**Development of Standard Contract for Energy Services Contracting (ESCo) in the Atlantis Greentech SEZ:**

The Western Cape Province Government has applied for the Atlantis industrial area to be designated as a Special Economic Zone (SEZ) under the dti scheme. A Provincial Government Business entity will be established accordingly. Energy Services, both supply and demand, was among the key priorities identified. The SEZ entity plans to tap into dti funding to allow an operator to access funding to provide cheap and sustainable energy supply, and also to potentially delivery affordable energy efficiency services.

After exploring a number of models, GreenCape would like to commission work to put in place a suite of draft/standardized ESCo contracts that could be used for this purpose. The ESCo model is well established internationally, and has proven to be the most effective model to achieve the envisaged outcomes.

Role of GreenCape:

GreenCape is the project management company responsible for the application for designation of the SEZ. GreenCape is doing a number of additional pieces of work that will put the Provincial Government business entity in a good position as soon as it is established. This ESCo model is one of these.

The Provincial Government Business Enterprise will have oversight and control of the SEZ. This entity is currently being registered and is designed to act as the fund receiving structure. Under this enterprise a number of substructures will be established for different purposes, one of those for energy services (ESCo).

A standard contract will be developed under which the ESCo can supply electricity to current and future energy consumers. This contract needs to be embedded in a business model which aligns the interest of the energy consumers with those of the Province and electricity department of the City of Cape Town.

The sustainability and greening approach of Atlantis shall be taken into account as well as co-operation models between industries especially regarding the uses of excess energy/heat. Atlantis should be developed into a show case of modern low carbon, low cost secure energy supply and use.

A case study will also be developed to prove the concept. At the same time co-operation with local industry is important in order to assure the practicability and acceptance of the models.

The role of private suppliers and investors will be clarified, a portion of self-financing is foreseen for the investments – this will be clarified when the SEZ act is enacted. Possibilities to access further funding sources need to be scrutinized. At the same time public procurement rules need to be taken into account.

GreenCape would like to invite potential service providers to make proposals to develop a draft set of standardized ESCo contracts that would be suitable for use by the Atlantis SEZ entity. It is envisaged that these will be developed in collaboration with the existing large energy users in Atlantis.

Please respond providing the following:

- Broad overview of your proposal, including budget and time-frame

- Track record/ previous work experience in the Energy Service Contract development space

- Resume/CVs of the key project staff

- Relevant company information (Registration/Tax clearance/BBBEE)

**Responses due by 18 Dec 2015, please submit responses to** **esco@greencape.co.za**

GreenCape supports the use of previously disadvantaged suppliers.

Additional information on the SEZ program can be found here:

<http://www.thedti.gov.za/industrial_development/sez.jsp>