



APPLICATION FOR AN ELECTRICITY GENERATION
LICENCE IN TERMS OF THE ELECTRICITY REGULATION
ACT, 2006 (ACT NO. 4 OF 2006).

Please return completed form to:

HOD: Electricity Licensing and Compliance
National Energy Regulator of South Africa
Kulawula House, 526 Vermeulen Street
Arcadia, 0083
Pretoria

Or:

HOD: Electricity Licensing and Compliance
National Energy Regulator of South Africa
P.O. Box 40343
Arcadia
0007

Tel (012) 401 - 4600
Fax (012) 401 - 4700

SECTION A PARTICULARS OF APPLICANT

A1 Full name of applicant (business name) and business registration number

Wolf Wind Farm (RF) (Pty) Ltd with business registration number
2012/027727/07.

A2 Address of applicant, or in the case of a body corporate, the registered head office

Physical address:

14th Floor, Pier Place, Heerengracht Street,
Foreshore, Cape Town, 8001, South Africa

Postal address:

14th Floor, Pier Place, Heerengracht Street,
Foreshore, Cape Town, 8001, South Africa

A3 Telephone number of applicant

(021) 418 3940

A4 Fax number of applicant

(086) 478 2741

A5 Email address of applicant

s.harris@redrocket.energy

A6 Contact person

First name Matteo

Surname Brambilla

Telephone No (021) 418 3940

Mobile No (079) 180 3060

Fax No. (086) 478 2741

Email address s.harris@redrocket.energy

A7 Legal form of applicant

Wolf Wind Farm (RF) (Pty) Ltd is exclusively established to generate renewable energy

Note to Section A

- 1) State whether the applicant is a local government body, a juristic person established in terms of an act of parliament, a department of state, a company or other legal body.
- 2) If the applicant is a local government body, attach a copy of the proclamation establishing such body. Where the applicant is a company, the full names of the current directors and the company registration number are required.
- 3) Also provide shareholding information of the company.

The shareholding in the Project Company will be held as follows, at Financial Close:

- Red Rocket Energy Proprietary Limited, through intermediary companies including a subsidiary to be incorporated, the Red Rocket Nominee SPV will hold 33.15%;
 - Red Rocket Energy is a South African integrated Independent Power Producer and the lead member of the consortium.
 - Projects Red Rocket has been involved in:
 - Kathu Solar Plant 81MW
 - Roggeveld Wind Power 147MW
 - Kruisvallei Hydro 4MW
- H1 Capital Proprietary Limited, through its wholly owned subsidiary to be incorporated, the H1 Nominee SPV will hold 27.50%;
 - H1 Holdings is a black-owned and managed company based in South Africa which was founded in 2000. Our purpose is to improve the quality of life by producing cleaner energy.

- H1 Holdings are involved in a number of projects such as:
 - Roggeveld Wind Power 147MW
 - Kangnas Wind 138MW
 - Stortemelk Hydro 4.5MW
 - Kruisvallei Hydro 4MW
 - Sirius Solar 75MWp
 - Dyasons Klip 1 Solar 75MW
 - Dyasons Klip 2 Solar 75MWp

- Blue Hawk VI Proprietary Limited, through an intermediary company to be incorporated, the Blue Hawk Nominee SPV, will hold 31.85%;
 - Blue Hawk is currently 100% owned by Old Mutual Life Assurance Company (South Africa) Limited, via the IDEAS Fund ("**OMLACSA**"). Both Blue Hawk and OMLACSA form part of the Old Mutual group of companies, the holding company of which is a listed entity known as Old Mutual Limited.
 - Both OMLACSA and Blue Hawk have participated in historical rounds of the IPP Programme. Blue Hawk has invested in debt and equity in the following investments –
 - Matla A Bokone Solar (RF) Proprietary Limited;
 - Bokamoso Solar (RF) Proprietary Limited;
 - Waterloo Solar (RF) Proprietary Limited;
 - Boikanyo Solar (RF) Proprietary Limited;
 - Zeerust Solar (RF) Proprietary Limited;
 - De Wildt Solar (RF) Proprietary Limited; and
 - Phakwe Witkop Investments (RF) Proprietary Limited.

- Jade-Sky Energy Proprietary Limited, through its wholly owned subsidiary to be incorporated, the Jade-Sky Nominee SPV, will hold 5.00%;
 - Jade-Sky is a 100%, black women-owned & managed enterprise with Level-1 BEE Status. Jade-Sky Project Management was established in

2012, as a strategic communication and project management company offering embedded consultancy services.

- The Red Rocket Opportunity Trust, through a non-profit company to be incorporated, the RROT Nominee, will hold 2.50%.
 - The Red Rocket Opportunity Trust is a non-profit company which will endeavour to apply ED initiatives such as Education and skills development and supplier uplift to local communities.
 - Projects Red Rocket Opportunity Trust has been involved in:
 - Roggeveld Wind Power 147MW
 - Kruisvallei Hydro 4MW

SECTION B COMMENCEMENT DATE OF LICENCE

B1 Desired date from which the licence (if granted) is to take effect

28 February 2022

Note to Section B

- 4) The normal processing time for a licence application is 120 days once all relevant information has been provided and there are no objections received.
- 5) If the applicant intends operating more than one generation station under the proposed licence, please complete separate application forms for each generation station.

SECTION C PARTICULARS OF PROPOSED GENERATION STATION

C1 Name of generation station

Wolf Wind Farm (RF) (Pty) Ltd

C2 Geographical location of generation station (please attach maps) and GPS coordinates (x⁰xx'xxx" S, y⁰yy'yyy" E)

Wolf Wind Farm will be located on farms located approximately 5km North of Wolwefontein, 35km north-west of Kirkwood and 36km south-east of Jansenville on the Klein Winterhoek Mountains in the Eastern Cape. The facility can be reached via the R75 and a gravel road leading east towards the proposed site.

33°15'27.53"S & 24°56'50.51"E

C3 Address of generation station

Portion 2 of Farm Paardeberg North 285
Portion 0 of Hartebeestefontein 15
Farm Annex Dassie Kloof Farm 291
Remaining Extent of Portion 1 of Farm Paardeberg South
Portion 0 of Farm Salt Pans Neck 287
Portion 1 of Farm Paardeberg North 285
Portion 1 of Farm Salt Pans Neck 287
Portion 3 of Farm Paardeberg South 286
Portion 0 of Farm Paardeberg North 285
Farm 304
Portion 5 of Farm Paardeberg South 286
Portion 0 of Farm Paardeberg South 286
Portion 2 of Farm Paardeberg South 286
Portion 2 of Farm Hartebeestefontein 15

C4 Contact person at generation station

First name and Surname	<u>Matteo Brambilla</u>
Telephone No	<u>(021) 418 3940</u>
Mobile No	<u>+27 (0)76 312 5657</u>
Fax No	<u>(086) 478 2741</u>
Email address	<u>m.brambilla@redrocket.energy</u>

C5 Type of generation station (thermal, nuclear, hydro, pumped storage, gas turbine, diesel generator or other) (Please specify)

Onshore Wind

- C6 Expected commissioning date for a proposed generation station or at which the station was commissioned (if an existing station). Also state construction period required if applicable.

Commissioning date: 15 March 2024

Construction period: 24 Months

- C7 The installed capacity (existing and/or planned) of each unit within the generation station (MW)

Existing Capacity (Nameplate rating)

0 MW

Planned Capacity (nameplate rating)

84 MW

- C8 Maximum generation capacity (MW) expected to be available from the generation station and energy to be produced (MWh) over the next 5 years of operation. These estimates should be based on modelling of how the power station will fit into the demand profile of its customers, taking into account the least cost energy purchase consideration and demand management options of customers.

YEAR	Max MW	Total MWh	Own use MWh	Export (Sales) MWh
1	84	352 019	0	352 019
2	84	352 019	0	352 019
3	84	352 019	0	352 019
4	84	352 019	0	352 019
5	84	352 019	0	352 019
6	84	352 019	0	352 019

- C9 Estimate of the energy conversion efficiency of the generation station/ Capacity factor where applicable.

CF = 47.83%

C10 Expected future life of the generation station.

Future life of project is 20 years.

Note to Section C

Also provide additional technical information of the project as separate attachments. This should give the technology used, technical feasibility studies e.g. radiation studies for Solar projects or wind studies for Wind projects, connection to the grid arrangements, single line diagrams of the network connection as well as single line diagrams of the generation station, etc. Also attach fuel supply/ wheeling/ connection consents/ agreements where applicable (if you are going to use someone else’s network).

This information is also used as technical inputs to the financial model of the project, e.g. solar radiation studies will determine the amount of power that can be generated.

Project name	Wolf Wind Farm
Technology	Onshore Wind
Contracted Capacity	84 MW
Maximum Export Capacity (as defined in Distribution Agreement or the Transmission Agreement as the case may be): [MW]	84 MW
Wind Turbine Generator Type and nameplate capacity: [e.g 3 Bladed, horizontal Axis, 2MW]	3-Bladed, Horizontal Axis, 5.6MW or alternative
Wind turbine Generator model: [eg. Vestas V90 2.0MW]	Goldwind GW165-5.6MW or alternative
Hub height of Turbines	120 m or alternative
Wind Turbine Generator Rotor Diameter: [m]	165 m or alternative
Number Wind Turbine Generators	15 or alternative
Planned voltage connection level	132kV
Planned Connection point (i.e the name of the substation or distribution line onto which the project is intended to connect):	Delivery Point and Point of Connection: On the CUSTOMER side of ESKOM’s 132kV motorised line isolator on the Wind Farm feeder at ESKOM’s Kleinpoort switching station, connected to Eskom’s Wolf 132kV Substation (Eskom Distribution) approximately 13km from Kleinpoort switching station.

SECTION D PARTICULARS OF LONG TERM ARRANGEMENTS WITH PRIMARY ENERGY SUPPLIERS

D1 Name of primary energy supplier/s (mining house, colliery or other fuel supplier) if applicable

N/A

D2 Particulars of the contractual arrangements with primary energy supplier if applicable

N/A

Notes to Section D

- 6) Please provide brief particulars of any long term agreements entered into with fuel suppliers and copies of such contracts (Signed Fuel Supply Agreements).

SECTION E MAINTENANCE PROGRAMMES AND DECOMMISSIONING COSTS

- E1 Details of any proposed operation and maintenance programmes, including the expected cost and duration thereof, covering the lifespan of the project. Project proposals to state the expected availability, planned outage rate and forced outage rate of the plant over the life span of the project. Additional information may be provided as an attachment.

The envisioned operations and maintenance cost of the onshore wind facility is ZAR 941 052 909 over a 20 year period. This will be in the form of Bank Guarantee, to the amount of ZAR 941 052 909 which shall be accumulated over a 20 year period. At the end of the term the reserve will be built up sufficiently and the bank guarantee shall have a ZAR 0 balance

Expected Availablely over lifespan of project: 97%
Planned Outages rate over lifespan of project: 01 Per year over a 20 year period
Forced Outage rate over lifespan of project: 01 Per year over a 20 year period

- E2 Details of any major decommissioning costs expected during the life span of the power station and provided for in the project feasibility study.

The envisioned cost in terms of decommissioning the onshore wind energy facility is approximately ZAR 114 349 747. The decommissioning cost will be built up by means of a decommissioning trust reserve account over the period of 20 years.

- E3 Details of major generation station expansion and modifications planned for in the feasibility study (Dates, Costs in Rands (state year) and description)

No expansion is envisioned for Wolf Wind Farm for the 20 year contracting period of operations. The wind energy facility will remain the same throughout the life cycle of the plant.

SECTION F CUSTOMER PROFILE

- F1 Particulars of the person or persons to whom the applicant is providing or intends to provide electricity from the generation station. Explain relationship between buyer and seller if any.

Wolf Wind Farm, intends to sell all electricity generated to Eskom Holdings SoC. This is achieved through the Renewable Energy Independent Power Producer Programme in which Wolf Wind Farm has attained Preferred bidder status.

- F2 Network connection details (connection points, voltages, wheeling arrangement, single line diagram). Please attach connection cost estimate letters and / connection consents if not owner of the network.

On the customer side of Eskom's 132kV motorised line isolator on the Wind Farm feeder at Eskom's Kleinpoort switching station, connected to Eskom's Wolf 132kV Substation (Eskom Distribution) approximately 13km from Kleinpoort switching station.

There is also a need to rebuild 89km of 132kV overhead line from the Eskom Wolf substation to the Grassridge and Skilpad substations.

We have selected the self-build option.

- F3 Provide summary details of Power Purchase Agreements with customer including purchasing price etc. (Please attach Power Purchase Agreements).

A Power Purchase Agreements will be signed for a 20 year period. The power Purchase Agreement is a standard contract between Eskom and the Preferred Bidder. This agreement can be requested from the Independent Power Producer Office for perusal. All successful Bidders from the Renewable Energy Independent Power Producer Programme (REIPPP) signs this document.

Notes to Section F

- 7) For example, supply to ESKOM or supply to local government distribution system. Please include the details of power purchase agreements entered into and the price structure of the contract.

SECTION G FINANCIAL INFORMATION

G1 Submit projections of and current statements of the accounts in respect of the undertaking carried on by the applicant, showing the financial state of affairs of the most recent period, together with copies of the latest audited annual accounts where such have been prepared.

N/A

G2 Submit the financial model in excel format of the proposed generation facility for the lifespan of the project, showing the funding (Equity/ Debt ratios) and their cost, cost of the project, sales and revenues generated by the project, stating the assumptions underlying the figures. A separate write up must be provided to explain the financial information on the model.

Wolf Wind Farm attained a competitive tariff in bid window 5 of 0.6177 ZAR/kWh. This is drastically down from round 4 tariffs and previous wind tariffs. This is a clear indication of how renewable energy is becoming more affordable and sustainable to the energy mix.

G3 Estimates of net annual cash flows for the lifespan of the project sufficient to demonstrate the financial security and feasibility of operating the generation station.

Due to the decreasing prices of renewable energy over the past few years, it has become more attractive for investors to invest in renewable projects in South Africa and still attain a healthy return. This will go a long way in restoring and meeting COP26 targets and being able to generate cleaner electricity at lower cost. Because the price of renewable energy is cheaper, it provides for a greater access to electricity and increases economic development.

G4 Project financing: Who will finance the project, how is funding split between debt and equity, and what is the terms and conditions of the funding agreements. In addition, also fill in table below:

Total capital cost of the project (including IDC)	
Interest During Construction (IDC)	
Post tax real IRR (for the whole project)	
Nominal IRR after Tax (for the whole project)	
Debt/Equity Ratio	
Payback period	

Notes to Section G

- 8) The financial projections should be based on a production plan for the generation station and the revenue generated by participating in the electricity market and by bilateral contracts (Power Purchase Agreements) with customers. Reference to the latest version of National Integrated Resource Plan (IRP) is required to demonstrate that the proposed power purchase agreement is the least cost solution available to the electricity purchaser.
- 9) Evidence of compliance with the Integrated Resource Plan (IRP). If the proposed plant is not in the IRP, the applicant must obtain Ministerial approval for deviation from the IRP in accordance with Section 10(2)g of the Electricity Regulation Act, 2006 (Act No. 4 of 2006). This approval is granted by the Minister of Energy so applicant must contact the Department of Energy for this approval. The DDG: Policy would be the contact person at DoE. Sometimes the Minister gives a blanket approval, and applicants are encouraged to contact NERSA for the latest update on what is exempted.

The Wolf Wind Farm application is part of the IRP 2019 and is a successful bidder from the Renewable Energy Independent Power Producer Programme, fifth bid window which has taken place on the 16th August 2021.

SECTION H HUMAN RESOURCES INFORMATION

H1 Submit details of the number of staff and employees and their designation (not names, e.g. three professional engineers registered with ECSA, two clerks etc) in the service of the applicant at the generation station and in any support services separate from the generation station. Also provide information regarding relevant qualifications and experience in critical areas e.g. Professional registration (Engineering Council of South Africa – ECSA), Government Certificate of Competency.

Human Resources should comply with BBEEE policy or the requirements of the Request for Proposal (RfP) documents if the project is as a result of a tendering procurement process, e.g. the DMRE Renewable Energy Independent Power Producer Procurement (REIPPP) process. The applicant should give the number of employees that will be employed during project construction, operation and maintenance.

All this information should be submitted as an attachment.

Wolf Wind Farm complies with all the economic development commitments laid out in the DMRE/001/2021/22 RFP. Wolf Wind Farm shall commit to creating 3910.00 total person-months jobs during the construction measurement period. A further 4016.00 person-month jobs will be created during operation phase. The local community will benefit with 2.5% share in the project company through the Red Rocket Opportunity Trust, this will be done through a ring-fenced project specific “for public benefit organisation” and revenues received will be ploughed into the community through different initiatives such as bursaries and skill development. The consortium consist of 66.85% of South African entity participation, this is quite high and means value flows back to South Africans.

**SECTION I PERMISSION FROM OTHER GOVERNMENT
DEPARTMENTS OR REGULATORY AUTHORITIES**

- I. What progress has been made to obtain the required permits and approvals for the generation project? Please provide copies of permits issued in respect of the operation of the generation station such as Environmental Authorisations, Water Use Licence, Civil Aviation Authority Approval, etc. (this is depended on technology used).

Environmental Authorisation in terms of NEMA – Obtained

General Authorisation – General Authorisation is in-process

Civil Aviation Authority – Obtained

Land Claims – Obtained

Department of Mineral Resources Section 53 – Obtained

Heritage – Obtained

Electromagnetic Interference – Obtained

Rezoning – Obtained

Subdivision of Agricultural land Act (SALA) – In Progress

SECTION J

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

J1 Please provide information in terms of the following categories:

COMPONENTS	POINTS	0.5	0.75	1
Direct Empowerment	Black Ownership	10% to <20%	20% to 50%	>50%
	Black Management	20% to <35%	35% to 50%	>50%
	Black Female Management	1% to <5%	5% to 10%	>10%
Human Resource Development	Black Skilled Personnel as % of payroll	20% to <35%	35% to 50%	>50%
	Skills Development Programs as % of payroll	1% to <5%	5% to 10%	>10%
	Employment Equity i.e. Women Representation	20% to <35%	35% to 50%	>50%
Indirect Empowerment	Procurement from Black/BEE Suppliers	20% to <35%	35% to 50%	>50%
	Enterprise Development i.e. Monetary Investment or quantifiable non-monetary support in SMME with BEE contributions as % of Net Asset Value/ EBITDA/Total Procurement	10% to <20%	20% to 25%	>25 %
	Industry specific initiatives to facilitate the inclusion of black people in the sector as % of net profit	1% to <5%	5% to 10%	>10%
NERSA's Discretionary Points	Based on skills transfer and fulfilment or acceleration of other national objectives e.g. employment of disabled personnel robust implementation of mechanisms to verify the BEE status of suppliers reported under preferential procurement and utilization of DTI approved accreditation agencies and so on.	1% to <5%	5% to 10%	>10%

SECTION K ECONOMIC INFORMATION

Please state the economic benefits of the project to the local community and to South Africa as a whole. If there are Economic Development Commitments made, they must be stated here or be provided as attachments if the files are big, but in such cases, there should be a brief summary.

Wolf Wind Farm will provide numerous benefits in terms of reducing South African's carbon footprint and creating meaningful employment opportunities for local communities. The wind facility will add much needed generation capacity to the aging fossil fuel fleet and shall directly reduce the current loadshedding the country is currently experiencing. Wolf will also contribute to the stabilisation of the national grid and has a commitment of 40% local content embedded in the capital expenditure of the project. Commitments to the surrounding local communities such as Skills Development, Enterprise and Supplier Development and Socio Economic Development during construction and operations has been made.

Wolf Wind Farm due to its size, will generate approximately 352 019 MWh a year with a capacity factor of 47.83%.

SECTION L ADDITIONAL INFORMATION

Provide any other relevant information related to this application

SECTION L DECLARATION

On behalf of the applicant, I hereby declare that:

- (a) the applicant shall at all times comply in every respect with the conditions attached to any licence that may be granted to the applicant;
- (b) the applicant shall at all times comply with lawful directions of the National Energy Regulator of South Africa;
- (c) the information provided by me on behalf of the applicant is accurate and complete in all respects; and
- (d) I am authorised to make this declaration on behalf of the applicant.

Signed:



Full name(s) of Signator(y/ies):

Matteo Brambilla

Position held (if the applicant is a company, co-operative, partnership, unincorporated association or any other body corporate):

CEO

Date:

03/12/2021