

25 FEBRUARY 2016

# PROJECTS AND INFRASTRUCTURE ALERT

## IN THIS ISSUE

### RENEWABLE ENERGY DEVELOPMENT ZONES

On 17 February 2016 the Cabinet of the Republic of South Africa (Cabinet) approved the gazetting of Renewable Energy Development Zones (REDZs).

# RENEWABLE ENERGY DEVELOPMENT ZONES

REDZs will, among others, accelerate infrastructure development and contribute in creating a "predictable regulatory framework that reduces bureaucracy related to the cost of compliance".

An application for an Environmental Authorisation should be completed in 147 days, instead of 300 days.



On 17 February 2016 the Cabinet of the Republic of South Africa (Cabinet) approved the gazetting of Renewable Energy Development Zones (REDZs).

REDZs refer to geographical areas where wind and solar PV development can occur in concentrated zones, which will lead to:

- a reduction of negative environmental consequences;
- alignment of authorisation and approval processes;
- attractive incentives; and
- focused expansion of the South African electricity grid.

Cabinet further stated that the REDZs will, among others, accelerate infrastructure development and contribute in creating a "predictable regulatory framework that reduces bureaucracy related to the cost of compliance".

The Department of Environmental Affairs' media statement issued in respect of the approved gazetting of the REDZs provided that eight REDZs and five Power Corridors have been identified. The gazetting of these areas means that projects within these areas will now only be subject to a Basic Assessment and not a full Environmental Impact Assessment (EIA) process. This change will accelerate the assessment process, as scoping level pre-assessments would have been undertaken. As such an application for an Environmental Authorisation should be completed in 147 days, instead of 300 days.

**2015 RANKED #1 BY DEALMAKERS FOR M&A DEAL FLOW 7 YEARS IN A ROW, 1<sup>st</sup> by General Corporate Finance Deal Flow.**

**2014** 1<sup>st</sup> by M&A Deal Flow, 1<sup>st</sup> by M&A Deal Value, 1<sup>st</sup> by General Corporate Finance Deal Flow.

**2013** 1<sup>st</sup> by M&A Deal Flow, 1<sup>st</sup> by M&A Deal Value, 1<sup>st</sup> by Unlisted Deals - Deal Flow.

**2012** 1<sup>st</sup> by M&A Deal Flow, 1<sup>st</sup> by General Corporate Finance Deal Flow, 1<sup>st</sup> by General Corporate Finance Deal Value, 1<sup>st</sup> by Unlisted Deals - Deal Flow.

**DealMakers**

**2013 HIGHEST RANKING**

of Client Satisfaction amongst African Firms

**Legal Week**

**NO.1**

**6**

YEARS IN A ROW for client service excellence

**#6YearsInARow**

**pmi** africa

**2015 1<sup>ST</sup>**

South African law firm and 12<sup>th</sup> internationally for Africa & Middle East by deal value

**2<sup>ND</sup>**

South African law firm and 2<sup>nd</sup> internationally for Africa & Middle East by deal count

**1<sup>ST</sup>**

South African law firm and 15<sup>th</sup> internationally for Europe buyouts by deal value

**MERGERMARKET**

**IFLR 1000**

**FINANCIAL AND CORPORATE RECOMMENDED FIRM**

**2016**

# RENEWABLE ENERGY DEVELOPMENT ZONES

CONTINUED

*The REDZs are anticipated to aid the future bidding rounds of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) by allowing for focused grid development and an alignment of approval processes in the REDZs.*



The Council for Scientific and Industrial Research (CSIR) identified the following eight geographic areas for REDZ following a Strategic Environmental Assessment (SEA):

NAME	SIZE	PROVINCE
Overberg	5 263 km <sup>2</sup>	Western Cape
Komsberg	8 846 km <sup>2</sup>	Western Cape
Cookhouse	7 366 km <sup>2</sup>	Eastern Cape
Stormberg	12 041 km <sup>2</sup>	Eastern Cape
Kimberley	9 568 km <sup>2</sup>	Free State & Northern Cape
Vryburg	9 204 km <sup>2</sup>	North West
Upington	12 833 km <sup>2</sup>	Northern Cape
Springbok	15 214 km <sup>2</sup>	Northern Cape
<b>Total</b>	<b>80 335 km<sup>2</sup></b>	

Currently one of the greatest challenges of South African renewable energy development is constraints on grid infrastructure, and the resulting timelines for and costs of grid expansion. The REDZs are anticipated to aid the future bidding rounds of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) by allowing for focused grid development and an alignment of approval processes in the REDZs. To date the REIPPPP has led to the procurement of 7000 MW of renewable capacity across 92 projects.

*Adriaan van der Merwe and Emma Dempster*

## OUR TEAM

For more information about our Projects and Infrastructure practice and services, please contact:



**Jay Govender**  
National Practice Head  
Director  
T +27 (0)11 562 1387  
E jay.govender@cdhlegal.com



**Claire Barclay**  
Director  
T +27 (0)11 562 1154  
E claire.barclay@cdhlegal.com



**Emma Dempster**  
Director  
T +27 (0)11 562 1194  
E emma.dempster@cdhlegal.com



**Zahra Omar**  
Director  
T +27 (0)11 562 1144  
E zahra.omar@cdhlegal.com



**Megan Rodgers**  
Oil and Gas Sector Head  
Director  
T +27 (0)21 481 6429  
E megan.rodgers@cdhlegal.com



**Jurg van Dyk**  
Construction Sector Head  
Director  
T +27 (0)11 562 1216  
E jurg.vandyk@cdhlegal.com



**Bianca Batista**  
Senior Associate  
T +27 (0)11 562 1123  
E bianca.batista@cdhlegal.com



**Samantha Brener**  
Associate  
T +27 (0)11 562 1354  
E samantha.brener@cdhlegal.com



**Giovanni Cloete**  
Associate  
T +27 (0)21 481 6431  
E giovanni.cloete@cdhlegal.com



**Silindokuhle Malaza**  
Associate  
T +27 (0)11 562 1487  
E silindokuhle.malaza@cdhlegal.com



**Adriaan van der Merwe**  
Associate  
T +27 (0)11 562 1393  
E adriaan.vandermerwe@cdhlegal.com



**Craig Wilton**  
Associate  
T +27 (0)21 481 6430  
E craig.wilton@cdhlegal.com

### BBBEE STATUS: LEVEL TWO CONTRIBUTOR

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

### JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa. Dx 154 Randburg and Dx 42 Johannesburg.  
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

### CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.  
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

©2016 0923/FEB