

Request for Expression of Interest (EIO) for 12L Expert Review Panel

RFI Number 484	Request for Expression of Interest (EIO) for a range of industry and measurement & verification (M & V) Experts to serve on an Independent Expert Review Panel on an 'as-and-when' required basis, to review & comment on section 12L (of the income tax act, 1962) Energy Efficiency baseline & performance assessment submissions
Date of EOI	04 th September 2018
Compulsory Briefing Session	13 th September 2018 at 11:00 Block C, Upper Grayston Office Park, 152 Ann Crescent , Strathavon, Sandton 2146
Closing date	25 th September 2018 at 11:00
SANEDI Contact	All enquiries must be directed to : Name: Ms. Nondumiso Buthelezi Tel: 011 038 4300 e-mail address: enquiries.procurement@sanedi.org.za
Submission methods	Submissions / Bid Documents may be returned to the CLIENT by means of Electronic submissions E-mail address : 484.procurement@sanedi.org.za NB: failure to submit in the correct E-MAIL ADDRESS will render your submission non-responsive.

1. BACKGROUND

In 2009, the then Minister of Finance, Trevor Manuel, announced that there would be tax incentives for those that can demonstrate energy efficiency savings, setting the ball in motion to utilise the Income Tax Act of 1962 for this purpose.

Such tax incentives have been offered since 2009 using section 12I, the Industrial Policy Project Investment incentive for manufacturing-related projects with a 10% energy consumption reduction component. Shortly thereafter, the proposed 12L 'Regulations on the allowance for energy efficiency savings' were released for public comment. The effective date of 1 November 2013 for the implementation of the 12L Regulation was promulgated by the then Minister of Finance, Minister Pravin Gordhan in a Government Gazette on 8 November 2013 (Gazette No 37136), which stipulates that the tax incentive must be allowed as a deduction from the income tax of a taxpayer. The amount should relate to the energy efficiency savings generated which respect of a year of assessment.

The 12L tax incentive, according to the Income Tax Act, 1962 (Act No. 58 of 1962), provides an allowance for businesses to implement energy efficiency savings. The verified savings allows since April 2015 for a tax deduction of 95ct/kWh saved on energy consumption and for non-electricity energy sources, the measurements must be kWh equivalent. The measured & verified energy efficiency savings must be over a consecutive period of 12 months, referred to as the implementation/assessment period, which is compared against the 12 months of baseline measurement, (baseline period).

The 12 L Regulation sets out the process and methodology for determining the quantum of energy efficiency savings, and requirements for claiming the proposed tax allowance, which stipulates a prerequisite that energy savings reports have to be compiled by M&V Professionals performing M&V under the auspices of a South African National Accreditation System (SANAS) accredited M&V Body and the savings certified by the South African National Energy Development Institute (SANEDI), through the issuing of a Tax Deduction certificate. All projects have to be registered and processed via an online system, (www.sanedi12ltax.org.za).

To meet the requirements of 12L, government has provided a structure to implement 12L with technical support in the form of a national standard for Measurement and Verification (M & V), which is the South African National Standard (SANS) 50 010, and assurance through the accreditation of energy efficiency M&V Bodies by the South African National Accreditation System (SANAS), and final review and evaluation through SANEDI.

Due to the 12L Tax incentive assurance mandate of SANEDI in the 12L Tax Incentive it has become necessary for SANEDI to acquire the services of seasoned professionals to provide an independent review service in reviewing and evaluating the Baseline and Performance Assessment submissions for the 12L Tax Incentive and to report back to SANEDI in writing, within the stipulated time limit.

This incentive is funded by National Treasury from the fiscus. A carbon tax is mooted and the intended purpose of the carbon tax is to use some of the revenue generated from this instrument to finance incentives to promote efficient energy usage, including Section 12L of the Tax Act.

2. PURPOSE AND SCOPE OF WORK

Certified Measurement and Verification Professionals (CMVPs) and/or qualifying professionals are invited to serve on a multi-disciplinary panel of experts ('Review Panel'), to assess applications received for the Section 12L Energy Efficiency tax incentive, to ensure compliance with the aforementioned Regulation and national M & V standard. Qualified candidates are required to conduct the evaluation activities of submissions from various market sectors. Membership to the Panel will be reviewed after a period of twelve (12) months and there is no specified minimum and/or maximum hours for which a member will be required to actively participate in the Panel.

3. SKILLS AND PROFESSION

As indicated, varied skills and professional expertise from a range of disciplines are required in the administration of the applications for the Section 12L tax incentive. These skills and expertise differ with complexity and degree of engagement and all skills are important and required for the success of the incentive.

Qualifying candidates should have the following skills and knowledge background:

- Measurement and verification knowledge as prescribed in the Efficiency Valuation Organizations (EVO), requirements and standards.
- An adequate knowledge and understanding of the measurement and verification of the energy savings standard, SABS: SANS 50010:2018
- Adequate knowledge and understanding of the principles of energy efficiency and requirements of the Section 12L Regulations in support of the Income Tax Act of 1962.
- The ability to pay attention to detail and a good analytical acumen.
- Adequate knowledge and understanding of energy auditing and energy management.
- Minimum of 5 year experience working in the energy environment.
- An adequate understanding of the energy and climate change policies of the Department of Energy.
- Adequate knowledge of demand side management, load management, and related energy saving options.

Qualifying Academic and/or Vocational Background

A candidate with the minimum of one or a combination of the following qualifications may be appointed to the Review Panel:

- Certified Measurement and Verification Professional, (CMVP)
- Certified Energy Manager, (CEM)
- An Engineering degree with Honours, in any of the following disciplines:
 - Electrical engineering
 - Civil engineering
 - Chemical engineering
 - Environmental engineering
 - Mechanical engineering
 - Mining engineering
 - Geological engineering
 - Petroleum engineering
 - Transport engineering

Responsibilities

Successful candidates will be expected to verify energy savings from baseline and performance data submitted by SANAS-accredited M & V bodies on behalf of tax applicants to SANEDI, for the Section 12L tax incentive, as-and-when required by SANEDI. (There are no minimum and/ or maximum time allocations for each successful panel member, as the members are appointed on a purely 'as-and-when-required' basis).

Candidates will be required to evaluate specific energy savings baseline and performance assessment reports and submit the feedback in writing to the Chief Panellist at SANEDI, within the time limits stipulated.

Time line for assignment

The candidate/s will commence with the work once the baseline data from the 12L Incentive applicant is completed and submitted to SANEDI and SANEDI has allocated that project to a particular candidate/ s of the Panel. The candidate will then be allowed a period of **30 days** to verify and report the findings on the baseline data and another **30 days** to verify the savings post project implementation and contained in a Performance Assessment Report.

Outputs/Deliverables

- Evaluation and verification report/comments on the baseline and performance assessment reports, within 30 days of receipt of such a report for review. The candidate will be remunerated at a certain amount per hour ([refer to SANEDI website](#)) and the allocated number of hours

allocated for each review, will depend on the complexity and size (energy savings claimed), of the particular application submitted for review. On average an evaluation requires 4 working hours, but the maximum time allowed for any review will be specified upfront by SANEDI.

Confidentiality

Due to the sensitive nature of the information and data associated with these tax-related applications, all successful candidates will be required to sign a strict Confidentiality Agreement and a Declaration of Interest for each individual application referred to the candidate for review.

5. Evaluation Criteria

All interested parties wishing to serve on this external, independent Expert Review Panel, should submit their CV's together with the copy of their related qualifications to SANEDI.

Criteria	YES	NO
Minimum of Honours degree in one of the following disciplines: Electrical engineering Civil engineering Chemical engineering Environmental engineering Mechanical engineering Mining engineering Geological engineering Petroleum engineering Transport engineering		
Minimum of 5 years' working experience, using the above degree.		
Certified Measurement and Verification Professional Certificate (CMVP)		
CMVP Certificate still valid		
Certified Energy Management Certificate – Preferable		
CEM Certificate still valid		
PhD in any of the above mentioned qualifications (PhD in any of the above qualification is an automatic qualification, irrespective of years of experience, CMVP and CEM).		