

NERSA PUBLIC HEARING: RENEWABLE ENERGY POWER PLANT LICENCE APPLICATION

Riverbank Wind Power (Pty) Ltd: Wesley-Ciskei
Wind Project

10 September 2015

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AGENDA



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Introduction to InnoWind (Pty) Ltd / EDF EN

2

Wesley-Ciskei Wind Project

Project overview

Technology

Consortium structure

Site layout

Permitting

Economic Development

Value for money



Introduction to InnoWind/EDF EN

- InnoWind is the South African subsidiary of EDF Energies Nouvelles (EDF EN) Group, which owns over **7,500 MW gross** of wind powered generating capacity in 18 countries
- InnoWind is an integrated wind operator that develops, finances, builds, owns and operates commercial wind-powered generation facilities to supply energy into the national power grid
 - 20 employees based in PE and CT
 - Currently operates three Eastern Cape based wind projects (totalling 104.1 MW) which were awarded under Round 2 of the DOE's Renewable Energy Independent Power Producer Procurement program (REIPPPP)
 1. Grassridge (59.8 MW)
 2. Waainek (23.3 MW)
 3. Chaba (21 MW)
 - All projects follow **local community-ownership** model whereby communities in the vicinity of each project own 26 % of each wind farm with dividends flowing to fund community development initiatives through the lifetime of the projects,





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Project overview

ORIGINATOR

just energy...



- The Wesley-Ciskei wind project was first originated and partially developed by Just Energy (a non-profit organization affiliated to Oxfam) and was later taken over and fully developed by InnoWind.

LOCATION & LAND



- Eastern Cape Province, approximately 57 km southwest of East London.
- The project site is situated on local farm land and sits about 6 km from the coast, between the villages of Wesley, Hamburg and Gcinisa, in the Ngqushwa Local Municipality, Amathole Municipal District, Eastern Cape Province.

CONNECTION



- Eskom Wesley Substation via dedicated 66 kV power line and on-site new substation.

TIMELINES



- Construction start Q3 2016
- Commissioning start (first unit) Q2 2017
- Commercial Operation start Q4 2017 for 20 years (November 2017)



Technology

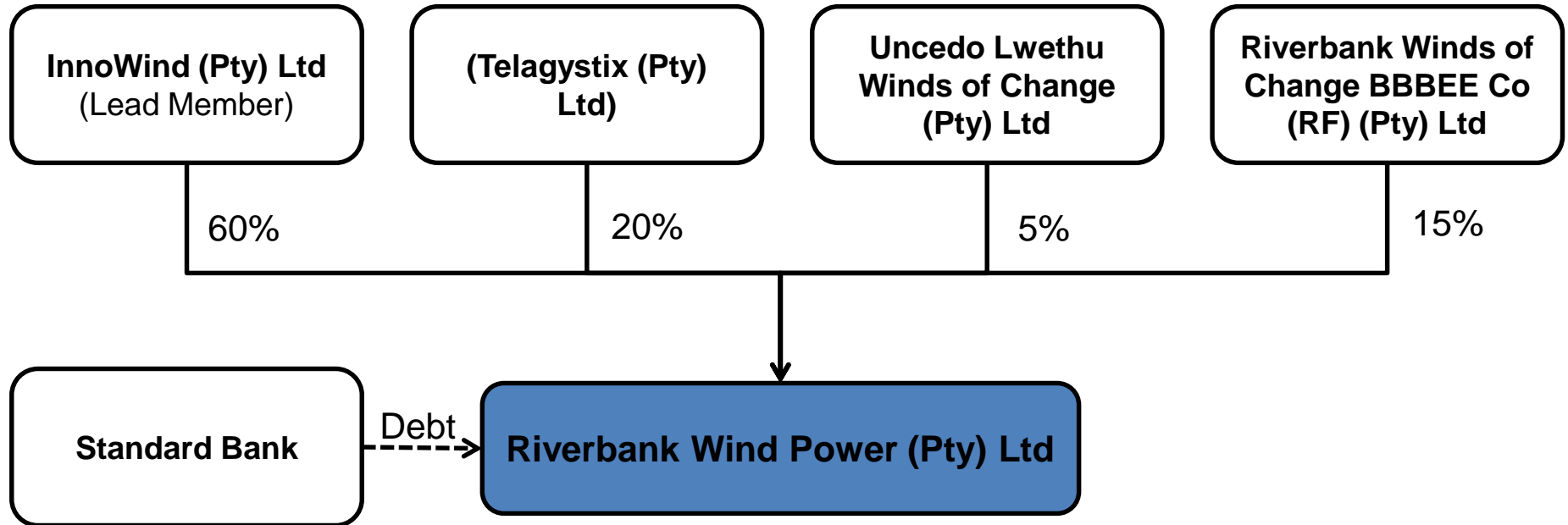
- Vestas – the leading wind turbine manufacturer – was selected under a turnkey EPC contract for the construction and the operation of the project, under the supervision of InnoWind.
- Selected turbine model is the **3.3 MW V-126**:
 - 117 m hub height
 - 126 metre rotor diameter
 - 3.3 MW rated capacity output
- Cutting-edge wind technology complies with most stringent manufacturing and **grid code regulations** worldwide.





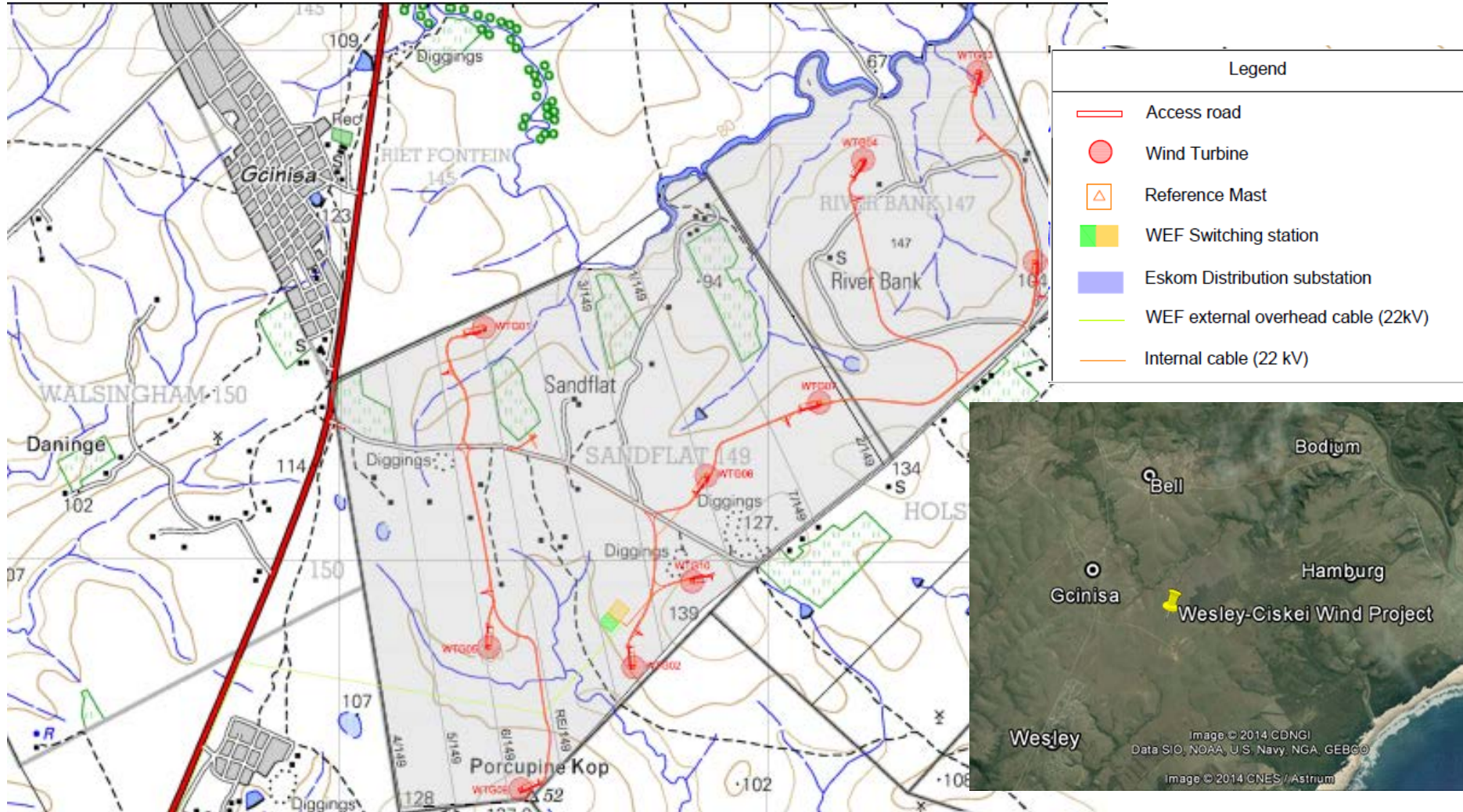
Consortium overview

The structure of the successful bidding consortium:





Site layout





Permitting

Permits obtained	Date	Status
Environmental Authorisation	August 2013	No objections received
CAA Clearance	July 2014	Valid
SAWS Clearance	June 2013	Valid
DWA Water Use Licenses	July 2014	General Authorisation received (The National Water Act (Act 36 of 1998))
	May 2014	Water supply authorised
NERSA Generation license	24 June 2015	Application submitted
To Execute	February 2016 (to be confirmed)	<ul style="list-style-type: none"> ▪ PPA (Eskom) ▪ Distribution Agreement (Eskom) ▪ Direct Agreement (DOE) ▪ Generation Licence (NERSA)



Economic Development

Element	Threshold level	Target level	Consortium's response
1: Job Creation			
100-SR-01 RSA Based Employees who are Citizens	50.00%	80.00%	Exceed Target
100-SR-02 RSA Based Employees who are Black People	30.00%	50.00%	Exceed Target
100-SR-03 Skilled Employees who are Black People	18.00%	30.00%	Exceed Target
100-SR-04 RSA Based Employees who are Citizens from Local Communities	12.00%	20.00%	Exceed Target
2: Local Content			
200-SR-01 Value of Local Content Spend	40%	65%	Exceed Threshold
3: Ownership			
300-PC-01 Shareholding by Black People in the Seller	12.00%	30.00%	Exceed Target
300-PC-02 Shareholding by Local Communities in the Seller	2.50%	5.00%	Exceed Target
300-CC-01 Shareholding by Black People in the Contractor responsible for Construction	8.00%	20.00%	Meet Target
300-OM-01 Shareholding by Black People in the Operations Contractor	8.00%	20.00%	Exceed Threshold
4: Management Control			
400-SR-01 Black Top Management	0.00%	40.00%	Exceed Target
5: Preferential Procurement			
500-SR-01 BBBEE Procurement	0.00%	60.00%	Exceed Target
500-SR-02 QSEs and EMEs Procurement	0.00%	10.00%	Meet Target
500-SR-03 Women Owned Vendor Procurement	0.00%	5.00%	Meet Target
6: Enterprise Development			
600-SR-01 Enterprise Development Contributions	0.00%	0.60%	Meet Threshold
600-SR-02 Adjusted Enterprise Development Contributions	0.00%	0.60%	Meet Threshold
7: Socio-economic Development			
700-SR-01 Socio-Economic Development Contributions	1.00%	1.50%	Meet Target
700-SR-02 Adjusted Socio-Economic Development Contributions	1.00%	1.50%	Exceed Target



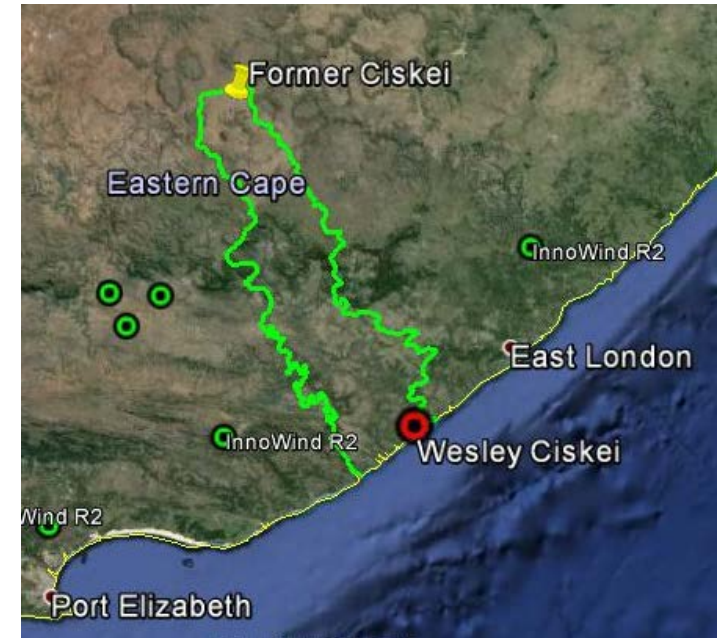
Value for money (1 of 2)

- **Price**

- Despite its small size (33MW) and high local community ownership, two factors which impact negatively on price by making a project less competitive, this project was able to remain competitive enough to be selected alongside projects 3 to 4 times its size.

- **Economic impact**

- **A first for the REIPPPP** as it is the only project to be awarded within the former Homelands – one of the most economically disadvantaged areas of RSA.
- The project's unique location means there will be no overlap of ED / SED / local job creation with other projects (wealth de-centralising effect)





Value for money (2 of 2)

- **Community Upliftment:**
 - 20% shareholding is held by local community in two tranches:
 - 15% by broad-based local community → Former Ciskei rural communities living within 50km of the project;
 - 5% by a small holding farmers grouping → one of the few groups of black farmers who have historically held private land title within the Former Ciskei homeland.
 - All in all the project will benefit the area in terms of:
 - Job creation
 - Socio-Economic development from electricity sale revenue contributions (CSI funds) to communities within a 50km radius to the project site
 - Community development (Trust dividends)
 - Procurement



Thank you

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