Address by the Minister of Energy, Ms. Dipuo Peters

MEDIA LAUNCH OF SANEDI, Rosebank

19 July 2012

Programme Director,

Chairperson of the SANEDI Board, Justice Mlonzi and board members

Deputy Directors-General and Senior Management of the DoE

CEO and Staff of SANEDI

Distinguished Guests, Members of the Media

Ladies and Gentleman,

Good afternoon, and thank you for joining us on this important occasion.

Yesterday, we celebrated the 94th birthday of the father of our nation, our world icon, Tata Nelson Mandela. The example and legacy of Nelson Mandela continues to inspire us to greater heights, propelling us ever forward to our collective goal of achieving a better life for all our people.

His example continues to remind us that we are all just small pieces in the puzzle on the path towards this dream – but also more importantly, that it is possible, the challenges we face as a country, a continent and as the world are not insurmountable.

We also meet, having just emerged from the African Union Summit, with a Southern African candidate, a colleague and friend – Dr Nkosazana Dlamini-Zuma having been elected as the Chairperson of the AU Commission. To echo the President of the Republic, the election of Dr. Dlamini-Zuma does not represent the election of an individual, but it represents the resolve of the leadership of the continent to accelerate the development and growth of Africa, to lift this continent from being the bastion of underdevelopment and poverty – to a place of equality, prosperity and human development.

I make mention of these events, Programme Director, because it is important for all of us to understand that even the launch of this entity today represents the culmination of efforts that seek to change the way we engage with our future. We are indeed in a period of renewal and of continuity and change!

Ladies and Gentlemen,

I am sure that you are aware that SANERI, the South African National Energy Research Institute, was established by a Cabinet resolution in 2002. This was when South Africa was faced with an eroding Energy Research and Development capacity in existing institutions outside of universities.

The Institute's primary mandate was to support and direct renewable energy research in both the private sector and at a tertiary level. Since then, and due to a number of developments in the South African energy sector, the Department of Energy through an Act of Parliament, established SANEDI, which is an amalgamation of SANERI, together with the National Energy Efficiency Agency. SANEDI, as you are aware, is the acronym to describe the South African National Energy Development Institute.

As the entity responsible for energy research, development and innovation in the country, SANEDI should not only serve the current national objectives, but should be well-positioned to enable the energy sector to respond to future energy needs and challenges. It should achieve this by building its core competencies and strengths in technology transfer and experimental development in energy and energy-related technologies.

SANEDI is therefore in essence responsible for enabling and implementing the energy technology roadmaps which support long-term energy policies developed by the Department of Energy

The organisations have developed a strategic plan with focus on the following research areas:

- smarter grids for South Africa
- green transport options
- advanced fossil fuels options (including Carbon Capture and Storage)
- working for energy
- renewable energy solutions, and;
- Energy Efficiency

Programme Director, allow me to focus and share with this gathering information on some of the work that would constitute the focus areas for SANEDI.

The urgent need to move to a low carbon economy, unpredictable fuel costs, ageing infrastructure and climate change are all converging to require a transformation of the electricity system and utilities industry.

Recognising these challenges, the energy community is starting to integrate information and communication technology with the electricity infrastructure to create a smarter grid. SANEDI will offer a national Smarter Grid vision this year that will be inclusive of all stakeholders' inputs. For areas far away from the grid, we would like to see how mini-grids and aspects of smart grids can be applied.

The DoE, through SANEDI, has played a significant role in supporting the work of other government departments. Practical examples of this include, but are not limited to the provision of a crucial assurance, monitoring, verification and reporting function to dti, National Treasury and SARS, on the energy efficiency component of the 12 I Industrial Tax Incentives.

Similarly, SANEDI has played a critical role in refining and finalising the Regulations in support of the broader energy efficiency-based tax incentives, or commonly referred to as the 12L Energy Efficiency Tax Allowance.

Another example is the 'resurrection' of the concept relating to the accelerated need to transform our public facilities into more energy efficient and green working spaces.

Together with the Department of Public Works and others, we are making huge strides in finalising an all-encompassing strategy, to fast-track, measure, evaluate and report on progress, going-forward.

You will notice the word ‘reporting’ featuring prominently in the activities of the organization, and SANEDI, together with academic institutions like the Energy Efficiency and Demand Side Management Hub at the University of Pretoria and international donor agencies like GTZ from Germany and the SDC from Switzerland, are doing sterling work in putting in place the necessary systems and database-facilities, to fulfill this mandate from the department.

Ladies and Gentlemen,

A new centre has been relocated at the CSIR campus and is being developed as an innovation incubation facility for energy mobility for alternate fuels and propulsion systems. Further to this, SANEDI is in negotiation with the Department of Transport for co-funding to advance various demonstration projects within the Green Transport programme and it is envisaged that other collaborative partnerships will be developed to advance the development on alternate fuels and propulsion systems.

The electric vehicle conversion project in partnership with the AIDC is progressing well, and scope changes have been agreed that allows for a strategic focus on EV's for public transport.

The Transportation Sector is still a virtually untapped development "sand box", where many new and exciting technology innovations can be engaged.

Like the organisation that we are launching today, the Working for Energy Programme is a fledgling Programme with immense potential to assist government with the delivery of energy services to the low income households and create new sustainable jobs in these communities.

It will also assist us to bridge the gap between the current energy provision initiatives, such as electrification, energisation and the other initiatives to sustain the livelihood of our people.

For areas already provided with electricity services, we want to know what else could be done to improve the electricity efficiency in terms of energy diversification.

For areas rich with other natural resources, such as biomass, solar, wind and running water, amongst others, we want to see how such resources could be harnessed for the benefits of local communities. This could be in the form of bio-fuels, electricity generation and other forms of thermal applications.

While noting the role of SANEDI to undertake applied research, it will be the outcome of such research that will inform policy to be developed by the Department for the advancement of the clean energy mandate.

Programme Director,

The South African government, in partnership with the South African Centre for Carbon Capture and Storage, which is hosted within SANDEI, is currently planning a geological exploration programme that will culminate in the selection of a site for a CO2 Test Injection Project planned to commence in 2016/17.

This CO2 Test Injection, expected to cost in the order of R400-500 million, will enable South Africa to better understand the role this technology can play in this country.

In line with our goals of a more diversified energy mix, South Africa's renewable energy efforts reached yet another important milestone with the official launch of the country's first Verified Numerical Wind Atlas (VNWA) on the 13th of March 2012.

The VNWA effectively enables prospective wind farm developers of all sizes to obtain free modelled wind measurement data which is verified with physical wind measurements and can be used together with commercial wind resource software to determine the viability of developing a wind farm.

In addition to this, the Wind Atlas for South Africa (WASA) Project is an initiative of the Department of Energy, co-funded by the UNDP-GEF through the South African Wind Energy Programme and the Royal Danish Embassy. SANEDI is the Executing Partner, coordinating and contracting contributions from the implementing partners: CSIR, UCT, SAWS, and Risø, now called DTU Wind Energy.

Clearly, SANEDI has their work cut out for them. We have been supporting the organization to put in place the necessary systems related to governance and operations.

The Central Energy Fund continues to play a supporting role, and the true test for the success of this new entity will be the extent it can leverage partnerships and cooperation with similar or like-minded organizations.

Ladies and Gentlemen, with the birth of this new organization, also came the need to develop a new, distinctive corporate identity, its “baptism” if you want! This includes a new company logo that would effectively capture and communicate the core concepts of what the organization represents, including the role of energy within the global issue of climate change; a distinctly African identity; and succinctly capturing the key functions of Research, development and Innovation, and energy efficiency.

A logo design competition was launched in January 2012, calling for entrants to submit their ideas for a monolithic logo, encompassing the themes of “Green Economy” and a “Low Carbon Future”.

Submissions had to be accompanied by a detailed explanation of the design. A judging panel within SANEDI made the final selection, eventually deciding on a logo design submitted by Mr. Andrew Footit, a self-taught graphic designer from Johannesburg, who learnt about the competition via an advertisement in the Sunday Times newspaper.

As you can see, his design is based on the combination of the internationally recognized “recycle” symbol with wind energy propeller blades and an abstract-styled leaf, to depict the concepts of green energy and a low carbon future. The orange colour included in the design represents energy. We wish to extend our congratulations to Mr. Footit, and to the Board and staff on this, their “baptism certificate!”

Let me conclude by indicating that this space is contested by a lot of players, both public and private, national and international.

As SANEDI, you will have to claim your space without antagonising other players with other mandates, better budgets and bigger and larger resources.

To that end, we as the Department and the Ministry stand firmly behind you in your endeavors of growing and maturing as a state owned entity, steadfast and focussed in fulfilling your very important mandate, and becoming a valuable asset to the sustainable energy community in this country.

Thank you for your attention.

I Thank you.