

## Request for proposals for Energy Policy Support to the National Energy Crisis Committee

### Introduction

The National Business Initiative (NBI) is a voluntary group of leading national and multi-national companies, working together towards sustainable growth and development in South Africa through partnerships, practical programmes and policy engagement. Since its establishment in 1995, the NBI has been an advocate for the collective role of business in support of a stable democracy, growing economy and healthy natural environment.

To this end, the NBI has been appointed by the Resource Mobilisation Fund (RMF) to assist in the provisioning of resources to the Presidency, for use in the National Energy Crisis Committee (NECOM).

### Project Background

President Ramaphosa established NECOM to oversee the implementation of an Energy Action Plan to end load shedding and achieve energy security. NECOM is chaired by the President and includes the Minister in the Presidency, the Minister of Mineral Resources and Energy, the Minister of Public Enterprises, the Minister of Finance, the Minister of Forestry, Fisheries and the Environment, and the Minister of Trade, Industry and Competition.

A technical secretariat has been established to support NECOM, including senior officials in various government departments and state agencies. The secretariat is chaired by the Director-General in the Presidency and comprises nine workstreams to coordinate the implementation of interventions to reduce load shedding and achieve energy security. Details of the workstreams are provided in Table 1 below.

**Table 1: NECOM workstreams**

Overview of workstream focus area	Departments/ Entities represented
<p><b>Workstream 1: Improving Eskom Plant Performance and Strengthening the Grid</b></p> <p>Workstream 1 will focus on two areas. First, it will oversee improvements in the performance and availability of existing Eskom plant, working closely with Eskom. This will include an independent review of plant performance to identify improvements in operating practices, skills and other factors. Second, it will focus on expanding and strengthening transmission infrastructure to enable the connection of new generation capacity, including large-scale renewables.</p>	<p>DPE DMRE Eskom</p>

<p><b>Workstream 2: Regulatory and Legal</b></p> <p>Workstream 2 will focus on cross-cutting policy, legal, regulatory issues and decision-making processes. It will also provide support to other work streams where legal issues arise. The immediate focus is to consider the tabling of special legislation to reduce or remove red tape for energy projects for a period of two years. The existing Embedded Generation Intervention Task Team will form part of the Regulatory and Legal Workstream and will work towards the establishment of a one-stop shop for energy-related applications.</p>	<p>DFFE , DMRE DALRRD DOT, DWS DPWI, DOJ&amp;CD DTIC (InvestSA) National Treasury NERSA, SALGA Eskom</p>
<p><b>Workstream 3: New Generation Capacity</b></p> <p>Workstream 3 will focus on expediting the connection of additional generation capacity from existing and future procurement rounds as well as emergency procurement. In addition, it will focus on measures to ensure private investment in new generation capacity as well as to facilitate commercial and residential installations of small-scale embedded generation. This will include implementing a feed-in tariff structure and expanding or reinstating tax incentives for Small-scale Embedded Generation (SSEG).</p>	<p>DMRE Eskom National Treasury NERSA SALGA</p>
<p><b>Workstream 4: Procurement and Financing</b></p> <p>Workstream 4 will focus on providing exemptions from the PFMA to enable emergency procurement of electricity and maintenance, as well as determining any cost and the deployment of financial resources in implementing the Action Plan to End Load Shedding.</p>	<p>National Treasury Eskom DPE</p>
<p><b>Workstream 5: Demand Side Management</b></p> <p>Workstream 5 will develop a detailed plan to improve demand management and ensure implementation of energy efficiency and customer response measures.</p>	<p>DMRE DPWI Eskom</p>
<p><b>Workstream 6: Safety and Security</b></p> <p>Workstream 6 will focus on ensuring that the Security Cluster implements a coordinated plan by law enforcement agencies to address sabotage, theft and fraud at Eskom as well as cable theft and illegal connections. A further critical area is to ensure that our intelligence capability addresses ongoing economic sabotage and protects critical infrastructure.</p>	<p>SANDF SAPS SSA DOJ&amp;CD NPA Eskom</p>
<p><b>Workstream 7: Data Analytics and Research</b></p> <p>Workstream 7 will provide ongoing data and research support to inform decision making, including modelling the impact of measures to address the energy shortfall.</p>	<p>DSI , DPME DMRE, CSIR SANEDI, Eskom</p>
<p><b>Workstream 8: Communication</b></p>	<p>GCSIS Eskom</p>

Workstream 8 will focus on communicating the strategy to the public in a coherent and effective manner, including providing regular progress updates, as well as on ensuring active and continuous stakeholder engagement.	DMRE
<b>Workstream 9: Distribution</b> Workstream 9 will focus on addressing distribution challenges, enabling all South Africans to benefit from new generation capacity.	NERSA, ESKOM DMRE SALGA AMEU

## Purpose

The overarching objectives of the Energy Action Plan (**EAP**) are to restore security of electricity supply and reduce the risk of load shedding. The EAP recognises the need to implement significant policy reforms in the electricity sector. While many of these reforms are clearly defined, others require further development to support policy design and implementation. In addition, the plan needs to be continually updated to reflect changing circumstances, which require additional interventions. The policy environment therefore is both complex and highly fluid, and decisions taken by the various NECOM structures need to be well-informed by expert input and analysis.

This means that there is a strong need for energy policy expertise to be readily available to the workstreams and the NECOM secretariat. This TOR covers the appointment of a panel of energy experts, with experience in various aspects of energy policy in the South African context.

Specifically, input is required to:

- Advise decision-makers on the implications and challenges that are emerging from the policy changes and reforms that are underway;
- Identify potential policy risks to the implementation of the Energy Action Plan; and
- Support the development of solution, interventions and actions, as required.

## Scope of work

The appointed panel of experts will work closely with the workstreams of NECOM on discrete deliverables as required. The scope of work should include but not be restricted to the overview described in table 2 below.

**Table 2: Overview of scope of work**

Activity area	Issues to be addressed in the activity area
<b>Energy policy analysis and advice</b>	<ul style="list-style-type: none"> <li>• Reviewing available materials and plans from the perspective of market policy issues that may impede the implementation of the EAP.</li> <li>• Providing advice on enabling specific policy priorities, such as wheeling, feed-in-tariffs, and incentive models.</li> <li>• Advice on the different market structures that need to be in place or addressed to ensure that the energy reforms can proceed effectively</li> </ul>

<b>Identifying risks &amp; implementing risk mitigation approaches</b>	<ul style="list-style-type: none"> <li>• Identifying policy risks in the plan and its implementation which threaten the outcomes to be achieved in the plan</li> <li>• Proposing, and where applicable, implementing risk mitigation approaches with the support of key stakeholders</li> </ul>
<b>Localisation policy challenges</b>	<ul style="list-style-type: none"> <li>• Advise on the conflicts emerging between the requirement for localisation and emergency responses</li> <li>• Develop responses to optimise the balance between local content and the urgency to reduce loadshedding, ensuring that the longer-term localisation policy objectives are not undermined</li> </ul>
<b>Advise on public sector procurement challenges</b>	<ul style="list-style-type: none"> <li>• Optimising the cost of procurement with the speed of procurement required to reduce loadshedding</li> <li>• Exploring new options to optimise procurement of new generation capacity</li> </ul>
<b>Providing advice where required to support the activities of the workstreams in particular, WS2, WS3, WS4, WS5, WS9</b>	<ul style="list-style-type: none"> <li>• Providing written reports outlining policy and strategy advice in response to requests received from the NECOM secretariat and/or workstreams on, on issues such as: <ul style="list-style-type: none"> <li>○ Policies and strategies that are impeding the EAP;</li> <li>○ Policies and strategies that are or may be necessary to support the implementation of the EAP and associated reforms</li> </ul> </li> </ul>

The workstreams have already commenced work, with policy and strategy challenges already presenting significant challenges and blockages to the speedy implementation of the EAP. It will be important for the policy experts to familiarise themselves with the progress to date, and to ensure that momentum is maintained. This will require detailed engagement with key officials leading work on various activities, in addition to reviewing the materials that have already been produced.

## **Project deliverables and contractual period**

Policy expertise is required over at least 12 months, on a retainer basis, to be available in response to requests for advice. Deliverables will be submitted in response to the scope of work. These deliverables include:

- Reports and/or briefing notes based on briefs provided by the NECOM secretariat and/or the legal and regulatory workstream from time to time; and
- Participation in meetings of the NECOM secretariat and/or the workstreams as required

## **Reporting requirements**

The Director-General in the Presidency will provide oversight of tasks carried out while day-to-day management will be the responsibility of the Project Management Office (PMO) in the Presidency, as part of the NECOM secretariat. The secretariat will supply all reasonable, relevant, available data and information required and requested by the successful project managers for the proper execution of the services. This day-to-day engagement will include weekly planning meetings with the secretariat to support project delivery.

## Qualifications and experience

Applicants may be individual experts, firms, academic institutions or other organisations with expertise in energy policy issues, including (but not limited to) tariff design, design of incentives and other mechanisms to promote investment in small-scale embedded generation, grid capacity allocation principles, and market design. Applicants should have relevant expertise and experience in research, policy and strategy (and its implementation), and have a good understanding of the legislation and regulations that govern the South African energy sector.

## Proposal and Project Timelines

Proposal Due Date:	22 <sup>nd</sup> March 2023
Project Commencement:	3 <sup>rd</sup> April 2023
Project Duration:	12 Months

## Proposal Requirements

Please ensure that your Proposal specifically includes:

- Your proposed methodology including:
  - Organisation information (including governance structure, core business, contact details).
  - Exposure to the public sector
- Proposed budget –
  - an all-inclusive hourly rate per resource, per area
- Evidence of experience including:
  - The suitability of your firm and assigned team to complete this project.
  - Short summaries of the relevant capabilities and experiences of each individual assigned, showing an ability to understand the content area.
  - Indicate similar work your organisation has undertaken and outcomes achieved.
  - Contact details of project references
- Your tax compliance certificate.
- Your broad-based black economic empowerment status.

It is envisaged that the support will mostly be offered via virtual platforms. All proposed resources should be readily available to start on the proposed date as indicated below.

**Your proposal should not exceed seven pages in Microsoft Word (pdf), excluding Annexures.**

## Evaluation Criteria

Criteria	Weight
Functionality (Capability and track record)	80%
Cost	10%
BBBEE	10%
<b>Total</b>	<b>100%</b>

## Important dates

Deadline for clarification questions to <a href="mailto:rutht@nbi.org.za">rutht@nbi.org.za</a>	<b>16<sup>th</sup> March 2023</b>
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Deadline for submission of proposals to <a href="mailto:mandyp@nbi.org.za">mandyp@nbi.org.za</a>	<b>By 12h00 on 22<sup>nd</sup> March 2023</b> <b><u>No late submissions will be considered</u></b>
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## CHECKLIST OF DOCUMENTS TO BE SUBMITTED

A checklist below which is not mutually exclusive has been provided in order to highlight some of the important documents which must be included/ submitted with the Request for Proposal (RFP):

**\* not applicable to individuals**

	DESCRIPTION	Y/N
1	A signed Bid submission in response (responsive) to requirements stated in the Tender Terms of Reference and Evaluation Criteria	
2	Cost proposal / Budget	
3	Bank Details (verified by bank)	
4 *	Company Profile	
5 *	Valid B-BBEE Status Level Certificate / Sworn Affidavit, where all copies provided MUST be authenticated as true copies of the original document/s by a registered Commissioner of Oaths	
6 *	Proof of registration on National Treasury's Central Supplier Database (CSD) [Recommended]	
7	Tax Clearance Certificate (pin) - companies OR Affidavit – individuals	
8	Curriculum Vitae (CVs) of resources proposed in the Bid Submission	
9	Certified copies of Academic and Professional documents of each proposed resource	
10	Project Reference Contact Details	
11 *	Registration and Good standing with Compensation Fund, Department of Labour, or private insurance. This must be attached.	
12	Professional Liability Insurance Certificate	

### NOTE:

- Ensure that all document attachments are clearly marked and the tender proposal is submitted in a clear, logical and well-marked sequence together with an index of documents.
- Only one submission is required.