

EOI 0323a Request for Expression of Interest (EIO) for 12L Expert Review Panel

EOI Number 0323a

Request for Expression of Interest (EIO) for a range of industry and measurement & verification (M & V) Experts to serve on an Independent Expert Review Panel on an 'as-and-when' required basis, to review & comment on section 12L (of the income tax act, 1962) Energy Efficiency baseline & performance assessment submissions

Date of EOI	01 st September 2023
Non-Compulsory Briefing Session	Friday the 08th September 2023 at 12:00pm A compulsory briefing meeting with representatives of the Employer will take place on the 08 September 2023 at 12:00pm via Teams . Bidders must RSVP by the 07 September 2023 at 15:00pm and further details of the bid clarification meeting will be sent to them. All RSVP's should be sent to enquiries.procurement@sanedi.org.za
Closing date	Friday the 22nd September 2023 at 11:00am
SANEDI Contact	All enquiries must be directed to : Name: Ms. Nondumiso Buthelezi Tel: 011 038 4369 e-mail address: enquiries.procurement@sanedi.org.za
Submission methods	Submissions / Bid Documents may be returned to the CLIENT by means of Electronic submissions E-mail address : 0323a.procurement@sanedi.org.za NB: failure to submit in the correct E-MAIL ADDRESS will render your submission non-responsive.

1. BACKGROUND

In 2009, the then Minister of Finance, Trevor Manuel, announced that there would be tax incentives for those that can demonstrate energy efficiency savings, setting the ball in motion to utilise the Income Tax Act of 1962 for this purpose.

Such tax incentives have been offered since 2009 using section 12I, the Industrial Policy Project Investment incentive for manufacturing-related projects with a 10% energy consumption reduction component. Shortly thereafter, the proposed 12L 'Regulations on the allowance for energy efficiency savings' were released for public comment. The effective date of 1 November 2013 for the implementation of the 12L Regulation was promulgated by the then Minister of Finance, Minister Pravin Gordhan in a Government Gazette on 8 November 2013 (Gazette No 37136), which stipulates that the tax incentive must be allowed as a deduction from the income tax of a taxpayer. The amount should relate to the energy efficiency savings generated which respect of a year of assessment.



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The 12L tax incentive, according to the Income Tax Act, 1962 (Act No. 58 of 1962), provides an allowance for businesses to implement energy efficiency savings. The verified savings allows since April 2015 for a tax deduction of 95ct/kWh saved on energy consumption and for non-electricity energy sources, the measurements must be kWh equivalent. The measured & verified energy efficiency savings must be over a consecutive period of 12 months, referred to as the implementation/assessment period, which is compared against the 12 months of baseline measurement, (baseline period).

The 12 L Regulation sets out the process and methodology for determining the quantum of energy efficiency savings, and requirements for claiming the proposed tax allowance, which stipulates a prerequisite that energy savings reports have to be compiled by M&V Professionals performing M&V under the auspices of a South African National Accreditation System (SANAS) accredited M&V Body and the savings certified by the South African National Energy Development Institute (SANEDI), through the issuing of a Tax Deduction certificate. All projects have to be registered and processed via an online system, (www.sanedi12ltax.org.za) .

To meet the requirements of 12L, government has provided a structure to implement 12L with technical support in the form of a national standard for Measurement and Verification (M & V), which is the South African National Standard (SANS) 50 010, and assurance through the accreditation of energy efficiency M&V Bodies by the South African National Accreditation System (SANAS), and final review and evaluation through SANEDI.

Due to the 12L Tax incentive assurance mandate of SANEDI in the 12L Tax Incentive it has become necessary for SANEDI to acquire the services of seasoned professionals to provide an independent review service in reviewing and evaluating the Baseline and Performance Assessment submissions for the 12L Tax Incentive and to report back to SANEDI in writing, within the stipulated time limit.

Similar calls for Panel Members were advertised in 2015, 2018 and 2020. Since then some of the Panel Members have left the panel due to a variety of reasons, such as immigration, retirement, and other priorities. The current Panel is therefore limited and unable to handle the volume of applications received by SANEDI, thus impacting negatively on the turn-around time for processing 12L applications.

This incentive and supporting activities is fully funded by National Treasury from the fiscus

2. PROJECT OBJECTIVES

The objective of this call is to appoint independent M&V experts to the SANEDI 12L Tax Incentives Panel of Experts. These experts are tasked with reviewing 12L Tax incentives applications on an Ad hoc basis.

3. SCOPE OF WORKS

Certified Measurement and Verification Professionals (CMVPs) and qualifying professionals are invited to serve on a multi-disciplinary panel of experts ('Review Panel'), to assess applications received for the Section 12L Energy Efficiency tax incentive, to ensure compliance with the aforementioned Regulation and National M & V Standard SANS 50010:2018. Qualified applicants are required to conduct the evaluation



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activities of submissions from various business sectors. Membership to the Panel will be reviewed after a period of twelve (12) months and there is no specified minimum and/ or maximum hours for which a member will be required to actively participate in the Panel.

Energy Professional Licences

A candidate with the minimum of one or a combination of the following Energy Licences may be appointed to the Review Panel:

- Certified Measurement and Verification Professional, (CMVP) or equivalent
Certified Energy Manager, (CEM) or equivalent

Note:

- i) Equivalent Energy professional Licenses to the CMVP and CEM include but not limited to the Performance Measurement and Verification Expert (PMVE), the Performance Measurement and Verification Analyst (PMVATM).
- ii) Where there is any equivalent energy licences not mentioned above, prospective panellist are advised to provide a motivation letter addressed to SANEDI of not more than 1 page and a certified copy of the equivalent energy licences **certificate** to the CMVP and the CEM.

Operational Responsibilities

Successful applicants will be expected to verify energy savings from baseline and performance data submitted by SANAS-accredited M & V bodies on behalf of tax applicants to SANEDI, for the Section 12L tax incentive, as-and-when required by SANEDI. (There are no minimum and/ or maximum time allocations for each successful panel member, as the members are appointed on a purely 'as-and-when-required' basis).

Panelist will be required to evaluate specific energy savings baseline and performance assessment reports and calculations and submit the feedback in writing to the Chief Panellist at SANEDI, within the time limits stipulated.

Timeline for assignment (Operational)

The panelist/s will commence with the work once the baseline data from the 12L Incentive applicant is completed and submitted to SANEDI and SANEDI has allocated that project to a particular candidate or candidates of the Panel. The expert will then be allowed a period of 10 working days to verify and report the findings on the baseline data and another 10 working days to verify the savings post project implementation and contained in a Performance Assessment Report.

Outputs/Deliverables

Evaluation and verification reports/comments on the baseline and performance assessment reports, within 10 Working days of receipt of such a report for review. The candidate will be remunerated at a rate of R1000.00 per hour and the allocated number of hours allocated for each review, will depend on the complexity and size (energy savings claimed), of the particular application submitted for review. On average an evaluation requires 4 working hours, but the maximum time allowed for any review will be specified upfront by SANEDI.



Confidentiality

Due to the sensitive nature of the information and data associated with these tax-related applications, all successful candidates will be subjected to a vetting and background checks, in addition candidates will be required to sign a strict Confidentiality Agreement and a Declaration of Interest for each individual application referred to the candidate for review.

Panel duration

Experts on the panel have a duration of 3 years, after which the panel will be dissolved and reconstituted via an open call should there be need.

4. Evaluation Criteria

The evaluation criteria that are as follows:

A candidate with the minimum of one or a combination of the following qualifications may proceed to Technical evaluations:

Criteria	YES	NO
Certified Measurement and Verification Professional Certificate (CMVP) or equivalent Provide Certified Certificate Copy		
Certified Energy Management Certificate or equivalent Provide Certified Certificate Copy		
<u>For equivalent not mentioned only</u> , motivation Letter with Certified Certificate Copy		

TECHNICAL EVALUATION CRITERIA

Criteria	Score guideline (1 - 5 Scale)	Weights %
Qualification of the Key resource: A University or University of technology engineering qualifications, in any of the following disciplines: <ul style="list-style-type: none"> • Electrical engineering • Physics • Civil engineering • Chemical engineering • Environmental Studies • Mechanical engineering • Mining engineering • Geological engineering • Petroleum engineering • Transport engineering 	(a) PHD = 5 Points (b) Masters = 4 Points (c) Honours = 3 points (d) Degree = 2 points (e) Diploma = 1 points	40%



Prospective external panellist to provide certified copy of their qualifications <u>(Certified Certificate only).</u>		
Experience of the Key resource: Strong analytical skills in the energy sector with a minimum of five (5) years of experience <u>Curriculum vitae</u> of the key resource detailing qualification, capability in the in the Key arears listed in the scope of work or similar competencies demonstrated by relevant previous work experience, must be provided.	9 years of experience and more = 5 8 years of experience = 4 7 years of experience = 3 6 years of experience = 2 1 to 5 years of experience = 1	60%
Technical Threshold		60%
Total		100%