electricity & energy
Department:
Electricity and Energy
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

GOVERNMENT ANNOUNCES GASIPPPP BID WINDOW 1 OUTCOME, REAFFIRMS MARKET COMMITMENT AND OUTLINES THE PATH FORWARD

28 October 2026 | Pretoria, South Africa - The Minister of Electricity and Energy, Dr Kgosientsho Ramokgopa, through the Department of Electricity and Energy (DEE) and the Independent Power Producer (IPP) Office, today announced the conclusion of Bid Window 1 (BW1) of the Gas Independent Power Producer Procurement Programme (GASIPPPP).

Gas-to-power is critical for South Africa's electricity supply system adequacy and flexibility. GASIPPPP BW1 sought to procure 2,000 MW of generation capacity in line with the IRP2019 and IRP2025. Following an extensive stakeholder consultation the Department issued a revised GASIPPPP BW1 Request for Proposals on 20 October 2025. On 29 May 2026 the Department received four (4) bids offering a total of 2,830MW.

The RFP required bidders to provide assurances of gas supply for their bids. Even though South Africa is potentially well endowed with natural gas, it imports most of its gas supply requirements from Mozambique and the country has no LNG receiving terminal. The bidders were unable to provide gas supply assurances to the level required in the RFP. This is one of the main reasons that none of the bidders satisfied the mandatory functional criteria.

Consequently, no Preferred Bidders were appointed and no generation capacity was awarded for the GASIPPPP BW1.

Strengthening the enabling environment for a successful BW1.5

As a first-of-its-kind procurement process in South Africa, GASIPPPP BW1 has provided practical insights into the requirements necessary to translate the country's gas-to-power objectives into a delivered programme.

South Africa’s gas-to-power journey has provided a further opportunity to examine the interdependencies between procurement requirements, technical feasibility, fuel-supply arrangements, enabling infrastructure, affordability, environmental obligations and project implementation readiness. These lessons will inform consideration of how the programme can be better structured, supported and enabled to achieve its intended objectives.

The Minister emphasised that, “South Africa is not retreating from our gas-to-power objectives. As the first in Africa to take on this ambition, we are further enabled by this first procurement process to strengthen the conditions necessary to achieve them. Our responsibility now is to address the infrastructure, commercial and institutional conditions required to translate market interest into viable and deliverable projects.”

Gas-to-power remains an important component of South Africa's energy mix, as reflected in the Integrated Resource Plan (IRP 2025), supporting government's broader energy security goals.

Stakeholder engagement and next steps

The Department recognises the significant time, and resources invested by all bidders and recognises the contributions of original equipment manufacturers (OEMs), lenders, gas suppliers, terminal developers and other market stakeholders to this first procurement process. Continued structured engagement involving relevant market participants will be prioritised to inform consideration of the programme's future direction.

Any subsequent procurement process, including its requirements and timelines, will be subject to the necessary statutory, governance and procurement approvals. The Department will communicate further information through the appropriate official channels before the end of the calendar year.

The Department and IPP Office remain committed to procurement integrity, constructive stakeholder engagement and advancing South Africa's gas-to-power objectives in support of long-term energy security.

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