



electricity & energy

Department:
Electricity and Energy
REPUBLIC OF SOUTH AFRICA

Appointment of a Service Provider/Transaction Advisor: NSWHP 1.0 Close-Out Report and Design the NSWHP 2.0 Business Case and Implementation Model



BID (DEE/003/2026/27)

Compulsory Briefing Session
NSWHP 1.0 Close-Out and NSWHP 2.0 Business Case and
Implementation Model , Monday, 17 August 2026, 10:00 – 12:00

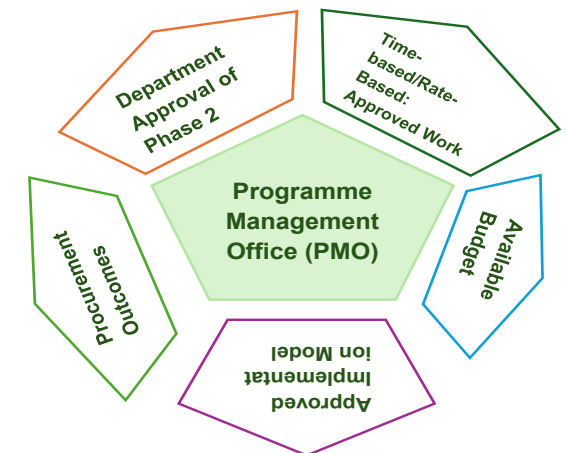
OBJECTIVE OF THE BID (DEE/003/2026/27)

1. **Phase 1:** To procure suitably, qualified, independent and multidisciplinary Service Provider/Transition Advisor:- to support DEE to close-out NSWHP 1.0, with the following specific objectives:

- Collect, validate and analyse **quantitative and qualitative data** from all stakeholders involved in NSWHP 1.0.
- Prepare a **comprehensive NSWHP 1.0 Close-out Report**.
- Review and **update the previous feasibility studies** for Residential Water Heating Load Reduction Programme and design the NSWHP 2.0 business and implementation model by:
- Outline **programme strategic alignment, architecture, target markets**, technical options, financing and incentive design, procurement packaging, governance, MRV, risk management, stakeholder agreements, and **implementation roadmap**.

2. **Phase 2:** Structure **procurement documents, market engagement, fund mobilisation, bid-process support, contract finalisation** and onboarding of implementation partners.

3. **Phase 3:** **PMO Establishment**, Programme Management and Implementation Support





BACKGROUND: NATIONAL SOLAR WATER HEATERS PROGRAMME (NSWHP)

Reducing Household Energy Demand ... Why NSWHP Matters

DEE has been overseeing NSWHP implemented since 2008 and from 2019 NSWHP 1.0 allocated to about 13 municipalities across 7 provinces were allocated units to be concluded in September 2026.

PROGRAMME MANDATE

*The National Solar Water Heaters Programme (NSWHP) is a **flagship DEE residential energy-efficiency and demand-side-management intervention**. It **reduces electricity demand** from domestic water heating, improves household access to affordable hot water, supports climate-change mitigation and the NDP target for large-scale solar water heater deployment, and builds local manufacturing, installation capability, SMME participation, skills and jobs.*

TWO REINFORCING PROGRAMME PILLARS



Social Upliftment

Targets low-income households and energy-poor communities, improving access to hot water and quality of life.



Demand Reduction

Targets households and market segments where electric water heating materially contributes to residential load and peak demand.



Evidence-Based Redesign

NSWHP 1.0 close-out findings inform a financially viable, market-responsive NSWHP 2.0 implementation model.

PROGRAMME OBJECTIVES

The Department's strategic posture is anchored in the **NSWHP Programme Objectives**

Demand Reduction

Lower electricity demand and peak load from domestic water heating

Climate Alignment

Support climate-change mitigation and NDP solar water heater targets

Access & Affordability

Improve household access to affordable hot water

Localisation & Jobs

Support local manufacturing, SMME participation, skills and job creation

NSWHP 2.0 will be an evidence-based model that is financially viable and responsive to current market conditions.

STRATEGIC ALIGNMENT: DEE Strategic Plan 2025–2030 | National Energy Efficiency Strategy (NEES) 2026–2035 | National Energy Efficiency Action Plan (NEEAP)

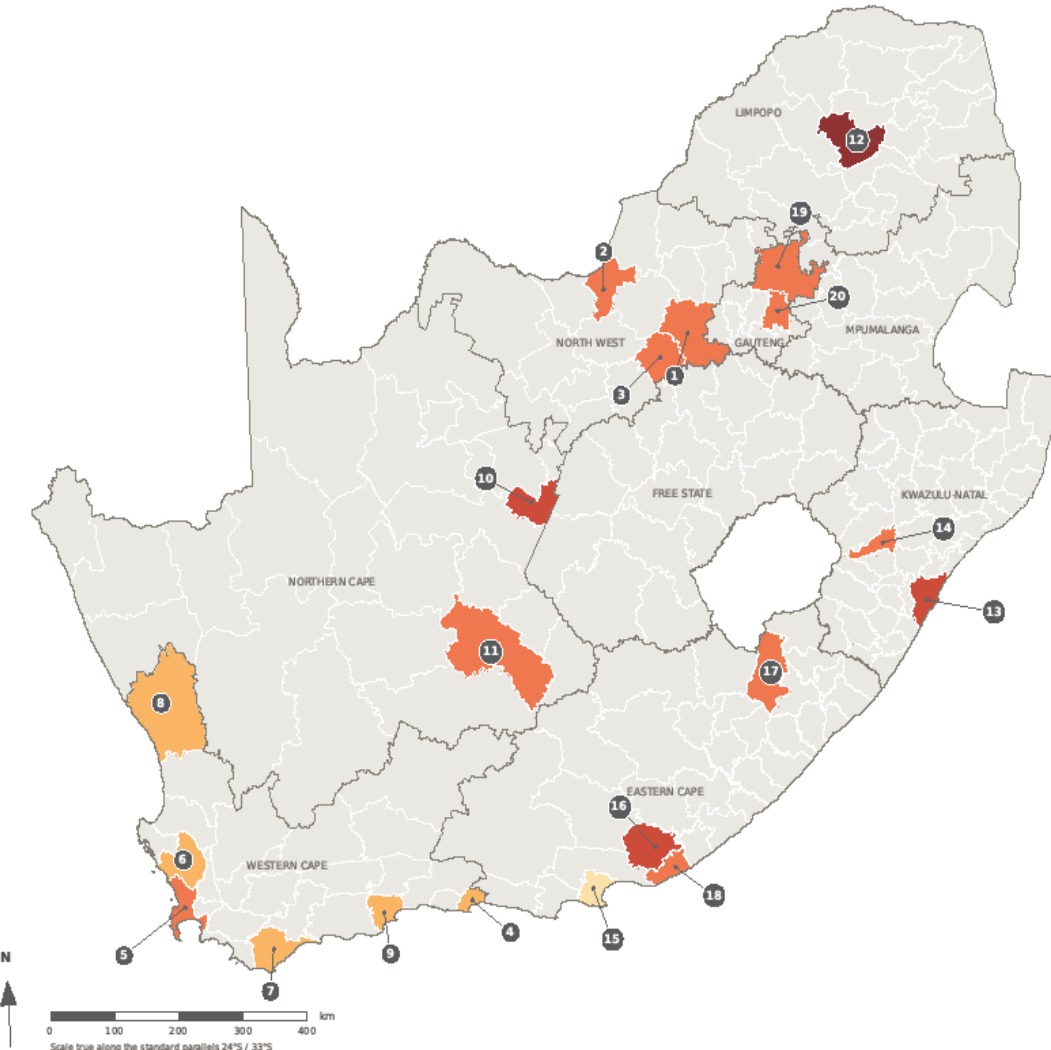
PREVIOUS AND CURRENT SWH INSTALLATIONS

SWH Installations: 2008 - 2014

No	Institution	Year	Type (Rebate/Social)	Qty
1	Eskom	2008 - 2012	Rebate	50 000
		2008-2012	Social	180 000
2	Tshwane Metro	2009-2012	Social (DoRA funded)	13 814
3	SolPlaatjie LM	2009-2012	Social (DoRA funded)	7 837
4	Naledi LM	2009-2012	Social (DoRA funded)	7 837
5	Polokwane LM	2009-2012	Social (DoRA funded)	250
6	Musina LM	2012	Social (DoRA funded)	4 516
7	Buffalo City Metro	2009-2012	Social (DoRA funded)	7 172
8	City of Cape Town	2008-2010	DEA-Kuyasa/Social/Danida Funding	3 500
9	City of eThekweni	2009-2013	Eskom Rebate & Social (DoRA)	20 000
10	City of Johannesburg	2011-2014	Joburg Internal DSM & Carbon Finance	80 000
11	Sedibeng District	2012	Danida Funding	1 500
12	Umsobomvu LM	2015	Social (DoRA funded)	7 300
Total				383 726

NATIONAL SOLAR WATER HEATER PROGRAMME (NSWHP)

Approved allocations across the 20 participating municipalities — 87 200 units



2019 - 2025

APPROVED ALLOCATION (UNITS)

200 (pilot)	1 munic.
2 000 – 3 000	5 munic.
4 000 – 5 000	10 munic.
6 000	3 munic.
10 000	1 munic.
Not in the programme	193 munic.

PARTICIPATING MUNICIPALITIES

NO	MUNICIPALITY	PROV	UNITS
1	JB Marks	NW	5 000
2	Mahikeng	NW	5 000
3	City of Matlosana	NW	5 000
4	Bitou	WC	3 000
5	City of Cape Town	WC	5 000
6	Swartland	WC	2 000
7	Cape Agulhas	WC	2 000
8	Matzikama	WC	2 000
9	Mossel Bay	WC	2 000
10	Sol Plaatje	NC	6 000
11	Emthanjeni	NC	4 000
12	Polokwane	LP	10 000
13	eThekweni	KZN	6 000
14	Mpofana	KZN	5 000
15	Nelson Mandela Bay	EC	200
16	Makana	EC	6 000
17	Elundini	EC	5 000
18	Ndlambe	EC	4 000
19	City of Tshwane	GP	5 000
20	Ekurhuleni	GP	5 000
TOTAL			87 200

PROVINCIAL TOTALS

WC	16 000
EC	15 200
NW	15 000
KZN	11 000
NC	10 000
GP	10 000
LP	10 000

SCOPE OF WORK & IMPLEMENTATION PHASES (1/2)

Phase 1: NSWHP 1.0 Close-Out, Feasibility Review and NSWHP 2.0 Business Case and Implementation Model

- a) NSWHP 1.0 **close-out audit and report**
- b) Review Note on 2018 and 2024 Feasibility Studies
- c) Updated **business case** and NSWHP 2.0 implementation model, and decision-ready business case
- d) **Editable Financial Model** with assumption book, sensitivity analysis and funding scenarios
- e) NSWHP 2.0 **programme roll-out strategy** – target market, implementation channels, technology options, standards and quality assurance.
- f) **Stakeholder engagement** and institutional arrangement plan
- g) National Treasury and Accounting Officer **submission packs**
- h) **Phase 2 and Phase 3 work-package scope**, procurement package, resource plan and budget envelope.
- i) **Phase 1 close-out report** and Decision Gate 1 recommendation pack

SCOPE OF WORK & IMPLEMENTATION PHASES (2/2)

Phase 2: Procurement Support, Funding Structuring and Fund Mobilisation

- a) Approved NSWHP 2.0 **Procurement Strategy** and Plan
- b) Complete **required RFP/RFQ packs** per approved procurement package
- c) **Bid Evaluation reports**, recommendation reports, and evaluation records per procurement package
- d) **Negotiation reports, term sheets**, expected contracts with appointed service providers , where applicable
- e) **Funding mobilisation report**, signed commitments or terms sheets where available and Decision Gate 2 close-out pack .

Phase 3: PMO Establishment, Programme Management and Implementation Support

- a) PMO **Operational Manual** and governance framework
- b) Integrated **programme plan**, reporting framework and decision-log template
- c) **Quarterly programme reports** and performance dashboards
- d) **Contract-management registers**, risks registers and performance management reports.
- e) **MRV reports** per agreed reporting cycle
- f) **Annual performance reports**, mid-term review reports and final programme close-out report

PROJECT DURATION

**Project Structured in
Three (3) Phase Decision
Gated: 36 months Period**

Phase / Milestone	Indicative duration	Basis
Phase 1:- NSWHP 1.0 close-out, feasibility review and NSWHP 2.0 implementation model	6 months	Fixed-price; deliverable-based; mandatory.
Decision Gate 1	Up to 6 weeks after Phase 1 close-out	Departmental decision to proceed (or not) to Phase 2.
Phase 2:- Procurement support, funding structuring and fund mobilisation	12 to 18 months (Indicative)	Rate-based; optional; activated only by written instruction.
Decision Gate 2	Up to 6 weeks after Phase 2 close-out	Departmental decision to proceed (or not) to Phase 3.
Phase 3:- PMO establishment, programme management and implementation support	Remainder of base contract period and/or approved extension/SLA	Rate-based; optional; activated only by written instruction and approved work package.

EVALUATION CRITERIA

Three-Stage Evaluation Framework

Stage	Description
Stage 1 :- Administrative Compliance and Mandatory Minimum Eligibility (pass/fail)	Bidders must satisfy ALL ADMINISTRATIVE COMPLIANCE requirements and all Mandatory Minimum Eligibility criteria set out in Section 6.2 below.
Stage 2 :- Functionality Scoring (out of 100)	Bidders must achieve at least 75% overall , and at least 60% in Criteria 1, 2, 3 and 4 .
Stage 3:- Price and Specific Goals (80:20 preference-point system)	Conducted only for bids that achieved the Stage 2 minimum thresholds , in accordance with regulation 6(2) of the Preferential Procurement Regulations, 2022.
Objective Criteria	In line with the PPPFA, the Department reserves the right to apply lawful objective criteria before final award, as set out in Section 6.5.

DETAIL CRITERION SCORING BANDS

Stage 2, Stage 3 & Stage 4: Price and Specific Goals





THANK YOU