



Keynote Address by South Africa's Minister of Energy, Ms. Dipuo Peters at the Conference on Renewable Energy - Opportunities, Technologies and Challenges Organised by the High Commissioner for India

Venue: Sandton Convention Center

Date: 23rd July 2012

Time: 08h30

His Excellency Virendra Gupta, High Commissioner of India in Pretoria, Director General of the Ministry of Renewable Energy in India, Representatives from National Treasury in South Africa, Government officials and industry representatives invited to participate at this conference

Leaders in the sector from business, financing institutions, academia and other institutions,
Distinguished ladies and gentlemen,

Good morning.

It is a great honour to be here, addressing you at this conference organized by the High Commissioner for India in South Africa pertaining to opportunities, technologies and challenges in the South African renewable energy sector.

It is fitting for the Commissioner of India to organize this conference in South Africa, as our Country and the Government of India have committed to cooperate in the fields of renewable energy. These commitments are captured under various MoUs as part of the India-Brazil-South Africa

(IBSA) and Brazil-Russia-India-China-South Africa (BRICS) platforms and include among others information sharing, skills transfer, capacity building and technology transfer on wind resources, solar energy and biofuels.

Let me commend the High Commissioner for taking this bold step that would certainly enrich our efforts in the implementation of these MoUs.

As you may all be aware, South Africa's ambitions to create new power generation facilities are contained in the Integrated Resource Plan 2010 (IRP) - 2030 which covers a 20 year timeframe. The IRP2010, which was promulgated in May 2011, has outlined 42% of Renewable Energy to be generated from new built capacity.

The Plan allocates the amounts of electricity to be generated from various technologies, including renewable energy technologies and respectively lists contributions from wind (8400 MW), Solar PV (8400 MW) and CSP at 1000 MW. In addition to this, the IRP provides for 6% of import hydro which I must say augurs very well in line with our commitment to ensure regional development to allow inter-connectivity.

Following the promulgation of the IRP 2010, I made a determination for new power generation with an allocation of 3725 MW to be produced from renewable energy sources by 2016. This was followed by a renewable energy procurement programme for independent power producers, which was unveiled at the beginning of August 2011.

Under this programme, two windows of opportunity were opened for bidders and these have resulted in a total of 2 490 MW being allocated to various renewable energy resources in December 2011 and May 2012.

Programme Director, to be specific on the exact allocation with regard to these technologies in both windows of opportunity, Wind was allocated 633.99MW and 562MW respectively, Solar PV 631.53MW and 417.1MW respectively, CSP 150MW and 50MW respectively. To date we have 47 preferred bidders on these technologies. The corresponding foreign direct investment into renewable energy generation so far is over R100 billion. There are three more windows totaling 1265 MW for producers to compete in an effort to be suppliers of renewable power. The date for the submission of bids for the third window will be announced soon.

In addition to the above, Eskom released a Grid Capacity Assessment Study in the three Provinces, that is, Western Cape, Easter Cape and Northern Cape in January 2011 to enable the project developers to take note of the available capacity during their planning processes which has somehow influenced the renewable energy producers to prefer these Provinces including KwaZulu-Natal and to a lesser extent the Free State as the key provinces for their activities.

This leaves the provinces of the North West, Mpumalanga and Limpopo untapped which presents opportunities for the production of electricity from renewable energy sources. These provinces also have a fair share of

renewable energy potential which extends to the biomass and biofuels sectors.

Similarly, we have identified Gauteng as one of the provinces which, despite its small size and population density, presents significant opportunities for Solar PV rooftop applications and landfill gas to electricity opportunities.

As a Department, we firmly believe that renewable energy opportunities are available throughout the country and can assist us in improving the livelihoods and living conditions of the poor within our midst. In addition to the programme that has been the focus of the renewable energy sector so far, there are 100 MW of renewable energy to be procured as part of a programme targeting producers of small projects with a range of 1 MW to 5 MW.

A request for information related to this programme has been published and responses from interested producers will be used to assist the Department in packaging simplified procurement documents for this programme, that are tailor made to attract investments. We anticipate publishing the Request for Proposals in September 2012.

While we embark on diversifying our energy mix with a view to secure our energy supply, reduce greenhouse gases and contribute to universal access by 2014, we are also expected to ensure that through our activities we develop a local renewable energy industry and create jobs for the local population.

To this end, we are guided by the New Growth Path, Industrial Policy Action Plan, National Climate Change Response White Paper Policy, Preferential Procurement Policy Framework Act, the Green Economy Accord and other related Accords, such as the National Skills Development Accord, Local Procurement Accord which outline the targets we are aiming at and the requirements that should be met in the deployment of renewable energy technologies. All of these seek to make sure that government and private sector together to achieve this common goal.

Ladies and gentlemen,

While we put resources into realizing the targets of IRP2010, through the overall Integrated Energy Plan which is currently being drafted, South Africa is considering the energy needs and supply options up to 2050. Such long timeframes present opportunities for foreign industries to develop relationships with local companies to improve existing technologies and develop new ones.

As I said earlier on that we are committed to regional integration, many see South Africa as an entry port to the rest of Africa. As such we need to ensure that our plans are not confined to the borders of South Africa but are also informed by the developments in the SADC region and the continent as a whole.

In the State of the Nation Address, our President, Hon Mr Jacob Zuma alluded to the establishment of the Infrastructure Presidential Coordination

Committee (IPCC) which is constituted of various Ministers and supported by technical committees within which energy infrastructure amongst other identified areas. This committee is already hard at work in addressing some of the issues that this conference would be deliberating on, particularly the opportunities, technologies and challenges across the country.

In May 2012, the Department of Energy on behalf of the African Union hosted the Africa-EU Energy Partnership Forum Conference with clear 2020 Political targets on Energy Access, Energy Security, Renewable Energy and Energy Efficiency.

The outputs of this conference amongst others are:

- To bring access to modern and sustainable energy services to at least an additional 100 million Africa households;
- Doubling the capacity of cross border electricity interconnections, both within the Africa and between Africa and Europe;
- Doubling the use of natural gas in Africa, as well as doubling African gas exports to Europe by 2020
- Achieve 10 000MW of new hydropower facilities;
- 5000MW of wind power capacity;
- 500MW of all forms of solar energy capacity;
- Tripling the capacity of the other renewables; and
- Improving energy efficiency in Africa and in all sectors.

This is pursuant to other commitments South Africa is already part of such as the Johannesburg Declaration which resulted from the Africa Energy Ministers Conference which was held in September 2011, hosted by both South and the African Union.

Distinguished guests,

At an implementation level, I would like to flag this important aspect that guidance to assist project developers and other stakeholders in developing countries in preparing financing proposals that will meet the standards of international finance providers remains a key factor and will widen the scope of success in securing finance for the deployment of clean energy technologies. We need tools that would assist a collective to select better projects with increased funding which I believe is achievable.

Market barriers are considered to be one of the main obstacles to the deployment and diffusion of climate-friendly technologies, particularly in developing countries. One of the challenges faced by projects developers is how ideas can be transformed into sound project proposals and how the required financing for implementation can be secured.

Matching good project ideas with the needs of financial providers, both public and private, is an important element in lowering market barriers. This includes: pricing, regulatory policies and best practices, business models that are based on long history of public and private monopolies in the energy sector.

Despite the barriers hindering deployment of renewable energy technologies, there are various options that can be adopted to provide for both specific end uses and general rural energy services. An end-use perspective is also required to provide adequate services that meet the needs of the communities. While we put massive efforts into electrification, we also need to simultaneously focus on addressing the current challenges with the alternative fuels that many communities use.

In summary, within South Africa we have managed to develop policies and strategies to provide guidance to the market in respect of our energy plans and within the Southern African Development Community there is a renewable energy framework document that has been developed to provide a cohesive policy framework for renewable energy deployment within the region. We are continuing to engage on RE deployment within the International space created by the International Renewable Energy Agency (IRENA), International Energy Agency (IEA), Clean Energy Ministerial and others to learn from other like minded countries in transforming our country to move towards a low carbon economy.

Let me take this opportunity to wish India all the best in the preparations to host the fourth Clean Energy Ministerial in 2013.

We are certain that in almost all the various technologies, stretching from biogas deployment at household level to advanced wind turbine manufacturing. We are therefore confident that through our partnership we can continue to share and transfer knowledge, skills and technology as we fulfill our ambition of deploying at least 17 800MW which is by 2030.

I wish you success in your deliberations.

Thank you.