



I'm energetic and quite positive, but I also have a negative side.

MACHINERY, EQUIPMENT & ELECTRONICS (MEE)

Business Needs and Support Beyond COVID

May 2021



What's driving the demand in the battery storage industry? How do we store energy for tomorrow that is made today?

The DMRE recently announced two key **energy procurement programmes**:

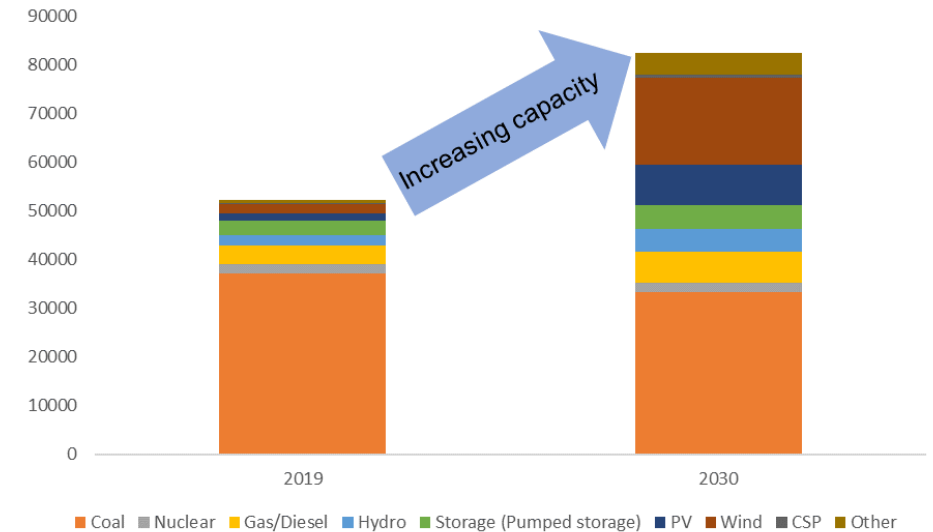
- **RMIPPPP**: Designed to procure **2000MWs** of new generation; Bid close 24 November 2020, Commercial operation date: June 2022; Estimated at **R40bn**
 - **REIPPPP**: Designed to procure **12 000 MWs** of new generation; Expected rollout June 2022 - 2030; Estimated at **R240bn**
- | | |
|------------------|-----------|
| • Wind & Solar | : 6800 MW |
| • Energy storage | : 513 MW |
| • Gas to power | : 3000 MW |
| • Coal | : 1500 MW |

PRIVATE SECTOR

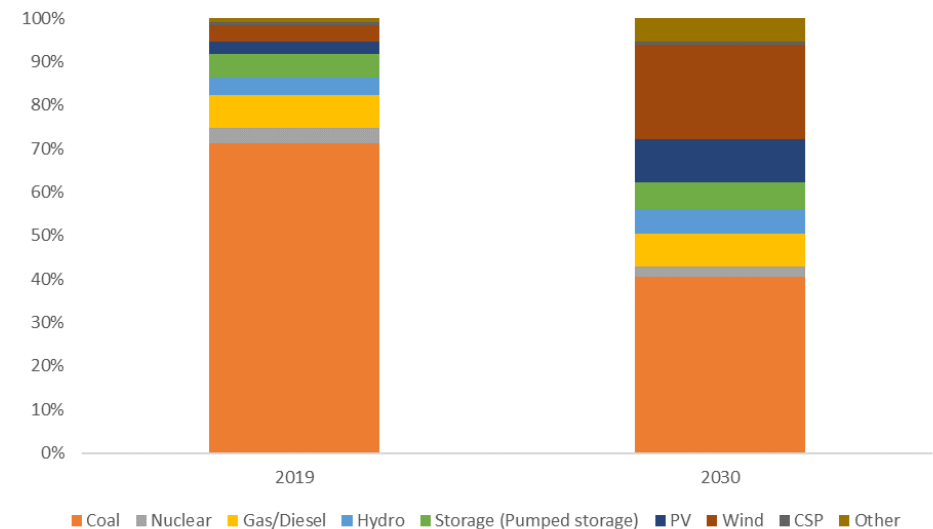
- Load shedding
- Certainty of supply
- Multi Billion sector
- Commercial realities such as EV



Installed Power capacity (MW)



Installed Power capacity (%)



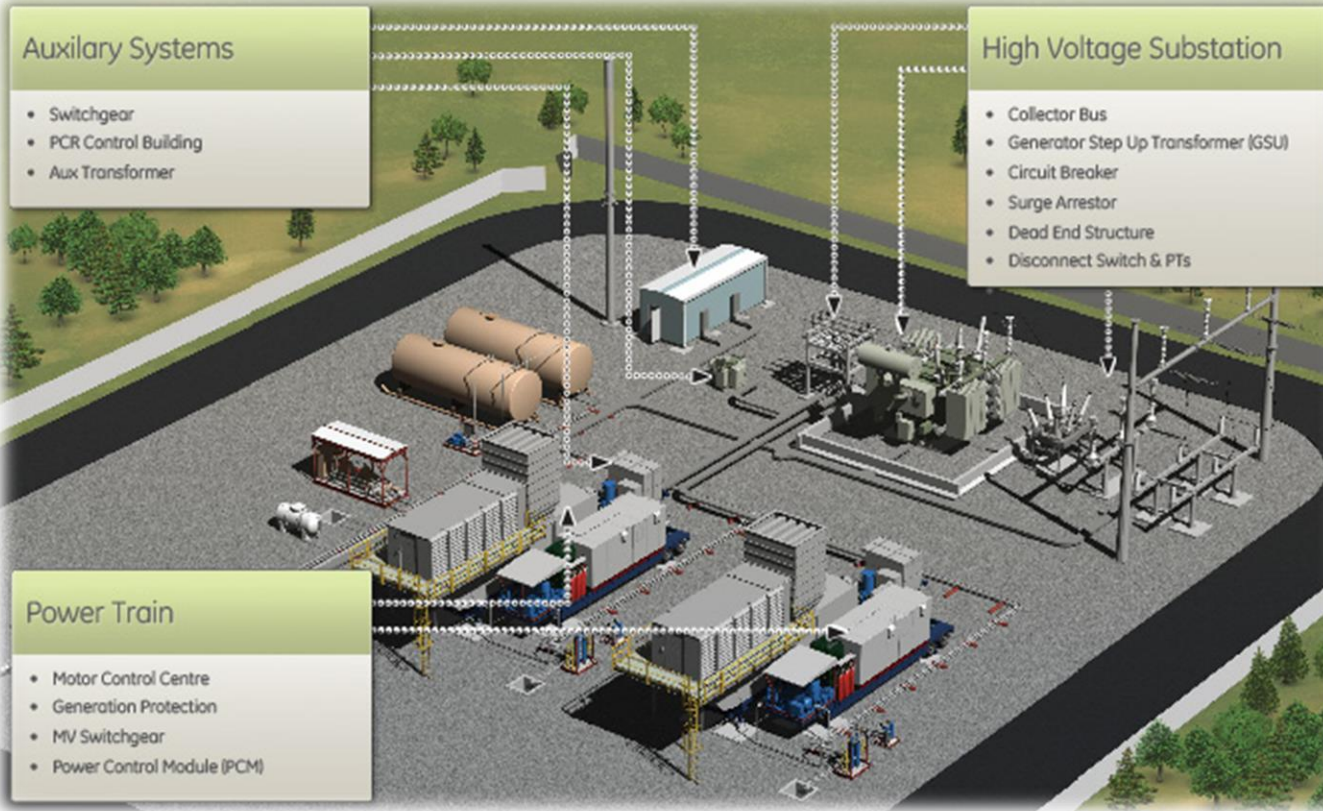
Examples of what the MEE department finances

Power Sector

- Electrical Motors
- Transformers/ invertors
- Batteries
- Boilers
- Electrical Substations
- Switchgears
- Wind Turbines
- Solar Panels
- Control & Instrumentation
- **Balance of plant**



IDC involvement in the Battery Sector



(BMS) battery management system
(BOP) Balance of plant
Leasing of battery packs
(PPA) Power purchase agreements



Objectives



- ❖ Import replacement
- ❖ Localisation
- ❖ Export to the rest of the continent
- ❖ Development of battery storage sector
- ❖ Transformation



MANUFACTURING COMPETITIVENESS ENHANCEMENT PROGRAMME (MCEP)

- Aim: To assist manufacturing companies with working capital.
- Aim: To provide finance to Black Industrialists for the acquisition of plant and equipment.

QUALIFYING CRITERIA - Working Capital Requirements

- Start-ups and expansions;
- Applicant may not contemplate workforce reductions during the term of the facility;
- Applicant required to achieve BBBEE Level 4 within 24 months;
- MCEP funds are blended at a leverage level of at least 20% funding from IDC; and

INSTRUMENT PRICING

- Limited to R30 million per applicant;
- Priced at a **fixed rate of 4%**;



GRO-E YOUTH SCHEME – Instrument Pricing

- Equity, quasi equity and loans;
- Minimum of R1 million and Maximum of R50 million per transaction;
- Pricing to apply as follows:
- More than **26%** Youth Owned – **Prime less 2%; Equity – 6% RATIRR;** and
- More than **50%** Youth Owned – **Prime less 3%; Equity – 5% RATIRR.** Discounted equity pricing only applicable for the youth equity portion
- First draw must occur within 1 year from approval of funding by the IDC or pricing reverts to normal IDC pricing; and

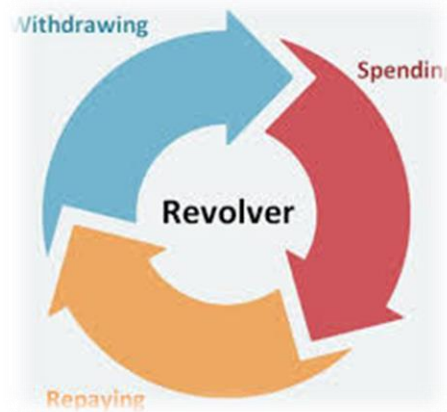


Large scale projects

- Pre feasibility funding
- Funding for bank feasibility (BFS)
- Project implementation phase
- Debt and equity



- Revolving credit facility (RCF)



We are here to help you
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