



**KEYNOTE ADDRESS BY THE MINISTER OF ENERGY, MS DIPUO PETERS,
NUMSA INTERNATIONAL CONFERENCE ON BUILDING A SOCIALLY OWNED
RENEWABLE ENERGY SECTOR IN SOUTH AFRICA**

AT

VINCENT MABUYAKHULU CONFERENCE CENTRE, JOHANNESBURG

6th FEBRUARY 2012

Programme Director,

President, Gcina

General Secretary- Irvin Jim,

Government Officials,

Distinguished Guests, and

Comrades,

Let me first applaud your boldness and foresight in hosting such an important gathering to discuss the matter that is close to our hearts, energy. Comrades, you will recall that the outcomes of the 52nd National Conference of the ruling party provide a clear and unambiguous framework for interventions in the energy sector. Amongst others, Polokwane directed that we should ***“ensure a security of supply of energy resources, and pursuing an energy mix that includes clean and renewable resources to meet the needs of our fast growing economy without compromising our commitment to sustainable development.”***

In order to implement this resolution, we embarked upon the development of the plan that sets this sector on a different trajectory than we currently have. In March 2011 as you will recall, Cabinet approved the Integrated Resource Plan (IRP 2010-2030) and the plan was subsequently promulgated in May 2011. This was groundbreaking for South Africa. It defined a tangible plan for embarking on a low carbon energy future.

The IRP 2010 – 2030 was approved with a 42% compliment of all new generation capacity to be delivered by renewable energy technologies.

It is common cause, Comrades, that our country is well endowed with renewable energy resources though they still remain untapped. The plan provides us with a unique opportunity to create jobs on a scale and tackle the concerns of climate change at the same time.

Realising the opportunity to create jobs, the Green Economy Accord that was recently signed by government and its social partners, sets ambitious targets for local procurement in the manufacturing and assembly, construction and installation of renewable energy plants and equipments, including solar panels, trackers, mirrors, metal frames, glass, wind turbine blades, towers, turbines and turbine components, electricity inverters and electricity co-generation through the use of by-product industrial heat.

You will also recall that the Green Economy Accord seeks to:

- Create 300 000 jobs in the clean energy sector and its associated value chain;
- Ensure 75% local content;
- Ensure Business commits to funding and support the government target of 1 million solar water heaters by 2014;
- Ensure that the State, through its entities invest R22 billion in green projects with commitment of R3 billion towards local manufacturing in the next five years; and
- Create 50 000 jobs in the renewable energy sector; just to name a few targets

Comrades, let me re – iterate that the implementation of the Green Economy Accord will be done in line with the other signed off Accords such as the Local Procurement Accord and the National Skills Development to ensure the execution of all these plans through an integrated approach.

In the energy sector not only did we sign the Green Economy Accord, we are now implementing it. Comrades will recall that we announced the first bid of the renewable energy procurement program on the 7th of December 2011. Let me again assure you that there will be more of these opportunities which will focus not only local procurement and manufacturing, but that will ensure that cooperatives are able to participate in the development of the energy sector through distributed generation.

This, ladies and gentlemen, is a demonstration of the South African government commitment to renewable energy. The current bid provided for the procurement of 3725MW across different technologies inclusive of 10 MW Small Projects. The total number of developers that submitted winning bids is 28 with the capacity of 1415 MW.

The bidders have committed to create:

- 1005 jobs in the Free State during construction and 1350 jobs during operations;
- 73 000 jobs in the Northern Cape during construction and 55 036 jobs during operations;
- 2 488 jobs in Limpopo during construction and 7 104 during operations;
- 7 239 jobs in Eastern Cape during construction and 10 448 jobs during operations;
- 2 995 jobs in Western Cape during construction and 4 811 jobs during operations;
- 2 685 jobs in North West during construction and 8 948 during operations

It is my intention to hold the bidders to the number of jobs that they have promised to create. In this regard, we intend to ensure that these numbers are part of the Implementation Agreement that will be signed by the preferred bidders with my Department and we will monitor the execution of these projects very carefully in order to ensure that the promised jobs are delivered.

It is my fervent hope that in the next rounds of the bidding process, we will see all the provinces implementing these projects in order to ensure that all the provinces have an opportunity for job creation.

Finally Comrades, Ladies and Gentlemen, I wish you luck in your further deliberations and we will look forward to the resolutions of this conference, which will assist in informing government policy and effective implementation of our renewable energy policies.

I thank you