

## NATIONAL COUCIL OF PROVINCES QUESTION: 99

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

Whether, in light of the Energy Report that was released by the World Wide Fund for Nature in February 2011 (details furnished), her department will be committed to (a) a reduced and (b) moving towards a nominal/zero dependency on fossil fuels over the first half of this century; if not, why not; if so, what are the relevant details?CW137E

## REPLY

(a) **The Department of Energy is committed to reduce its dependence on fossil fuels.**

The Department of Energy seeks to promote the energy mix advocated by the White Paper on Energy Policy of 1998 and enshrined in all subsequent pieces of legislation. We consider the diversification of energy resources as an essential part of ensuring the security of energy supply. Our efforts to reduce dependence on fossil fuels are also informed by the need to reduce the emission of carbon dioxide (CO<sub>2</sub>), which is a greenhouse gas, into the atmosphere. In this respect, the Department of Energy is also looking at clean coal technologies, including Carbon Capture and Storage, to enable continued use of coal with minimized negative impact on the environment.

The Department of Energy currently has a Clean Energy Chief Directorate whose main focus is to facilitate the reduction of the dependence on fossil fuels to renewable and alternate energy sources and the promotion of energy efficiency.

(b) **With current and foreseen global technological developments, our country's resource endowment profile and our socio-economic situation, it is highly improbable to move to zero dependence on fossil fuels over the first half of this century. However, the Department of Energy as well as the rest of Government, is committed to drastically reducing the country's dependence on fossil fuels to the limits of that which is practically feasible taking due regard of all its imperatives.**

With respect to liquid fuels, our use of Coal-to-Liquids (CTL) technology to produce liquid fuels from coal helps us to reduce our dependence on crude oil, which is itself a fossil fuel. The Department of Energy, in collaboration with other government departments and organs of state, developed the Biofuels Industrial Strategy which was approved by Cabinet in December 2007. Among other things, the Strategy seeks to enhance South Africa's security of liquid fuel supplies and contribute towards the reduction of harmful transport sector emissions. It proposes a phased approach, with the target for the pilot / incubation phase being a 2% Biofuels penetration into the national liquid fuels supply by 2013. The Department of Energy is also promoting the use of liquefied petroleum gas (LPG) and started regulating the maximum retail price of LPG sold to residential customers on 14 July 2010.

The Integrated Resource Plan 2010 (IRP 2010) promotes the diverse energy mix that relies on various sources of power to meet base load and peak demand. One of the scenarios suggest that by 2030, the breakdown should be; 48% Base-load coal, 14% base-load nuclear, 16 % Renewable energy, 9% Peaking open-cycle gas turbine, 6 % Peaking pump storage; 5% Midmerit gas as well as 2% base-load import hydro. The IRP 2020 recommends that the role of coal in electricity generation be reduced from current 90% to 48% over the next 40 years.

The Department of Energy oversees the gas industry and has mandated PetroSA to execute activities related to gas exploration and production activities. To ensure security of gas supply, regional political agreements, which for Mozambique and Namibia respectively are administered by the Gas Commissions, play an important role.