\_\_\_\_\_\_ SAWEP 2 \_\_\_\_\_\_\_\_\_\_

**Draft Minutes of the 10th SAWEP 2 PSC meeting**

**10 December 2020, MS Teams**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SAWEP 2 \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Table of Contents**

0 Introduction 3

1 Welcome 3

1.1 Attendance and apologies 3

1.2 Confirmation of Agenda 3

2 Approval of last meeting’s minutes 3

3 MATTERS ARISING from the previous minutes 3

4 Activities 3

4.1 Status and progress with implementation of SAWEP 2 Annual Work Plan 2020 and AWP 2021 3

5 FINANCIAL MANAGEMENT AND REPORTING 7

6 special issues 8

7 general 8

8 next meeting date and closure 8

9 Actions overview 8

# Introduction

These minutes reflect the discussions and conclusions of the 10th SAWEP 2 Project Steering Committee meeting that was held on 10 December 2020.

# Welcome

NQ welcomed the participants to the meeting.

## Attendance and apologies

Participants:

* Nomawethu Qase (NQ, DMRE)
* Lethabo Manamela (LM, SANEDI)
* Gerhard Fourie (GF, DTIC)
* Andre Otto (AO, SANEDI)
* Kgomotso Maditse (KM, UNDP)
* Marcia Lephera (ML, UNDP)
* Brenda Swart (BS, DHET)
* Janice Golding (JG, UNDP)
* Tove Nordberg (TN, UNDP)
* Aubrey Manamela (AM, UNDP)

Apologies:

* Olga Chauke (OC, DEFF)
* Siyabonga Zondi (SZ, DMRE)

## Confirmation of Agenda

The agenda (Annexure A) was approved

|  |  |
| --- | --- |
|  |  |

# Approval of last meeting’s minutes

Minutes of the 9th PSC meeting held on 13 August 2020 was approved.

# MATTERS ARISING from the previous minutes

None

# Activities

## Status and progress with implementation of SAWEP 2 Annual Work Plan 2020 and AWP 2021

AO presented on the status and implementation progress by making use of the SAWEP 2 2020 expenditure and forecast up to Dec 2020, including AWP 2021 expenditure forecast (Annexure B).

**Comp 1**

No activities this year

**Comp 2**

**WASA 3**

R5,988,358 WASA expenditure for 2020 with balance R2,366,508 for AWP 2021 expenditure (March 2021 progress payment, Final Seminar, WASA book and contingency). AO informed that it was supported at the 5th WASA 3 PIU meeting 9 Dec 2020 to utilise the unspent contingency budget R1,027,806 (Dec 2020) (Annexure B) in support of continuation of servicing the WASA masts up to June 2021. In parallel undertaking activities to motivate and solicit funding for the continuation of WASA post SAWEP coming to an end by June 2021 (see Exchange Rate Gain).

**Comp 3**

**UB Minigrid project**

**UNDP CSIR UB Minigrid Wind Component LoA**

The UNDP CSIR UB Minigrid LoA was extended to 31 March 2021 that will provide for the completion of the LoA activities: EPC contract oversight, identification M&E hard-and software, short course presentation and final report with final payment R171,644

**UB Minigrid Wind Component: Owners Engineer, EPC contractor, construction, connection cable, fence**

The PM, following the relaxing of covid travel restrictions, did a site visit with Siyabonga Zondi (DMRE, SAWEP PCU), Lerato Maimela (UNDP Procurement) and Mpeli Rampokanyo (CSIR) to the Eveready, Kestrel factory in PE on 10 Sept 2020 and together with Mr Andrew Swanepoel (Operations Manager, Kestrel) visited the UB Minigrid project with Lamo Solar (UB minigrid EPC and O&M contractor) on 11 Sept 2020. The team observed the capacity and capability of Eveready, Kestrel to undertake the supply of small scale wind turbines and UB Minigrid Wind Component EPC contractor, excluding fencing that will be contracted separately. UNDP issued a Direct Invitation to bid to Eveready, Kestrel that was evaluated. It was decided to break up the bid in two: the supply, installation and connection of the wind turbines and civil works, including the connection cable and infrastructure connection between the wind turbines controller and UB Minigrid controller with ToRs that were drafted. Eveready, Kestrel bid was evaluated by UNDP CAP with contract for services: *The supply, installation and connection (excluding civil engineering & civil works) of 6 x Kestrel e400nb (3.5 kW) small scale wind turbines and 1 x container with one year defects, including Operation & Maintenance and Capacity building with the Upper Blinkwater minigrid, RMLM: Eastern Cape, South Africa* amounting to R2,350,052.46 that was signed by UNDP RR and Eveready Kestrel in Dec 2020 with an estimated budget of total R1,2 mill to provide for the civil works, fencing and wind farm, minigrid connection on AWP 2021.

**UNDP CSIR FH UB Minigrid Wind Component M&E, incl weather station hardware**

The UB Minigrid M&E comprise of CSIR, FH budget R800,000 plus estimate R120,000 weather station at the wind farm site to be covered by the M&E hardware, software budget R500,000 that was previously approved. AO to submit M&E proposal at next meeting. The M&E to kick in once the UB Minigrid wind component has been commissioned which is envisaged by April, May 2021. This implies that the UB Minigrid M&E will extend beyond SAWEP extension end date June 2021. JG informed this will be an issue to be discussed with UNDP.

***Action:***

AO to submit UB Minigrid M&E proposal at next PSC meeting and to set up a meeting with UNDP regarding the M&E that will extend beyond SAWEP extension date, June 2021

**UB Minigrid Additional batteries, container**

Lamo Solar (UB Minigrid EPC and O&M contractor) estimated cost to acquire the 2 additional batteries, container, installation and integration with the minigrid comes to R2 050 000 (Annexure C). The AWP 2020 approved budget (Annexure D) R1.2 mill can cover the batteries R945,000 and container R175,000 with an additional budget, based on Lamo Solar quotation of estimate R925,600 required to cover the batteries installation R210,000, container installation R100,000, weather station installation R35,000, wind farm integration R330,000, Engineering R60,000 and project management R195,000. It was agreed that the additional budget, estimated at R925,600, to be covered from the exchange rate savings provided in AWP 2021.

**Schools small scale wind water pumping**

Two ToRs

*Engineering Services for Small Scale Wind Water Pumping at selected Chris Hani District Municipality schools*

*Groundwater Assessment with borehole drilling at two selected schools in the Chris Hani District Municipality*

that were approved at the 9th PSC meeting were put on tender. 3 Bids received for *Groundwater Assessment*…and evaluated. 2 Bids were received for *Engineering Services* ….and was re advertised. AWP 2020 budget, including 2 x small scale wind water pumping systems and M&E R1.6 mill. Similar issue with UB Minigrid with the schools small scale wind water pumping M&E that will extend beyond June 2021 and to be discussed with UNDP.

**Wind Turbine Refurbishment Feasibility follow up study:** *Macroeconomic, Market intelligence and Policy Analysis study to determine potential markets for refurbished wind turbines in key Sub-Saharan countries/regions*that was approved at the 9th PSC meeting and put on tender with 2 bids received and evaluated. AWP 2020 budget R600,000

**Comp 4**

**SARETEC WTST 5 and 6**

The WTST 5 group qualified on 27 Nov 2021 with a virtual media information event: *Bolstering SA Energy: SARETEC-trained wind turbine service technicians enter the marketplace* that was held on 3 Dec 2020 with presentations by: Prof Chris Nhlapo ( Vice-Chancellor CPUT), Dr. Diane Parker (Deputy Director-General, University Education, DHET, NQ (DMRE), Dr. David Phaho (Deputy Vice-Chancellor: Research, Technology, Innovation and Partnerships (CPUT), Ntombifuthi Ntuli (CEO SAWEA) and two WTST 5 students. The certificates handing over ceremony to coincide with the WTST 7 graduation by March 2021. UNDP CPUT (SARETEC) LoA final payment 1st Q 2021 R1 089 600 (WTST 5 graduation, 10% course fee R123,600, WTST 6, 90% course fee, graduation, 10% course fee R966,000)

**SARETEC WTST 7**

JG informed on a meeting that was held between the UNDP RR and Acting Director SARETEC in Dec 2020 in which the UNDP RR conveyed his satisfaction and acknowledgement of the work that SARETEC is doing in the training of world class wind turbine service technicians which is also important for the Africa region. The RR indicated to SARETEC for possible further support regarding enhancing the SARETEC internship model, profiling of students and high graduation event for March 2021 that was supported by the PSC meeting and to be explored with the envisaged SAWEP WTST 7 support, R1 166 472. It was agreed to work with SARETEC to prepare a proposal to be submitted at the 1st PSC meeting in 2021

***Action:***

SAWEP PCU to work with SARETEC to prepare a proposal for SAWEP WTST 7 support to be submitted at the 1st 2021 PSC meeting.

**Windaba 2020, WindAc 2021**

AO and JG participated at the Windaba 2020 which was a virtual event on 26 & 27 Oct 2020 with access that was provided to PSC members. SAWEA Manager Strategic Programmes informed the postponement of WindAc Conference and EnergyDRIVE from March 2021 to October 2021 to coincide with Windaba 2021 (physical event). This will impact the SAWEP support of WindAc 2021 R400,000 with the event now to take place after SAWEP extension completion June 2021.

***Action:***

AO to set up a meeting with UNDP to discuss the options to support WindAc 2021 after SAWEP extension completion date June 2021

**Sponsorship of Wind Energy Courses at Nelson Mandela, Stellenbosch Universities and DTU WAsP online and physical 3 day course**

UNDP Deputy RR informed that the draft LoAs that were submitted were not the appropriate instruments for SAWEP support of the wind energy courses and a Low Value Grant (LVG) instrument to be used. AO informed and provided NM, Stellenbosch and DTU universities LVGs with instructions to transfer the LoA content to the LVG and re submit once the tertiary institutions re open in 2021.

**Project Management (PMU) and Coordination Unit** (PCU)

Draft AWP 2021 (1 Jan 2021 to 30 June 2021) provides for:

Project Manager services through SANEDI reimbursement and or direct contracting that is based on the UNDP, SANEDI RLA 6 x (R562,822/12).

UNDP Procurement Associate services R234,000 (R39,000 x 6)

Travel R80,000, Audit R80,000 and Terminal Evaluation report R450,000 and final payment Litha (Communications, Events) contract R704,191.

A GEF requirement is that the PMU costs must not exceed 5% of the total SAWEP budget USD3.5 mill.

***Action:***

The UNDP with SAWEP PCU to confirm that the PMU costs are within the 5% GEF rule.

**Exchange rate gain**

**SAREM**

The two SAREM projects, ToRs approved at the 9th PSC meeting:

*Feasibility study to determine the viability of local manufacturing of grid/off grid inverters in order to justify the current designation of inverters*

*Renewable Energy Industrialisation in South Africa: Identifying efficient local production opportunities*

were put on tender. 5 bids were received for *Feasibility study to determine*….and 3 bids for *Renewable Energy Industrialisation in South Africa…*The bid were evaluated with both contracts that was awarded to Urban Econ respectively R363,600 and R367,034

Also provide for further SAREM support R700,000 (AWP 2021)

**WASA Life Extension**

It was agreed in a meeting in Oct 2020 (DMRE, SANEDI, WASA local partners) for SAWEP to support and to undertake a Valuation of WASA with the objective to quantify the contribution of WASA towards the IRP 2019 wind target and the potential economic value of essential research identified: Long-term correction of wind observations; Optimization of wind farm locations; Integrated resource planning; Climate change effects on wind energy systems; VRE Forecasting for wind energy systems and Long-term estimation of extreme winds. The study results to be used to solicit funding and support for the essential research identified that will require long term wind resource assessment. Draft ToR *Techno Economic Valuation of Wind Atlas for South Africa* Essential R&D projects was compiled and discussed at the 5th WASA 3 PIU (9 Dec 2020) meeting. The study also useful and to inform the development of a potential WASA 4 with the emphasis on supporting wind resource assessment in the Mpumalanga province in view of just energy transition (coal to renewable energy). AO introduced the draft ToR and the meeting approved for the study to be funded from the Exchange rate gain with an estimated budget of R680,000 on AWP 2021. NQ requested PSC members for their review, comments etc with the target to submit the ToR for approval at the next PSC meeting.

***Action:***

PSC members to review, comment on the draft ToR *Techno Economic Valuation of Wind Atlas for South Africa*

# FINANCIAL MANAGEMENT AND REPORTING (Annexure B)

Total SAWEP AWP 2020 Expenditure est\* R13 492 553 (53% of AWP 2020 R25,422,334)

Total SAWEP expenditure by Dec 2020 est \* R36 003 894 (75% of R47,982,376)

SAWEP AWP 2021 expenditure est\* R15 309 972

\*Include exchange rate gain

# 6 special issues

6.1 The DMRE Director-General submitted a letter of request for no additional cost extension of SAWEP to June 2021 to the UNDP RR dated 26 Nov 2020 (Annexure F)

6.2 to 6.5 addressed in 4.

# 7 general

Nothing under general

# 8 next meeting date and closure

1st Q 2021. To be informed by the PCU

# 9 Actions overview

|  |  |  |
| --- | --- | --- |
| **Responsible** | **Action list** | **Deadline** |
| **AO** | AO to submit UB Minigrid M&E proposal at next PSC meeting and to set up a meeting with UNDP regarding the M&E that will extend beyond SAWEP extension date, June 2021 | Next meeting |
| **PCU** | SAWEP PCU to work with SARETEC to prepare a proposal for SAWEP WTST 7 support to be submitted at the 1st 2021 PSC meeting. | Next meeting |
| **AO** | AO to set up a meeting with UNDP to discuss the options to support WindAc 2021 after SAWEP extension completion date June 2021 | Next meeting |
| **UNDP Finance, SAWEP PCU** | The UNDP with SAWEP PCU to confirm that the PMU costs are within the 5% GEF rule. | Week |
| **PSC members** | To review, comment on the draft ToR *Techno Economic Valuation of Wind Atlas for South Africa* | Next meeting |

Annexure A: Draft Agenda

<https://www.sawep.co.za/temp/SAWEP_10th_PSC_minutes_Annexures> :

* Annexure B: SAWEP AWP 2020, 2021 expenditure forecast
* Annexure C: Lamo Solar Quotation
* Annexure D: AWP 2020
* Annexure E: AWP 2021
* Annexure F: DMRE DG letter to UNDP RR SAWEP no additional cost extension
* Annexure G: Draft ToR *Techno Economic Valuation of Wind Atlas for South Africa*

Chairperson SAWEP 2 PSC\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annexure A



SOUTH AFRICA WIND ENERGY PROJECT SAWEP PHASE II

10Th SAWEP 2

PROJECT STEERING COMMITTEE MEETING TO BE HELD ON 10 Dec 2020, MS Teams

**DRAFT AGENDA**

|  |  |  |
| --- | --- | --- |
|  |  | **RESPONSIBLE PERSON**  |
| 1. | **WELCOME** | DoE |
| 1.1 | Apologies |  |
| 1.2 | Confirmation of Agenda  |  |
|  |  |  |
| 2 | **MINUTES:** Approval of last meeting’s minutes |  |
|  |  |  |
| 3 | **MATTERS ARISING from the previous minutes** |  |
|  |  |  |
| 4 | **ACTIVITIES** | PM |
| 4.1 | Status and progress with implementation of SAWEP 2 Annual Work Plan 2020,Draft AWP 2021 |  |
| 5 | **FINANCIAL MANAGEMENT AND REPORTING** | UNDP/PM |
| 5.1 | SAWEP 2 Expenditure |  |
|  |  |  |
| 6 | **SPECIAL ISSUES** | PM |
| 6.1 | SAWEP extension |  |
| 6.2 | UB Minigrid & Small Scale Wind Water Pumping M&E to start 2021 |  |
| 6.3 | SARETEC WTST 7 support |  |
| 6.4 | UB Minigrid Additional Batteries Lamo Solar quotation |  |
| 6.5 | Draft ToR: WASA Techno Economic Valuation |  |
|  |  |  |
| 7 | **GENERAL** | ALL |
|  |  |  |
| 8 | **NEXT MEETING DATE & CLOSURE** | PM |