



ANNEXURE A: SCOPE OF REQUIRED INFORMATION/BUSINESS REQUIREMENTS

REQUEST FOR INFORMATION: FOR THE PROVISION OF A FSRU, GAS INFRASTRUCTURE, GAS AGGREGATION AND A TERMINAL OPERATOR AT THE PORT OF NGQURA AND THE COEGA SEZ

1 DISCLAIMER

While all reasonable care has been taken in preparing this Request for Information (RFI), the Central Energy Fund ("CEF") and its partners in good faith, based on information obtained from various sources, prepared this information. However, neither CEF nor any of its advisors and partners accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated herein.

Save where expressly stipulated otherwise, no representation or warranty (whether expressed or implied) is or will be given by CEF or any of its officers, employees, servants, agents, advisors or any other person with respect to the information or opinions contained in this RFI, or in relation to this RFI, and or other projects interlinked or related to this gas to power programme.

CEF reserves the right to amend, modify or withdraw this RFI or any part of it, or terminate or amend any of the procedures processes or requirements detailed in this RFI at any time, without prior notice and without liability to compensate or reimburse any person pursuant to such amendment, modification, withdrawal or termination.

The terms and conditions set out in this RFI are stipulated for the express benefit of CEF and, save as expressly stated to the contrary, may be waived at CEF's sole discretion at any time. CEF reserves the right to adopt any proposal made by any person responding to this RFI at any time and to include such proposal in any documents which may or may not be made available at any stage to any other persons responding to this RFI or its subsequent processes, without the obligation or liability to pay any compensation or reimbursement of any nature to any person pursuant to such adoption.

This RFI is provided solely for the purpose set out herein and is not intended to form any part or basis of any investment decisions by the Participants, its shareholders, members or its lenders. Each person that accesses this RFI must make its own independent assessment of the information provided, taking such advice (whether professional or otherwise) as it deems necessary.

No Participants, its shareholders, members, contractors, suppliers or lenders shall have any claim against CEF, its officers, employees, servants, agents or Advisors, under any circumstances whatsoever, arising out of any matter relating to this RFI or subsequent processes of any nature whatsoever, including where such claim is based on any act or omission by CEF, or any of its officers, employees, servants, agents or Advisors of any nature whatsoever, or where such claim is based on the content of, or any omission from, this RFI of any nature whatsoever. Submission of a response to this RFI does not constitute an obligation by CEF or its partners to the respondent.

2 DEFINITIONS AND INTERPRETATION

In this RFI, except as otherwise defined herein, the following terms shall have the following meaning:

- i. **Advisors** – the firms advising CEF and its partners in respect of the RFI, and any subsequent process to the RFI for the procurement of a FSRU, gas infrastructure, gas aggregation and a terminal operator at the Port of Ngqura and the Coega SEZ;
- ii. **Interested parties** – an entity or consortium/respondents that submits a Response to this RFI or subsequent processes;
- iii. **Information Response** – any information submitted by a Interested parties in response to an invitation contained in this RFI and / or the RFP;
- iv. **Capacity Factor** – the expected output of a power plant over a specific time period as a ratio of the output if the plant operated at full-rated capacity for the same time period;
- v. **Central Energy Fund (CEF)** – a state-owned company under the Department of Mineral Resources and Energy, incorporated in terms of the Central Energy Fund Act No 38 of 1977 in the Republic of South Africa and mandated to contribute

towards national and regional energy security of supply, by operating in the energy value chain, and which together with its subsidiaries, constitutes the CEF Group of Companies;

- vi. **Coega Development Corporation (CDC)** – a state-owned company under the Eastern Cape's Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), incorporated in the Republic of South Africa and mandated to improve the socio-economic landscape in the Eastern Cape and South Africa through various initiatives, such as the development and operation of the Coega Special Economic Zone, infrastructure development, and the provision of consulting and commercial services.
- vii. **Commercial Close** – the date on which the agreements giving effect to the transactions for the Gas Aggregator are duly executed with the Preferred Interested parties;
- viii. **Commercial Operation Date (COD)** – The date on which the Preferred Interested parties makes the first delivery of LNG to the Port of Ngqura;
- ix. **Commercial Operation Period** – The period which the Preferred Interested parties would be contracted to makes gas deliveries to the Port of Ngqura before the contract terminates;
- x. **Document** – this explanation and Request for Information document to solicit interest from the market relating to the planned Gas Aggregation at the Port of Ngqura;
- xi. **Department of Mineral Resources and Energy (DMRE)** – The Ministry responsible for regulating, transforming, and promoting the minerals and energy sectors, providing sustainable and affordable energy for growth and development, and ensuring that all South Africans derive sustainable benefit from the country's mineral wealth;
- xii. **Economic Development** – Means compliance with the following elements as outlined in the country's socio-economic transformation:
 - a. Job creation - with the emphasis on jobs for South African citizens, South African citizens who are black people and South African citizens from local communities;
 - b. Local content - with the view that a certain percentage, where applicable, of the project value would be spent in South Africa;

- c. Ownership - with the aims to advance ownership by black people and local communities;
 - d. Management Control - with the aim to achieve the involvement of black people in management positions and responsibilities;
 - e. Preferential Procurement - with focus on subcontracting to empowered enterprises, black enterprises and enterprises owned by women
 - f. Enterprise Development – with the aim of development of emerging enterprises, and those emerging enterprises located in local communities; and
 - g. Socio-economic – which attempts to address the socio-economic needs of local communities.
- xiii. **Electricity Regulation Act** – The Electricity Regulation Act No. 4 of 2006;
 - xiv. **Environmental Impact Assessment (EIA)** – A process of evaluating the likely environmental impacts of a proposed project or development, considering inter-related socio-economic, cultural and human-health impacts, both beneficial and adverse, as prescribed by the National Environmental Management Act.
 - xv. **EPC** – Engineering, Procurement and Construction
 - xvi. **Eskom** – A systems operator responsible for generation, transmission and distribution of electricity in South Africa.
 - xvii. **Request for Information (RFI)** – This explanation and Request for Information document for a FSRU, gas infrastructure, gas aggregation and a terminal operator at the Port of Ngqura and the Coega SEZ.
 - xviii. **RFI Response** - the completed submission made by an entity or organization in response to this Document, together with all necessary supporting documentation;
 - xix. **Final Investment Decision (FID)** – The point in the capital project planning process when the decision to make major financial commitments is taken;
 - xx. **Financial Close** – The point at which the project receives all its funding for the construction and operation phase, typically consisting of debt and equity finance.
 - xxi. **FSRU** – Floating Storage and Regasification Unit;

- xxii. **LNG Aggregator/s** – an entity/ies or consortium which has the ability to consolidate the LNG/gas demand for a number of customers and cost effectively supply LNG to match that demand. LNG Aggregator/s will enter into Terminal Use Agreement/s with the infrastructure owner to store the LNG, breakbulk (to ship, road tanker or isotainer), or regasify and transport the gas (via pipeline) to local customers;
- xxiii. **Gas Purchase Agreement (GPA)** – A gas purchase agreement entered into between the Off-taker and an Gas Aggregator for the provision of gas (or LNG);
- xxiv. **Greenhouse Gas (GHG) emissions** – Compound gases that trap heat or longwave radiation in the atmosphere. It can be generated by industry, transport and power plants.
- xxv. **Independent Power Producers (IPPs)** – An independent power producer, being any Project Company that enters into a power purchase agreement (PPA) to sell electricity generated by it or on its behalf, to the Power Buyer in terms of a PPA;
- xxvi. **Integrated Resource Plan (IRP)** – The Integrated Resource Plan issued by the Minister under Notice No. 42784 dated 18 October 2019 in Government Gazette 1360, pursuant to the Electricity Regulation Act;
- xxvii. **Liquefied Natural Gas (LNG)** – Natural Gas that has been cooled to a liquid state, at approximately -162°C (minus one hundred and sixty-two degrees Celsius), enabling storage and transportation thereof by ship, road or rail due to the volume of Natural Gas in the liquid state being significantly lower than its volume in the gaseous state;
- xxviii. **Ministerial Determination** – Section 34 of Electricity Regulation Act (No 4 of 2006);
- xxix. **National Energy Regulator of South Africa (NERSA)** – The National Energy Regulator of South Africa, established pursuant to Section 3 of the National Energy Regulator Act No. 40 of 2004;
- xxx. **New Generation Capacity** – Has the same meaning as set out in section 1 of the Electricity Regulations on New Generation Capacity published in terms of the Electricity Regulation Act (No. 4 of 2006) in Government Notice R399 in Government Gazette 34262 of 4 May 2011, as amended;

- xxxi. **Preferred Interested parties** – any Interested parties that is selected as one of the preferred Interested parties, pursuant to the RFP following qualification and evaluation of the Information Responses submitted by the Interested parties;
- xxxii. **Procurement** – The process of sourcing and purchasing goods and services from an external source, like a third-party vendor or supplier.
- xxxiii. **Project** – the project to:
- procure a Gas Aggregator/s with access to LNG, capital and operational expertise to provide for the LNG needs, and balance the LNG requirements for the LNG users at the Port of Ngqura and Coega precinct, and drive increased gas provision efficiencies;
 - procure a suitably qualified EPC contractor for the development of the gas infrastructure; and
 - procure the provision of a FSRU and Terminal operator;
- xxxiv. **Request for Proposal (RFP)** – The request for proposals to be issued in respect of a Gas Aggregator, EPC contractor for Gas Infrastructure, and the provision of a FSRU and terminal operator at the Port of Ngqura in due course;
- xxxv. **Respondent** – any entity or consortium that submits an RFI Response in response to this Document;
- xxxvi. **SMME** – Small, Medium and Micro Enterprises
- xxxvii. **Tariff** – The method of trading and charging consumers for consuming the LNG provided;
- xxxviii. **Terminal Use Agreement** – An agreement between the terminal owner and a customer/gas aggregator/s pursuant to which owner agrees to accept, store and regasify LNG delivered by a customer/gas aggregator/s to the facility and deliver natural gas to the customer;
- xxxix. **Transnet (SOC) Limited [Transnet]** – a state-owned company under the Department of Public Enterprises, incorporated in the Republic of South Africa and which is the custodian of South Africa's freight logistics public infrastructure, which supports economic growth and development by providing efficient rail, port and pipeline infrastructure and services.

3 INTRODUCTION AND BACKGROUND

The Department of Mineral Resources and Energy (DMRE) is responsible for ensuring national energy security and giving direction for the energy sector through policy. The National Energy Act, 2008 (Act No. 34 of 2008) is the enabling legislation that empowers the Minister of Energy to ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while also taking into account environmental considerations.

The DMRE has provided certainty regarding gas utilisation through policy that emphasizes a diverse energy mix as articulated in the Integrated Resource Plan (IRP). The contribution of natural gas is expected to increase from the current 3% to 16% of the overall national energy supply. Since the early 2000s various studies have been carried out in evaluating Gas Development Options and Liquefied Natural Gas (LNG) is one amongst a suite of options that can be implemented to ensure energy security. In the Energy budget vote speech of 11th July 2019, the Honourable Minister of Mineral Resources and Energy, pronounced that the Department will implement the importation of LNG with Coega as the initial hub. In addition, the DMRE, is embarking on a Gas to Power Programme with a view to appointing an Independent Power Producers (IPPs) to contribute to the production of 3000 MW of gas-generated electricity in line with the IRP 2019. The DMRE also indicated that a Request for Proposal (RFP) will be issued to procure 3000 MW from Gas towards the end of February 2022. It is anticipated that at least 1000 MW will be allocated to the Port of Ngqura.

A project development partnership comprising CEF, Transnet, and the CDC (hereafter collectively referred to as the Parties) has been formalised via a Joint Development Agreement (JDA) to deliver a LNG importation hub located at the Port of Ngqura and adjacent Coega Special Economic Zone (SEZ). The parties working under the guidance of the DMRE are supporting the DMRE in the implementation of the programme. Figure 1 on the next page illustrates the area where the LNG import facility, pipelines and potential gas power plants will be located.



This collaboration will enable the aggregation and importation of LNG through the Port of Ngqura and the Coega SEZ for the medium to long term and the distribution thereof to consumers in the natural gas market in Port of Ngqura, SEZ. The project will also enable the use of a virtual pipeline to service the Nelson Mandela Bay Metropolitan area, the region and the rest of South Africa.



Figure 1: Illustrative location of gas infrastructure in the Port of Ngqura and the Coega SEZ

The Ngqura/Coega LNG Terminal ("Ngqura Project") is located in Gqeberha in the Eastern Cape Province. The JDA parties (the Parties), which have unique but complementary mandates, resources and capabilities will collaboratively

- (i) Assess the viability,
- (ii) Identify potential gas customers and estimate the demand in the region to enable infrastructure sizing,
- (iii) Plan and develop,
- (iv) Identify and address regulatory concerns,
- (v) Construct and operate midstream Liquefied Natural Gas import facilities, pipelines and virtual pipeline infrastructure,
- (vi) Establish a commercial structure to sell capacity/utilisation in the infrastructure, and
- (vii) Explore supply and downstream market options.

The Parties estimate that the potential gas demand in the region is as listed in Section 5.

The current requirement is for proposals/submissions for the following:

- Gas aggregator/s that would consolidate gas demand through gas purchase agreements with the various off-takers in the region and sign a terminal use agreement with the infrastructure owners to store, transfer, regasify and transport LNG/gas to customers, for a determined period. Various other gas aggregation models may also be considered.
- Appointment of qualifying business enterprises for the design, procurement and construction of fixed LNG and gas receiving infrastructure as well as integrated distribution and transmission pipelines to form the infrastructure backbone by Financial Year 24/25.

- Appointment of qualifying business enterprises for the provision of a FSRU and the operation of LNG import regasification and storage facilities as well as integrated distribution and transmission pipelines to form the infrastructure backbone by Financial Year 24/25.

4 SOLICITATION

This Request for Information is issued by the Central Energy Fund (CEF), through the Central Energy Fund (CEF) Act for and on behalf of the Parties.

Central Energy Fund (SOC) Limited, is a state-owned company and mandated to contribute towards national and regional energy security of supply, by operating in the energy value chain, and which together with its subsidiaries, constitutes the CEF Group of Companies (hereinafter referred to as "CEF"). CEF is involved in the search for appropriate energy solutions to meet the energy needs of South Africa, The Southern African Development Community (SADC) and the sub-Saharan African region, focusing on clean energy options as well as fossil fuels as per the mandate from the Department of Mineral Resources and Energy. It also manages the operation and development of the oil and gas assets of the South African government including strategic crude oil assets and management. CEF controls entities with commercial and developmental roles, housed in five operating subsidiaries.

Transnet State-Owned Company (SOC) limited (hereinafter referred to as "Transnet") is a schedule 2 wholly SOC and acts as the custodian of South Africa's ports, rail, and pipelines. Transnet's main objective is "to ensure a globally competitive freight system that enables sustained growth and diversification of the country's economy". The State, through the Department of Public Enterprises (DPE), is the sole shareholder of Transnet. Transnet is comprised of 6 operating divisions, namely: Transnet Freight Rail (TFR), Transnet Rail Engineering (TE), Transnet National Ports Authority (TNPA), Transnet Port Terminals (TPT), Transnet Pipelines (TPL) and Transnet Property (TP).

In addition to the above, Transnet is also responsible for ensuring that the country's transport industries operate according to world-class standards and that they form an integral part of the overall economy. The company is not only vital to South Africa's development, but it also combines forces with other businesses to expand transport

operations across Africa and beyond. By doing so, Transnet assists in creating valuable business opportunities that extend far beyond the shorelines and borders of the country; and

Coega Development Corporation (PTY) Limited, is a state-owned company and mandated to improve the socio-economic landscape in South Africa through various initiatives, such as the development and operation of the Coega Special Economic Zone (SEZ), infrastructure development, and the provision of consulting and commercial services (hereinafter referred to as "CDC"). The Coega SEZ is a multi-billion rand industrial development initiative consisting of purpose built infrastructure of which the Ngqura deepwater port forms an integral part. The SEZ is situated 20 km east of Gqeberha (previously Port Elizabeth), South Africa and covers approximately 9 000 hectares. The initiative aims to create competitive international investment opportunities positioning South Africa as a platform for global export manufacturing through foreign and local investments.

The CEF on behalf of the parties is issuing this RFI to potential Interested parties for consolidation of the gas off-take at the Port of Ngqura and the Coega precinct, the provision of a FSRU and terminal operator, and in order to appoint an EPC contractor for the development of the fixed gas infrastructure.

The CEF Act 38 of 1977, as amended, states that:

“(2) (a) Moneys paid under subsection (1) into the said Central Energy Fund shall be utilized in accordance with directions of the Minister of Mineral and Energy Affairs for the financing or promotion of-

- (i) The acquisition of coal, the exploitation of coal deposits, the manufacture of liquid fuel, oil and other products from coal, the marketing of the said products and any matter connected with the said acquisition, exploitation, manufacture and marketing;*
- (ii) The acquisition, generation, manufacture, marketing or distribution of any other form of energy, and research connected therewith”*

This solicitation as directed by the Minister responsible for the Department of Mineral Resources and Energy (DMRE), through the CEF Act, is critical for the facilitation and enabling of a conducive market for the Government's initiative to grow the gas to power sector in the country.

5 PROJECT OVERVIEW

To realise this long-term vision for natural gas market enablement, the parties are proposing to estimate the current and future gas needs in the region, to support the sizing and establishment of an independently managed midstream LNG import terminal, comprised of integrated port, road loading and pipeline infrastructure, linking the Port with the market (SEZ and the region).

The Coega precinct has the following potential inception gas demand:

- a. 340 MW Dedisa PPP currently operating at a 12% Capacity Factor, but which is being reviewed especially if gas is available;
- b. 200 MW Mulilo-Total mid-merit plant the preferred implementer and which project is currently going through a financial closure process;
- c. 450 MW Karpowership mid-merit plant which is a preferred implementer and which project is currently going through a financial closure process;
- d. 1,000 MW plant by 2024, which is confirmed in the Integrated Resources Plan (IRP), and which the DMRE Minister announced that its procurement will start in the fourth quarter of this financial year;
- e. 5 PJ p/a current gas users and future industrial users;
- f. Heavy Fuel Oil Off-shore Bunkering within the Coega precinct, which peaked at 1 million tons per annum pre-Covid, and is seeking cleaner fuels;

These existing and planned developments confirm Ngqura as the initial gas hub, and it is with this background that the parties are proceeding with the project. The proposed execution approach is to unbundle the project into its key constituent parts namely; Gas Aggregation, Fixed Infrastructure, Floating Infrastructure and Terminal Operator. Respondents are requested to provide information relating to provision of one of these

components, but may also propose alternative execution approaches for consideration.

It is also with the appreciation of the disintegrated gas supplies for each current and future off-taker that gas aggregation becomes a critical component for future development for both the economies of scale, as well as the efficiencies that off-takers would derive from gas supply aggregation.

The parties welcome other proposals or alternatives to this proposed approach, and welcome the respondents to provide greater detail on those approaches. The parties seek to enable gas aggregation for the various projects being developed in the region, in order to supply natural gas to the various users as highlighted above.

To enable the supply of gas in the region, gas import infrastructure is required. This includes, but is not limited to, an FSRU that will provide gas for common users, marine infrastructure, gas pipelines to the power plants and other gas users and any required common user infrastructure such as gas distribution hub. The gas distribution hub may include LNG road loading, marine bunkering and piped gas distribution.

6 REQUEST FOR INFORMATION

This RFI consists of three components as below:

- Gas aggregation,
- EPC of Fixed Gas Infrastructure from the port to the off-takers, and
- Provision of FSRU & Terminal operator services.
- A 4th option for submission is the Bundled approach for above 3 elements

6.1 Gas Aggregation

Central Energy Fund (CEF) invites entities or organisations that may wish to submit:

- A response to Request for information (RFI) for the Gas Aggregation at the Port of Ngqura and the Coega SEZ.
- This RFI is a stand-alone information-gathering and market-testing exercise, intended only to inform and assist CEF in developing the specification for the Gas Aggregation project.
- CEF intends through this Document to:

- (a) Gather information that will support investigation and preparation of procurement by the Parties and identify opportunities in the market for gas aggregation at Port of Ngqura;
- (b) Understand indicative business models, commercial structures, and operations for LNG/gas aggregation at the Port of Ngqura;
- (c) Inform and prepare the market for the developments taking place in the Coega precinct, particularly to support the country's IRP, as well as gauge the market's appetite;
- (d) Guide the nature of information to be considered and represented in the RFI submissions;
- (e) Prepare for the procurement of the gas aggregation and consolidate the gas activities within the Port of Ngqura;
- (f) Assess the probability of lowering the cost of gas reaching the Port of Ngqura by taking advantage of the economies of scale that may be achieved through gas aggregation, thereby ultimately lowering the country's energy costs; and
- (g) Provide a clearer process to the market on the planned energy developments at the Port of Ngqura;

The CEF is seeking inputs from Respondents, with an interest in gas aggregation. The Respondents should have experience and knowledge that will assist the Parties to envision, formulate and assess the opportunities to achieve lower energy costs and efficient gas development in the Coega precinct.

Respondents are encouraged to provide market demand information and forecasts that they foresee for the Port of Ngqura as the Parties are assessing whether the current and indicated future demand provide a sufficient market to ensure effective LNG supply. Respondents are also encouraged to present their capabilities to consolidate a fragmented market that has different timeframes for gas off-take and to advise any improvements to consolidate the existing and future market.

The CEF, in its sole discretion, anticipates engaging with Respondents to discuss their responses, with a view to seeking clarity in relation to information contained in the

response. Such an engagement does not constitute award of contract, nor does it mean an agreement is being negotiated or awarded.

It is expected that the gas aggregator will have the ability to purchase LNG from various sources, together with the requisite gas aggregation experience. The role of the gas aggregator will be to:

- Aggregate demand in the region,
- Secure LNG supply to match the demand as well as grow the market,
- Contract with the gas off-takers in the region; and
- Contract with the terminal infrastructure owner to deliver the LNG or gas to the off-takers.

The aggregation component of the Document is strictly an inquiry, and no contract or agreement will arise by responding to this component. The Responses will be used for the advancement of the gas aggregator acquisition process.

6.2 Provision of fixed gas infrastructure

This entails the provision of gas infrastructure, that will provide gas, from a FSRU, to common users, gas pipelines to the power plants and other gas users and any required common user infrastructure such as a gas distribution hub. The gas distribution hub may include LNG road loading, marine bunkering and piped gas distribution.

The scope of the fixed gas infrastructure is to support FSRU mooring and LNG and gas distribution includes, but is not limited to the following aspects;

- Jetty development for LNG import facility (in collaboration with the FSRU supplier)
- Cryogenic pipeline to loading facilities
- Pressure regulation, Metering system, odorant injection, gas analyser
- If required, Boil-off gas (BOG) handling and re-liquefaction facilities
- Utilities, services and related infrastructure facilities
- LNG loading facilities – for road tankers and isotainers
- Gas pipelines – Transmission to Dedisa Peaker and New IPPs, Distribution to Mulilo, Distribution Hub for other users

- Enabling bulk infrastructure, i.e. Road, Water, Sewer, Electrical, Security/ access control.
- Gas delivery infrastructure to support gas-to-power IPP generation

6.3 Provision of FSRU & Terminal operator

6.3.1 FSRU

A Floating Storage and Regasification Unit (FSRU) has been identified as the preferred terminal configuration for LNG import and distribution. The FSRU berth would form part of the fixed gas infrastructure (Section 6.2) and will comprise of; a permanent jetty with berthing and mooring dolphins, LNG and gas send-out and vapour return loading arms mounted on the Jetty, and navigation aids leading to the berth. Respondents are welcome to propose alternative FSRU mooring and offloading configurations.

The following preliminary functional requirements are proposed for the FSRU:

- >170,000m³ LNG storage capacity (to match common LNGC cargo sizes)
- >4MTPA regasification capacity (to support concurrent peak demand and market growth)
- Regasification system turn-down to zero in incremental steps of <0.5MTPA
- >2MTPA FSRU-to-Jetty LNG transfer rate (to supply road tanker and isotainer loading facility)
- >6MTPA FSRU-to-Ship LNG transfer rate (to supply bunker barge or small-scale LNGCs)
- >70barg FSRU-to-Jetty gas send-out pressure (to supply gas transmission pipeline)
- Boil-off-Gas management system capable of operating at zero gas send-out
- Seawater Vaporisation (respondents to advise technology, efficiencies and compliance with World Bank environmental standards),
- Emissions must be in accordance with World Bank guidelines
- >99.5% availability
- >20yr remaining design life

The preferred FSRU ownership model is to lease/charter a vessel for a 20yr period, along with the necessary operations team. However, this has yet to be finalized, therefore respondents are also invited to propose alternative FSRU ownership models.

6.3.2. Terminal Operator

Given the parties preference to lease/charter a FSRU, and the fact that the FSRU would be the main component of the terminal, it is proposed that the FSRU operations team be responsible for all the project infrastructure (i.e. Floating and Fixed).

The Terminal Operator will be responsible for:

- Interfacing with the gas aggregator/s to schedule LNG supply to the FSRU, and LNG or gas delivery to customers
- Interfacing with the Port Authorities to manage LNG vessel movements and operations in the Port
- Ensuring safe operation, inspection and maintenance of all fixed and floating infrastructure in accordance with the project design parameters, procedures and industry standards
- Procuring replacement maintenance spares and consumables (as required)
- Interfacing with the relevant authorities to ensure inspection and recertification of equipment items or the broader terminal (as required)
- Conducting statutory reporting in accordance with the licensing/regulatory requirements of the relevant authorities
- Submitting monthly reports to the parties (terminal owners) on operational performance and services rendered to the aggregator/s and customers (to facilitate invoicing).

Respondents are invited to elaborate on the Terminal Operators role and responsibilities to highlight their expertise and experience in this area.

6.4 Bundled Approach

The request for information contemplated in Sections 6.1, 6.2 and 6.3 constitute an “unbundled” approach for the Aggregator, Fixed Infrastructure, FSRU and Operator respectively. However, should any respondent wish to propose a “bundled” approach for all or some of the components, this can **also** be submitted separately, clearly indicating the benefits that this bundled approach will have for the end user as compared to an unbundled approach.

7 INFORMATION TO BE PROVIDED BY THE RESPONDENT IN ITS RFI RESPONSE

Respondents may respond to any of the components of this RFI and are requested to provide:

- 1) The name of the Respondent, its registration details, and the component/s it is responding to.
- 2) The name and contact details of the person appointed by the Respondent as its representative in the event that CEF wishes to engage with the Respondent on any aspect of the Document or the RFI Response.
- 3) Company Profile.
- 4) The RFI Response submitted should be as comprehensive as possible.
- 5) For the Gas aggregation component include the information requested below and any supporting documentation in respect thereof.
 - i. Brochures and data sheets outlining current and anticipated operations and services;
 - ii. Experience in undertaking similar assignments;
 - iii. Overview of global and local LNG/gas market developments, drivers and timelines;
 - iv. Respondent's view of potential commercial structures;

- v. Respondents view on the gas pricing within the South African context and what is the best way to fairly compare the gas prices that will be proposed by the gas aggregators;
 - vi. Key aspects of proposed partnership arrangements;
 - vii. Demonstrable capacity to obtain and retain the relevant licenses/permits;
 - viii. Approach to environmental sustainability;
 - ix. Alignment to National Government's strategic initiatives;
 - x. Job creation, skills development & SMME development;
 - xi. Market demand information and forecasts;
 - xii. Current and indicated future demand and whether this provides a sufficient market;
 - xiii. Business Models;
 - xiv. Operations for gas aggregation; and
 - xv. Respondents are requested to provide as much detail as possible on:
 - o Aligning gas supply for the current and potential gas off-takers;
 - o The minimum requirements for the gas off-takers;
 - o The incentives to the current and potential off-takers for increasing gas demand beyond the current known and anticipated capacity.
- 6) For the Provision of Gas Infrastructure component include the information requested below and any supporting documentation in respect thereof.
- i. Brochures and data sheets outlining current and anticipated services;
 - ii. Experience in undertaking Gas infrastructure or similar assignments;
 - iii. Technology being proposed for infrastructure described in section 6.2;

- iv. Cost estimates;
 - v. Timelines;
 - vi. Approach to environmental sustainability;
 - vii. Job creation, skills development & SMME development;
- 7) For the Provision of FSRU and Terminal operator services component include the information requested below and any supporting documentation in respect thereof.

Floating Infrastructure (FSRU)

Respondents are invited to submit their capabilities and experience in the provision of FSRUs for lease/charter, or alternative ownership models. Submissions should outline the:

- Availability of FSRUs, which comply with the project schedule and technical parameters
- Additional technical interface information and constraints (e.g. vessel draft, metocean tolerance, storage and regas technology, emissions, utility requirements, etc.)
- Integration requirements with berth and onshore facilities
- Hook-up and commissioning activities/timelines
- Regulatory, permitting and certification requirements
- Commercial structures and indicative costs

Terminal Operator

Respondents are invited to submit their capabilities and experience in the provision of Terminal Operator services. Submissions should include:

- Reference list of similar service contracts
- High level operating philosophy for integrated FSRU and onshore terminal infrastructure
- Methodologies for scheduling/balancing supply and demand with single/multiple aggregators

- Managing risks with multiple aggregators (e.g. LNG specification, take-or-pay, demurrage, disruption in supply, etc.)
- Typical organisation structure, roles and responsibilities
- Commercial structures and indicative cost estimates

Respondents may propose an association with another entity if that would enhance their overall capabilities.

8) Safety Record

8 BRIEFING MEETING AND CLARIFICATIONS

- (a) A non-mandatory virtual briefing meeting will be held on **Wednesday, 17th November 2021** at **10h00** via Microsoft Teams. The hyperlink to join the non-mandatory briefing meeting is attached to the RFI document.
- (b) The Respondent may request clarification on any item contained in this Document by not later than 24 November 2021.
- (c) No Telephonic or any other form of communication with any other CEF member of staff, other than the named individual below, relating to this information will be permitted. All enquiries regarding this information must be in writing only, and must be directed to **Wellem Skhosana (Wellems@cefgroup.co.za)**
- (d) CEF will endeavour in good faith to respond to all reasonable written queries and requests for clarification raised by the Respondent. In this regard, entities wishing to respond to this RFI should register their interest with **Wellem Skhosana** to ensure that they receive all such correspondence.

9 FORMAT AND SUBMISSION OF RFI RESPONSES

- (i) The RFI Response, must be submitted to CEF by no later than **Friday 3 December at 12h00**.
- (ii) No late submissions will be considered.
- (iii) RFI Responses may be submitted prior to the date specified above.

- (iv) All costs incurred by a Respondent in connection with this Document and the preparation of its RFI Responses shall be borne by the Respondent.
- (v) The Respondent is requested to complete the RFI Response and provide all the information required in terms of this Document and to address every item in section 7 (Information to be provided by Respondents in their RFI Responses) of this Document.
- (vi) The Respondent is encouraged to submit any additional information that it is of the view would assist CEF in further development of the Project.
- (vii) Each RFI Response is required to be delivered to CEF electronically via the email: RFI-Coegagas@cefgroup.co.za
- (viii) The submission should be properly indexed, well packaged and readable.
- (ix) All pages should be numbered consecutively from beginning to end and there should be a detailed index to the entire RFI Response.
- (x) The RFI Response can be contained in more than one document and with annexures as the Respondent may consider appropriate to provide the information requested in this Document. All of the documents comprising the RFI Response must be visible from the index to the RFI.
- (xi) The Respondent is requested to provide a signed letter with its RFI Response. The letter should include authenticity, delegation etc.
- (xii) CEF reserves the right to seek additional information from the Respondent regarding its RFI Response, as it may, in its sole discretion, determine, whether such information has been requested under this Document or otherwise, and may request the Respondent to present supplementary information, in respect of its RFI Response.

10 CORRESPONDENCE

No communication with any other member of staff of the parties, other than the named individual below, relating to this Request for Information (RFI) will be permitted. All enquiries regarding this RFI must be in writing only, and must be directed to: **Wellem Skhosana**



11 CONFIDENTIALITY

All information and documents received in relation to this RFI shall be treated with strict confidence and will be used only for its intended purpose. A respondent shall not be entitled to any information or documents disclosed by another Respondent to the CEF which the Parties has determined to be confidential.