



Energy Services Company (ESCO) 250kW - 1.2MW Model process:

Eskom invites Energy Services Companies and Project Developers to:

- Identify and scope opportunities as a basis for implementing projects on behalf of customers in the industrial, commercial and agricultural sectors; and
- Submit proposals to Eskom to consider funding these projects under the umbrella of the ESCo Model.

Project achieving demand savings greater than or equal to 250kW - 1,200kW (kilowatt):

Proposal for project that could achieve savings greater than or equal to 250kW - 1,200kW (kilowatt) will be considered on condition that:

- Projects be submitted by emerging Black-owned Energy Services Companies or Project Developers;
- Projects be implemented within 6 months at a maximum of five sites (preferably in close proximity to each other) with a minimum savings of 50kW per site.
- Demand savings be achieved during evening peak periods (as specified in Eskom's Megaflex Time of Use tariff - summer 18:00 to 20:00 and winter 17:00 to 19:00); and
- Demand savings be sustained over a period of 36 months.

Note: Projects that are based on converting waste material into energy; renewable energy sources, such as solar and wind energy; heat pump and solar water heating technologies will not be considered for funding.

Approval

Project proposals are considered via Eskom's governance processes, which include evaluation by various committees.

Upon acceptance by the committees, a contract will be entered into and funding awarded for a specific project on condition that a measurement and verification (M&V) plan plus baseline - drawn up and submitted by an Eskom-appointed M&V team for the project – are agreed upon and signed by the ESCo or Project Developer.

Payment structure:

Four payments will be made for verified demand savings during evening peak periods over the contract of period of 36 months:

- 40% of the contract value will be released as a performance payment at the end of the first three months or the first performance assessment (PA1) period.
- The 60% balance of the contract value will be paid in three tranches of 20% each payment at the

end of 12 months cycle over the contract period based on the demand savings achieved in the following performance assessments.

Eskom can request re-imburement for overpayment if demand savings achieved during any of the three-month payment cycles over the contract period are not sustained - all payments are performance based and dependent on performance assessment reports issued by the appointed M&V team.

B-BBEE compliance:

SD&L requirements do not apply as this programme has been designed to promote participation from Black-owned ESCos or Project Developers as defined in the Broad Based Black Economic Empowerment Act, No 53 of 2003

- B-BBEE compliance of Black-owned ESCos and Project Developers will be verified by Eskom's Supplier Development and Localisation (SD&L) Department as per the stipulations of the Broad Based Black Economic Empowerment Act, No 53 of 2003.

Energy Services Company (ESCo) >500kW Model:

Process:

Eskom invites Energy Services Companies and Project Developers to:

- Identify and scope opportunities as basis for implementing projects on behalf of customers in the industrial, commercial and agricultural sectors; and
- Submit proposals to Eskom to consider funding these projects under the umbrella of the ESCo Model.

Project achieving demand savings greater than or equal to 500kW (kilowatt):

Proposal for project that could achieve savings greater than or equal to 500kW (kilowatt) will be considered on condition that:

- Projects be implemented at a single site within 6 month;
- Demand savings be achieved during evening peak periods (as specified in Eskom's Megaflex Time of Use tariff - summer 18:00 to 20:00 and winter 17:00 to 19:00); and
- Demand savings be sustained over a period of 36 months.

Approval

Project proposals are considered via Eskom's governance processes, which include evaluation by various committees.

Upon acceptance by the committees, a contract will be entered into and funding awarded for a specific project on condition that a measurement and verification (M&V) plan plus baseline - drawn up and submitted by an Eskom-appointed M&V team for the project – are agreed upon and signed by the ESCo or Project Developer.

Payment structure:

Verified demand savings achieved during evening peak periods will be paid for at the end of every three-month cycle – therefore, 12 payments over the contract period of 36 months:

- Up to 30% of the contract value will be released as a performance payment at the end of the first three months or the first performance assessment (PA1) period.
- The 70% balance of the contract value will be paid in three-month cycles over the contract period.
- 10% will be retained per invoice submitted over the contract period in support of Eskom's Supplier Development and Localisation (SD&L) Programme – the full amount will be repaid on proof of compliance with the contract's SD&L requirements.

10 Eskom can request re-imburement for overpayment if demand savings achieved during any of the three-month payment cycles over the contract period are not sustained - all payments are performance based and dependent on performance assessment reports issued by the appointed M&V team.

[Click here](#) for projects achieving demand savings greater than or equal to 250kW - 1,200kW(kilowatt)

Frequently Asked Questions: ESCo Model

What is the ESCo Model?

The ESCo Model supports projects structured by Energy Services Companies or Project developers to:

- Reduce energy use;
- Improve energy efficiency;
- Shift energy load from peak to off-peak hours; and
- Bring about peak demand clipping.

The ESCo Model forms part of Eskom's strategic commitment to:

- Support customers with funding and advice on how to save energy (during evening peak periods) and, as a result, lower their operating costs; and
- Offer customers an opportunity to participate in stabilising the power system by shifting load or improving energy efficiency and, therefore, reducing evening peak demand.

What is the process?

Eskom invites Energy Services Companies and Project Developers to:

- Identify and scope opportunities as basis for implementing projects on behalf of customers in the commercial and industrial sectors; and
- Submit proposals to Eskom to consider funding these projects under the umbrella of the ESCo Model.

Does the model cater for one type or different types of projects?

Energy Services Companies and Project Developers are invited to either:

- Submit proposals for projects that achieve demand savings greater than or equal to 500kW (kilowatt); or
- Submit proposals for projects that achieve demand savings greater than or equal to 250kW – 1,200kW (kilowatt).

Does What are the criteria for projects that achieve demand savings greater than or equal to 500kW (kilowatt)?

Proposals for projects that could achieve demand savings greater than or equal to 500kW (kilowatt) will be considered on condition that:

- Projects be implemented at a single site within 6 months;
- Demand savings be achieved during peak periods (as specified in Eskom's Megaflex Time of Use tariff - summer 18:00 to 20:00 and winter 17:00 to 19:00); and
- Demand savings be sustained over a period of 36 months.

On what basis is funding approved for projects that achieve demand savings greater than or equal to 500kW (kilowatt)?

Project proposals are considered via Eskom's governance processes, which include evaluation by various committees.

Upon acceptance by the committees, a contract will be entered into and funding awarded for a specific project on condition that a measurement and verification (M&V) plan plus baseline - drawn up and submitted by an Eskom-appointed M&V team for the project – are agreed upon and signed by the ESCo or Project Developer.

What is the payment structure for projects that achieve demand savings greater than or equal to 500kW (kilowatt) ?

Verified demand savings achieved during evening peak periods (summer 18:00 to 20:00 and winter 17:00 to 19:00) will be paid for at the end of every three-month cycle – therefore, 12

payments over the contract period of 36 months:

- Up to 30% of the contract value will be released as a performance payment at the end of the first three months or the first performance assessment (PA1) period.
- The 70% balance of the contract value will be paid in three-month cycles over the contract period.

10% will be retained per invoice submitted over the contract period in support of Eskom's Supplier Development and Localisation (SD&L) Programme – the full amount will be repaid on proof of compliance with the contract's SD&L requirements.

Eskom can request re-imbusement for overpayment if demand savings achieved during any of the three-month payment cycles over the contract period are not sustained - all payments are performance based and dependent on performance assessment reports issued by the appointed M&V team

What are the criteria for projects that achieve demand savings greater than or equal to 250kW (kilowatt)?

Proposals for projects that could achieve demand savings greater than or equal to 250kW – 1,200kW (kilowatt) will be considered on condition that:

- Projects be submitted by emerging Black-owned Energy Services Companies or Project Developers;
- Projects are implemented within 6 months at a maximum of five sites (preferably in close proximity to each other) with a minimum saving of 50kW per site.
- Demand savings be achieved during evening peak periods (as specified in Eskom's Megaflex Time of Use tariff); and
- Demand savings be sustained over a period of 36 months.

On what basis is funding approved for projects that achieve demand savings greater than or equal to 250kW (kilowatt) ?

Project proposals are considered via Eskom's governance processes, which include evaluation by various committees.

Upon acceptance by the committees, a contract will be entered into and funding awarded for a specific project on condition that a measurement and verification (M&V) plan plus baseline - drawn up and submitted by an Eskom-appointed M&V team for the project – are agreed upon and signed by the ESCo or Project Developer

What is the payment structure for projects that achieve demand savings greater than or equal to 250kW (kilowatt) ?

Four payments will be made for verified demand savings during evening peak periods (summer 18:00 to 20:00 and winter 17:00 to 19:00) over the contract period of 36 months:

- 40% of the contract value will be released as a performance payment at the end of the first performance assessment (PA1) period.
- The 60% balance of the contract value will be paid in three tranches of 20%, each payment at the end of a 12-month cycle over the contract period based on the demand savings achieved in the following performance assessments.

Eskom can request re-imbusement for overpayment if demand savings achieved during any of the four payment cycles over the contract period are not sustained - all payments are performance

based and dependent on performance assessment reports issued by the appointed M&V team.

You mentioned that proposals for projects that could achieve demand savings greater than or equal to 250kW (kilowatt) will be considered on condition that they be submitted by Black-owned Energy Services Companies or Project Developers. Do SD&L requirements apply in the case of these projects? Moreover, how would these Black-owned companies be vetted?

SD&L requirements do not apply as this programme has been designed to promote participation by Black-owned ESCOs or Project Developers as defined in the Broad Based Black Economic Empowerment Act, No 53 of 2003.

B-BBEE compliance of Black-owned ESCOs and Project Developers will be verified by Eskom's Supplier Development and Localisation (SD&L) Department as per the stipulations of the Broad Based Black Economic Empowerment Act, No 53 of 2003..

Do Where can ESCOs or Project Developers get more information?

Energy Services Companies or Project Developers can call 08600 37566, leave their names and numbers, and request that an Eskom Energy Advisor contact them should they need more information, or e-mail enquiries to AdvisoryService@eskom.co.za

Regards

Wayne Vaughan Fortuin CEM CMVP CEA CRM

Transmission and Sustainability
Integrated Demand Management (IDM)

Regional Implementation Manager (Western Cape and Northern Cape Operating Units)
Eskom Holdings SOC Ltd Reg. No. 2002/015527/30 VAT No. 4740101508
Eskom Marketing Centre, off Montague Drive, Edgemean 7441

PO Box 95, Edgemean 7407, Cape Town
S 33°52'59" E 18°32'24"

Telephone [0215242034](tel:0215242034), Mobile [0823740733](tel:0823740733), What's App [082381695](tel:082381695) Fax2Email [0866640532](tel:0866640532),
Fax [0215586410](tel:0215586410)

www.eskom.co.za/idm

PLEASE NOTE THAT YOU DO NOT HAVE TO BE AN ESCO TO PARTICIPATE

http://www.eskom.co.za/sites/idm/pages/whattsupaccordion.aspx?tabid=pnl_33

<http://www.eskom.co.za/sites/idm/Business/Pages/Escomodelprocess250.aspx>

<http://www.eskom.co.za/sites/idm/Business/Pages/Escomodelprocess.aspx>

<http://www.eskom.co.za/sites/idm/Business/Pages/EscomodelFAQ.aspx>

[PECESco Model Load Properties](#)

[Project Evaluation Committee](#)

[Proposal Template](#)

©2017 Blackheath City Improvement District | Neulux Logistics, 21 – 23 Wimbledon Road, Blackheath, 7580

[Like](#) [Tweet](#) [Pin](#) [+1](#) [in](#)

[Web Version](#) [Forward](#) [Unsubscribe](#)

Powered by [Mad Mim!](#)[®]
A GoDaddy[®] company