 The installed capacity (existing and/or planned) of each unit within the generation station (MW)

Existing Capacity (Nameplate rating)

N/A

Planned Capacity (nameplate rating)

- **140MWac**

C8 Maximum generation capacity (MW) expected to be available from the generation station and energy to be produced (MWh) over the next 5years of operation. These estimates should be based on modelling of how the power station will fit into the demand profile of its customers, taking into account the least cost energy purchase consideration and demand management options of customers.

YEAR	Max MW	Total MWh	Own use MWh	Export (Sales) MWh
1	140	452,724.85	2,117.85	450,607.0
2	140	451,654.04	2,112.84	449,541.2
3	140	450,576.20	2,107.80	448,468.4
4	140	449,258.74	2,101.64	447,157.1
5	140	447,796.30	2,094.80	445,701.5

C9 Estimate of the energy conversion efficiency of the generation station/ Capacity factor where applicable.

- **PR Ratio: 80.98%**

C10 Expected future life of the generation station.

- 20 years

Note to Section C

Also provide additional technical information of the project as separate attachments. This should give the technology used, technical feasibility studies e.g. radiation studies for Solar projects or wind studies for Wind projects, connection to the grid arrangements, single line diagrams of the network connection as well as single line diagrams of the generation station, etc. Also attach fuel supply/ wheeling/ connection consents/ agreements where applicable (if you are going to use someone else's network).

This information is also used as technical inputs to the financial model of the project, e.g. solar radiation studies will determine the amount of power that can be generated.

SECTION D PARTICULARS OF LONG TERM ARRANGEMENTS WITH PRIMARY ENERGY SUPPLIERS

D1 Name of primary energy supplier/s (mining house, colliery or other fuel supplier) if applicable

- **Not Applicable**

D2 Particulars of the contractual arrangements with primary energy supplier if applicable

- **Not Applicable**

Notes to Section D

6) Please provide brief particulars of any long term agreements entered into with fuel suppliers and copies of such contracts (Signed Fuel Supply Agreements).

SECTION E MAINTENANCE PROGRAMMES AND DECOMMISSIONING COSTS

E1 Details of any proposed operation and maintenance programmes, including the expected cost and duration thereof, covering the lifespan of the project. Project proposals to state the expected availability, planned outage rate and forced outage rate of the plant over the life span of the project. Additional information may be provided as an attachment.

- **Operation and maintenance duration: 20 years**
- **Operations and Maintenance cost over 20 years: R694 927 896**
- **Grid Availability will be 98% per annum, and not lower unless an acceptable justification is given**

E2 Details of any major decommissioning costs expected during the life span of the power station and provided for in the project feasibility study.

E3 Details of major generation station expansion and modifications planned for in the feasibility study (Dates, Costs in Rands (state year) and description)

- **None**

SECTION F CUSTOMER PROFILE

F1 Particulars of the person or persons to whom the applicant is providing or intends to provide electricity from the generation station. Explain relationship between buyer and seller if any.

- Ngonyama Solar (RF) (Pty) Ltd, intends to sell electricity generated to Eskom Holdings SOC

F2 Network connection details (connection points, voltages, wheeling arrangement, single line diagram). Please attach connection cost estimate letters and / connection consents if not owner of the network.

The project will be connected via a 132kV line from the New Artemis MTS to Ngonyama Solar Collector station

F3 Provide summary details of Power Purchase Agreements with customer including purchasing price etc. (Please attach Power Purchase Agreements).

The PPA to be entered into is a 20-year term with Eskom Holding SOC Ltd. The Final Price will be determined at the commercial close. Please see herein attached draft PPA provided in the REIPPP Bid Window 6

Notes to Section F

7) For example, supply to ESKOM or supply to local government distribution system. Please include the details of power purchase agreements entered into and the price structure of the contract.

SECTION G FINANCIAL INFORMATION

G1 Submit projections of and current statements of the accounts in respect of the undertaking carried on by the applicant, showing the financial state of affairs of the most recent period, together with copies of the latest audited annual accounts where such have been prepared. N/A

G2 Submit the financial model in excel format of the proposed generation facility for the lifespan of the project, showing the funding (Equity/ Debt ratios) and their cost, cost of the project, sales and revenues generated by the project, stating the assumptions underlying the figures. A separate write up must be provided to explain the financial information on the model. REDACTED

G3 Estimates of net annual cash flows for the lifespan of the project sufficient to demonstrate the financial security and feasibility of operating the generation station. REDACTED

G4 Project financing: Who will finance the project, how is funding split between debt and equity, and what is the terms and conditions of the funding agreements. In addition, also fill in table below: REDACTED

Total capital cost of the project (including IDC)	
Interest During Construction (IDC)	
Post tax real IRR (for the whole project)	
Nominal IRR after Tax (for the whole project)	
Debt/Equity Ratio	
Payback period	

Notes to Section G

8) The financial projections should be based on a production plan for the generation station and the revenue generated by participating in the electricity market and by bilateral contracts (Power Purchase Agreements) with customers. Reference to the latest version of National Integrated Resource Plan (IRP) is required to demonstrate that the proposed power purchase agreement is the least cost solution available to the electricity purchaser.

9) Evidence of compliance with the Integrated Resource Plan (IRP). If the proposed plant in not in the IRP, the applicant must obtain Ministerial approval for deviation from the IRP in accordance with Section 10(2)g of the Electricity Regulation Act, 2006 (Act No. 4 of 2006). This approval is granted by the Minister of Energy so applicant must contact the Department of Energy for this approval. The DDG: Policy would be the contact person at DoE. Sometimes the

Minister gives a blanket approval, and applicants are encouraged to contact NERSA for the latest update on what is exempted.

SECTION H HUMAN RESOURCES INFORMATION

H1 Submit details of the number of staff and employees and their designation (not names, e.g. three professional engineers registered with ECSA, two clerks etc) in the service of the applicant at the generation station and in any support services separate from the generation station. Also provide information regarding relevant qualifications and experience in critical areas e.g. Professional registration (Engineering Council of South Africa – ECSA), Government Certificate of Competency.

Human Resources should comply with BBEEE policy or the requirements of the Request for Proposal (RfP) documents if the project is as a result of a tendering procurement process, e.g. the DMRE Renewable Energy Independent Power Producer Procurement (REIPPP) process. The applicant should give the number of employees that will be employed during project construction, operation and maintenance.

All this information should be submitted as an attachment.

All information regarding BBEEE can be located in PART 5 Economic Development Response which forms part of Bid Window 6 Submission for REIPPPP.

SECTION I PERMISSION FROM OTHER GOVERNMENT DEPARTMENTS OR REGULATORY AUTHORITIES

I. What progress has been made to obtain the required permits and approvals for the generation project? Please provide copies of permits issued in respect of the operation of the generation station such as Environmental Authorisations, Water Use Licence, Civil Aviation Authority Approval, etc. (this is depended on technology used).

Environmental Authorization (EA) - Obtained
Water Use License (WUL) - In progress
Civil Aviation Authority (CAA) - In progress
Land Agreement - ??
Department of Mineral resources Section 53 - Will check
Heritage – Will check
BAR (Basic Assessment Report) - ??
Cost Estimate letter - Obtained
Electromagnetic Interference - ??
Subdivision of Agricultural Land Act (SALA) - In progress

SECTION J BROAD-BASED BLACK ECONOMIC EMPOWERMENT

J1 Please provide information in terms of the following categories:

COMPONENTS	POINTS	0.5	0.75	1
Direct Empowerment	Black Ownership	10% to <20%	20% to 50%	>50%
	Black Management	20% to <35%	35% to 50%	>50%
	Black Female Management	1% to <5%	5% to 10%	>10%
Human Resource Development	Black Skilled Personnel as % of payroll	20% to <35%	35% to 50%	>50%
	Skills Development Programs as % of payroll	1% to <5%	5% to 10%	>10%
	Employment Equity i.e. Women Representation	20% to <35%	35% to 50%	>50%
Indirect Empowerment	Procurement from Black/BEE Suppliers	20% to <35%	35% to 50%	>50%
	Enterprise Development i.e. Monetary Investment or quantifiable non-monetary support in SMME with BEE contributions as % of Net Asset Value/ EBITDA/Total Procurement	10% to <20%	20% to 25%	>25 %
	Industry specific initiatives to facilitate the inclusion of black people in the sector as % of net profit	1% to <5%	5% to 10%	>10%
NERSA's Discretionary Points	Based on skills transfer and fulfilment or acceleration of other national objectives e.g. employment of disabled personnel robust implementation of mechanisms to verify the BEE status of suppliers reported under preferential procurement and utilization of DTI approved accreditation agencies and so on.	1% to <5%	5% to 10%	>10%

SECTION K ECONOMIC INFORMATION

Please state the economic benefits of the project to the local community and to South Africa as a whole. If there are Economic Development Commitments made, they must be stated here or be provided as attachments if the files are big, but in such cases, there should be a brief summary.

Ngonyama Solar Plant has made sizeable commitments towards Economic Development and the local community. The project has a 2.5% local community Trust ownership

In addition, the project will contribute to the reduction of South Africa's carbon footprint while also creating meaningful employment opportunities in the local communities. Commitments have also been made towards Skills Development, Enterprise and Supplier Development and Socio-Economic Development during construction and operation phases. The project will add much needed new generation capacity to the South African grid and improve the energy mix in South Africa, while also aiming to alleviate the severity of loadshedding.

A detailed report, which was submitted under the REIPPPP Bid Window 6 will be provided as a separate file to provide an overview of our comprehensive Economic Development plans and commitments

SECTION L ADDITIONAL INFORMATION

Provide any other relevant information related to this application

Given the limited recourse project financing, there are some interests that need to be considered in relation to the Lenders and therefore we propose that the following issues be raised in relation to the Generation License Application.

- The license should not restrict a change in shareholding or control of the licensee, beyond a simple notification to NERSA thereof.
- The term of the license should endure for a minimum period of 20 (twenty) years and thereafter extended to any such further period as may be allowed or agreed under the PPA.
- The Tariff should be determined pursuant to the PPA.
- In the event that an Appointed Representative is appointed under the Direct Agreement, the license should allow that Appointed Representative to perform all of its functions as an Appointed Representative in terms of the Project Agreements.
- On termination of the IA for Government Default, and where government has exercised its options to take ownership of the facility, the license must not restrict the transfer of the facilities and ownership.
- In the event of an assignment to a Substitute Seller in terms of the IA and PPA Direct Agreement, the license should be transferable to such Substitute Seller on notification to NERSA.
- The license should contain a provision that any amendment thereof shall require the consent of the Lenders (insofar as such amendment is requested or requires the licensee's input) and further that no unilateral amendment shall be enforceable without notification to the Lenders, allowing them sufficient time to remedy any such act/omission that may have resulted in the amendment in the first instance.
- The license should contain an encumbrance in favour of the Lenders requiring, interalia, that any amendment or communication in respect of the license shall require simultaneous notification to the Lenders.
- Additionally, any other conditions which would impede or restrict the Lenders' ability to secure and enforce their security package should not be included

SECTION L DECLARATION

On behalf of the applicant, I hereby declare that:

(a) the applicant shall at all times comply in every respect with the conditions attached to any licence that may be granted to the applicant;

(b) the applicant shall at all times comply with lawful directions of the National Energy Regulator of South Africa;

(c) the information provided by me on behalf of the applicant is accurate and complete in all respects; and

(d) I am authorised to make this declaration on behalf of the applicant.

Signed:

Full name(s) of Signator(y/ies):

Sachin Jaichund Thakurpersad	

Position held (if the applicant is a company, co-operative, partnership, unincorporated association or any other body corporate):

Senior Project Developer	

Date:

20 March 2023