

**National Council of Provinces question: Question 218**

**Mr K A Sinclair (COPE-NC) to ask the Minister of Energy:**

- (1) Whether her department has prioritised the development of renewable and clean energy as outlined in the Government New Growth Path policy and her department's strategic plan; if not, why not; if so, what are the relevant details;
- (2) (a) why is Eskom not seized with the development of renewable energy generation capacity rather than coal and nuclear powered energy generation and (b) which government entity will lead the development of renewable and clean energy generation capacity if this is not the focus of Eskom;
- (3) whether the Government will rely on the private sector to generate renewable and clean energy if no government entity is leading the development of renewable and clean energy generation; if not, what is the position in this regard; if so, what does this mean in terms of the role of the developmental state? CW278E

**REPLY**

- (1) Yes, the recently promulgated IRP 2010 sets a massive target of 42 per cent contribution by Renewable Energy towards the new electricity generation mix, in the period up to 2030.
- (2) Eskom as a state owned utility is guided by government priorities. Government is committed to the development of renewable energy which is evidenced through the REFIT programme. Eskom is a competent operator of large fossil fired power plants, whereas renewable energy projects tend to smaller that utility scale. It is the private sector that will be best positioned to implement small scale (<100MW) projects. The approved IRP 2010 reaffirms government commitment to the diversification of the country's energy mix, and Eskom as the state owned utility will play a crucial role in the achievement of these goals. The Department of Energy will lead the development of

renewable energy. State agencies such as CEF (Pty) Ltd, the South African National Energy Development Institute and the private sector will partake fully in the development of the renewable and clean energy industry in South Africa.

- (3) No, the government through its agencies like CEF will work in partnership with the private sector to develop renewable energy sources in South Africa. In its role, the department will ensure that the policies and legislative measures are attractive and conducive to private sector participation. For instance, the work that is currently being undertaken for the Solar Park ensures that government leads by providing appropriate and common infrastructure while private investors will be responsible for the costs of their own plants and technologies therein. The REFIT is also meant to provide a financial incentive to private sector investors.