

## **Answers to frequently asked questions**

**Q1) Will it be possible to get a 3-week extension on submission of the RFI due to a clash with summer holidays in EU.**

Currently we are not considering the extension of the RFI deadline. However, partial submissions will be accepted, if not yet complete by 30 July due to time constraints. Further information can be provided after the deadline if a partial response has been submitted. If there is an extension to the deadline in the future this will be communicated.

**Q2) Are projects that do not yet have fixed off-take agreements in place allowed to participate in this RFI call?**

Yes, projects with no off-take agreements currently in place will still be considered. However, it should be noted that off-take agreements are one of number of criteria that the team will use to identify candidate projects to proceed to bilateral engagements. If no off-take agreement is in place, the path towards how such off-take agreements would be achieved in the future must be described.

**Q3) Are projects allowed to source additional funds from the private sector?**

Yes, absolutely. One of the metrics that will be considered by KfW is the degree to which the funding can be leveraged for further investment.

**Q4) Does a project need to invest in new renewable generation to produce green hydrogen or can green certified electricity be purchased from an existing renewable plant via a PPA?**

There is no specific requirement for new renewable energy generation to be installed. Projects can look to source green energy from existing plants.

**Q5) Does the hydrogen production plant need to be co-located with the renewable energy power?**

No, co-location is not mandatory. Options of “wheeling” power from off-site renewables can also be considered.

**Q6) Must the hydrogen that is generated in this project be used directly in South Africa, or could it be shipped to the EU?**

Projects looking to export hydrogen will be considered in this RFI.

**Q7) What is the size of the funding available for early stage pilots and studies?**

Currently this amount has not been determined. It should be noted that this funding is substantial and is intended to support selected projects to reach financial close and is not for pre-feasibility project development.

**Q8) Are we able to secure funding for a pilot at a coal mine / are there any specific green hydrogen pilots that are excluded by KfW?**

Projects will need to align with IFC performance standards<sup>1</sup>, which outlines the “associated facilities” concept (see page 8). This is how they determine a project’s area of influence that needs to be determined to decide if you have to apply the environmental and social standards. The area of influence includes: Associated facilities, which are facilities that are not funded as part of the project and that would not have been constructed or expanded if the project did not exist and without which the project would not be viable”. Projects for a new coal mine or increasing the output of existing coal mines would not qualify as the main goal of this initiative is to reduce CO2-emissions overall.

**Q9) Will CSIR participate in the project and provide scientists and researchers?**

CSIR and Meridian are currently acting as advisors to KfW. In the initial stages of development our staff would not be involved in the technical project work. If further support is required once a project is selected then we could make a motivation to KfW.

**Q10) Does our study only have to include local technology providers, EPC’s and OEM’s or can KfW funding be used for our international partners?**

Currently the RFI is not limited to local technology providers. There may be specific local content or ownership requirements as per local regulations that will need to be adhered to, but the project will not place additional local content constraints.

**Q11) Do we need to build or install renewable energy in S-A which we later use for the production of the green hydrogen? Or shall we find some renewable energies in S-A that already run which we can buy/take for the production of the H2?**

Wheeling of energy is possible in the regulatory framework in South Africa and can be considered in the context of this project. However, the RE capacity needs to be additional and shall not compete with existing RE generation for electricity use. The RE-Capacity has to be outside of the IRP.

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<sup>1</sup> [https://www.ifc.org/wps/wcm/connect/c02c2e86-e6cd-4b55-95a2-b3395d204279/IFC\\_Performance\\_Standards.pdf?MOD=AJPERES&CVID=kTjHBzk](https://www.ifc.org/wps/wcm/connect/c02c2e86-e6cd-4b55-95a2-b3395d204279/IFC_Performance_Standards.pdf?MOD=AJPERES&CVID=kTjHBzk)

**Q12) Can we wheel electricity from Namibia and produce hydrogen in South Africa?**

Project and funds will need to be located in SA, therefore funding of RE generation in Namibia cannot be financed, but wheeling power could qualify. From a regulatory perspective getting the required approvals for this could prove challenging. Eskom currently holds the only license for international trading.