



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

PRIVATE BAG x 96, PRETORIA, 0001, Tel (012) 406 7658

PRIVATE BAG x 9111, CAPE TOWN, 8000 (021) 469 6412, Fax (021) 465 5980

Enquiries: Malusi.ndlovu@energy.gov.za

★39. Mr J A Esterhuizen (IFP) to ask the Minister of Energy:

- 1) In the light of the fact that it is vital for South Africa to change its energy mix and noting that the 3126 megawatt target for gas fired power generation is a tremendous and significant increase, is the Government committed to fast-tracking the supply of natural gas as an energy source.
- 2) Will Operation Phakisa in this regard successfully (a) address the short-term challenges of energy and (b) develop the future potential of our natural gas resources? NO489E

Reply

- 1) The government is committed to developing a gas market in South Africa. The determination made by the Minister for 3126MW of gas to power plants will anchor for the development of the gas market. The department has already started undertaking studies in Richards Bay, Coega, and Saldanha to fast track the development of the necessary port infrastructure, which includes the environmental and geotechnical studies. The programme will also play a critical role in stimulating demand not just for power but for industrial and domestic use. Natural gas as an energy source has also been identified as being critical for industrialisation particularly in the fertiliser, chemicals and domestic sectors.
- 2) (a) Operation Phakisa focuses on developing the long term potential of indigenous gas. The short term challenges relating to gas are being addressed through (i)

Amendment to the Gas Act; (ii) Introduction of the Gas to Power programme; and (iii) Gas Utilisation Masterplan. These initiatives will provide a regulatory environment that facilitates the development of gas pipelines in the short term, storage and regasification facilities. It will also provide a regulatory framework that incorporates the exploitation of coal bed methane, compressed natural gas, liquefied petroleum gas and imported gas.

(b) Given the regulatory initiatives in (a), in the medium to long term, Operation Phakisa will enable the development of our shale gas resources. Operation Phakisa provides the necessary platform to deal with the cross cutting issues that require collaboration and coherence of the mandates of the departments of Energy, Mineral Resources, Water and Sanitation, National Treasury and the Energy Regulator.