



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF WATER AND SANITATION

REQUEST FOR WATER USE LICENCE APPLICATIONS FOR HYDROPOWER GENERATION: IMPOUNDMENT / PUMPED STORAGE



REQUEST FOR APPLICATIONS (RFA)

DATE ISSUED: 22 NOVEMBER 2023

1. Disclaimer

- (a) This document constitutes a request for applications (RFA) addressed to persons interested in starting or already conducting their business within the renewable energy generation industry in the Republic of South Africa.
- (b) The RFA is subject to Terms and Conditions.
- (c) DWS shall not be liable for any direct, indirect, consequential or other losses or damages including loss of profit that may be incurred by any person including, but not limited to, an Applicant, Short Listed Applicant or Successful Applicant, or any director, officer or associated company thereof, as a result of any reliance on or use of this RFA or as a result of the RFA process contemplated in this RFA document.
- (d) DWS makes no representations, undertakings or warranties whatsoever to any person in respect of the RFA or any information contained in the RFA.
- (e) This RFA and the information contained therein are confidential and proprietary to DWS and may not be used, reused, copied or distributed for any purpose, other than in relation to the RFA process, without DWS's prior written consent.
- (f) DWS shall not in any way be in a position to take ownership during the construction, operation or post-closure of the hydropower plant that will be constructed as a result of this RFA.
- (g) DWS shall not provide any financial support to the applicants, during application, construction, operations and maintenance.
- (h) DWS will not be a purchaser of the electricity produced, applicants will be required to obtain their own off-take agreements.

2. Definitions and Purpose

2.1 Definitions

In this RFA, any other word or expression to which a meaning has been assigned in the National Water Act of 36 of 1998 (the Act) shall have that meaning assigned to it in the Act, unless the context requires otherwise –

- (a) Applicant: a person or a representative of that person who makes an application for a water use licence for hydropower generation in terms of the Act and as per this RFA.
- (b) Pre-application window period: a period between the submission of a pre-application request and the submission of a complete application 04 December 2023 to 02 February 2024
- (c) Application window period: A period of six (6) months after the issuance of a letter of Water Use Licence Application (WULA) requirements following closure of the pre-application window.
- (d) Application evaluation period: A period of 90 days from the receipt of the last application in terms of this RFA.
- (e) Approved application: An application for which a water use licence has been granted.
- (f) Days: Working days (weekends, public holidays and the period 15 December to 5 January are excluded).
- (g) Declined application: An application that was not approved by the Responsible Authority due to its failure to satisfy the required standards for the protection of water resources.
- (h) Rejected application: An application which was not accepted due to its failure to meet all application information requirements.
- (i) Terms and Conditions – the Terms and Conditions applicable to this RFA, as set out herein.



2.2 Purpose of this RFA

The purpose of this RFA is to solicit applications and enable DWS to issue water use licences, under stipulated conditions, to competent applicants who are interested in the construction of new infrastructure to generate electricity from water resources.

2.3 Renewable Energy Power Generation and DWS

The Department of Water and Sanitation is the custodian of South Africa's water resources and is responsible for ensuring they are protected, used, developed, conserved, managed and controlled in a manner that seeks to achieve sustainability, and transformation and promotes economic development.

Following recent changes to the regulatory framework for embedded generation, DWS has been receiving requests from interested investors to make applications for water use licences for hydropower generation and related projects. In order to ensure that such requests are dealt with in a fair, open and equitable manner DWS has decided to open a window of application for this purpose. This is to enable potential investors to have an equal opportunity for hydropower generation and related projects.

The developer/applicant is responsible for applying for a water use licence and requesting permission to use DWS infrastructure, procure and operate its equipment, and make arrangements for the sale or use of the power generated.

3. Location and type of the hydropower projects

The Department has done some feasibility work for such infrastructure for the construction of the Mbokazi Dam and a Hydropower plant near the river mouth at Port St Johns and for the Lalini Dam and hydropower generation plant on the Tsitsa River, a tributary of the Mzimvubu. This feasibility work will be made available to bidders at the compulsory briefing meeting.

This document is a request for applications for a water-use license(s) for the construction of:

a) one or both of the above proposed dams and related hydropower generation infrastructure; or

b) similar infrastructure at an alternative location on the Mzimvubu River.

Applications in the sites that are already applied for by applicants who responded to the Request for Applications which was issued by DWS in April 2023 are excluded from this RFA.

4. Application process

Step 1 - Pre-Application Stage:

The purpose of this stage is to enable the Department to understand the proposed activities in order to guide the applicant as to the water uses that are triggered, the type of water use authorization that is required and the information requirements thereof. This stage is initiated by the applicant who submits a request for pre-application engagement via the E-WULAAS system. Following the first meeting, the prospective applicant and the Departmental Official (assessor) assigned to the pre-application engagement arrange for a site visit. Applicants who do not avail themselves of the site inspection will be disqualified from the RFA process. After a site inspection, the Department will issue a letter containing a list of all the application information requirements to be submitted with the application.

Step 2: Compilation of an application

The existing process of applying for a water use licence will be retained and used for hydropower applications. Applications must be submitted via the Regions and CMAs for the purposes of dealing with water use applications, preparing the relevant submissions and making recommendations to the delegated official.

The applicant compiles an application by gathering all the information that has been outlined in a letter of information requirements issued during Step 1. The information requirements comprise both administrative and technical information. The administrative information is standard whilst the technical information will vary between activities and project sites. For the purpose of this RFA, the period of compiling the application is limited to six months upon receipt of the letter of information requirements. Once the applicant has completed all the documents required as part of the application must be submitted to the Department via the E-WULAAS. The Department will not accept an application that is to be submitted after the date of submission as stipulated in the letter of information requirements.

Step 3: DWS Screening the Application for Completeness

Upon receiving the application, a DWS assessor will screen the application for completeness in compliance with the letter of information requirements. Applications with outstanding information will be rejected. Applications with complete information will receive an acknowledgement letter and proceed to the assessment phase.

Step 4: Assessment and Decision

This step provides the Department with an opportunity to evaluate the application and make a decision on whether to grant the application or not. This is strictly an internal process where applicants do not play any part. The assessment and decision phase takes 90 days from the date of acceptance of the application as stipulated in the acknowledgement letter. Once a decision is made, it is communicated to the applicant via E-WULAAS. Applications submitted as part of this RFA will be processed at the same time in a centralised approach, with 90 days counting from the last application to be accepted by the Department.

Step 5: Post-decision processes

In case where an application has been declined, an applicant may approach the Water Tribunal for an appeal in terms of Section 148 of the National Water Act. Interested and affected parties may also appeal a decision to grant a licence if they have objected during the public participation period. In the case of the latter, the licence will be suspended until the appeal is finalised. Alternatively, the licensee may request the Minister in writing to lift the suspension of the licence whilst the appeal process is being finalised. A decision is appealable 30 days after receipt of the decisions or reasons for the decision, whichever comes last.

5. Evaluation Process

The applications will be evaluated in line with the consideration in Section 27 (1) of the NWA. Administrative and technical factors critical for assessment are reported below:

- (a) Administrative Compliance with the Application: Does the application comply with all administrative requirements including lawful access to the property in respect of the application.

Amongst others, the following aspects will be considered in the technical and functional assessment:

- (a) Acceptability of Reports: Have the reports been compiled by suitably qualified persons (registered with the relevant professional bodies).
- (b) Condition and Sensitivity of the Watercourse (receiving environment): Were the Present Ecological Status (PES), Ecological Importance and Sensitivity (EIS) and Recommended Ecological Category (REC) post mitigation been determined for the relevant watercourse.
- (c) Adherence to need to give effect to the Reserve (Water required for basic human needs and ecology).
- (d) Flow Regime Modification: how will the flow regime in the watercourse be modified through pumping and releases in systems where this is required and how will this impact the PES, EIS and REC and potentially on downstream users.
- (e) The ability of the applicant to mitigate the water quality impacts.
- (f) Habitat Losses/Modification as a result of infrastructure: how much habitat will be lost or modified (flowing system to pooling system) and what will be the impact on the PES, EIS and REC.
- (g) Buffers or no-go areas: have buffers been scientifically determined using the prescribed buffer tool and were these buffers implemented as this is an important mitigation measure.
- (h) Erosion and Sediment Management: was erosion and sediment management addressed for all the project phases.
- (i) Storm Water Management Plan: was a stormwater management plan developed.
- (j) Rehabilitation and Plant Species Plan: was a rehabilitation plan that addresses all the rehabilitation required including a plant species plan provided.
- (k) Maintenance and Management Plan: was a maintenance and management plan drafted to ensure maintenance can be done without a requirement for further authorisation.



- (l) Identification of Impacts and Mitigation Measures: Are the potential impacts determined and mitigation measures proposed feasible.
- (m) Civil Design Drawings and Report: Do the design drawings comply to the norms and standards for engineering design.
- (n) Monitoring Plan: Is the plan for monitoring the potential impacts adequate or not.

6. Next Steps and Timelines

- (a) Approved applicants must obtain other necessary permits and arrange for the sale and distribution of electricity and obtain any permissions in this regard as required by law without the Department's involvement.
- (b) Approved applicants must start construction within two years of issuance of a water use licence.

7. Questions and Contact Details

A compulsory virtual briefing session will be arranged in order to guide the interested people / organizations on the process.

To register to receive an invitation to the compulsory briefing meeting or should you have any questions during the RFA process, please send all questions via e-mail to Adv S Skosana (Chief Director Water Use Licence Management) and Mr. Tsunduka Khosa (Director Water Use Licensing):
"mail to:" skosanam@dws.gov.za; khosat@dws.gov.za

All applicants, whether successful or not, will be notified by e-mail.

DIRECTOR GENERAL
DATE: 21 11 2023