



**KEYNOTE ADDRESS BY THE MINISTER OF ENERGY OF SOUTH AFRICA, MS  
DIPUO PETERS, MP,  
AFRICA ENERGY INDABA,**

**Sandton  
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Programme Director,

The World Energy Council Secretary General, Mr. Christoph Frei

The CEO of the NEPAD Planning and Coordination Agency, Dr. Ibrahim Mayaki

Chairman of the South African National Energy Association, Mr. Brian Statham

Energy and infrastructure representatives from various parts of Africa

Esteemed guests, Ladies and Gentlemen

Let me share our appreciation for this platform made possible by the conference organizers. Platforms like these are important as they continue to cultivate dialogue between government and all other stakeholders in the energy sector.

This Indaba affords us an opportunity to reflect on a number of key issues and areas of common ground on the African continent, particularly as they relate to the exciting developments currently occurring in the energy space.

It also assists us in engaging on the challenges facing not only us as the continent, but the globe as a whole. As South Africa, we remain firmly committed to the development and rise of Africa. Our foreign policy and international relations posture is a clear indication of such, and this remain a key pillar of our work.

In August 2012, South Africa published its National Development Plan, which has subsequently been adopted by the African National Congress at its 53<sup>rd</sup> National Conference held in Mangaung in December 2012.

The Minister in the Presidency and Chairman of the National Planning Commission, Mr Trevor Manuel, MP, asserted that “the plan sets targets for energy consumption, the carbon intensity of the energy supply, water supply, rail and port capacity”.

This Indaba is also convened a few days after the President of the Republic of South Africa, His Excellency, President Jacob Zuma gave the State of the Nation Address. Infrastructure development was the central feature of his address. He pointed out to a number of developments and successes in the energy sector, notably:

- that we have laid 675 kilometers of electricity transmission lines,
- concluded R47 billion worth of contracts in the renewable energy programme, with 28 projects in wind, solar and small hydro technologies to be developed in four provinces in the country.
- established an R800 million national green fund, with R400 million investments in green economy projects having been already approved for our municipalities, state organs, community organizations and the private sector.
- As at January this year, we had attained a massive roll-out of 315 000 solar water geysers, with 70% of them given to poor households.
- A further 200 000 households have been connected to the national electricity grid. This indicates progress in extending basic services through the infrastructure programme. Across the country, 12.1 million households now have access to electricity.

Ladies and Gentlemen,

The shadow of the effects of colonialism continues to linger on the African continent. It is, however, noteworthy that huge natural energy resources are continuously being discovered in Africa, with the rest of the world taking keen interest in such endowments through increased interest in the continent and concomitant investment.

On the other hand, the rise of emerging powers creates the wider conditions for growth in Africa, while it necessitates effective management of integration within emerging markets.

It is my strong belief that for us to see development and growth in the continent, we need to paint a different picture of Africa from being the darkest continent to a beacon of light and hope.

To address energy poverty and access, an estimated \$25 billion of investment is needed annually until 2030 in order to eliminate the energy backlogs in Africa.

As convenor of the NEPAD Presidential Infrastructure Championing Initiative, President Zuma also reassured us of the progress in the implementation of high-impact infrastructure projects in the continent.

You shall recall that the overall goal of the Programme for Infrastructure Development in Africa is to promote socio-economic development and poverty reduction in Africa through improved access to integrated regional and continental infrastructure networks and services.

This is in line with our own NDP and vision for 2030. I am glad that your programme will also cover these energy related infrastructure development aspects over the next two days. The energy sector remains a sector that is crucial to the realization of the PIDA goals – in fact – it is the enabling factor that would see the success of this initiative.

Programme Director,

As you are aware, Cabinet adopted the National Infrastructure Plan which intends to transform the South African economic landscape. In the context of the NDP, and with the vision set about through the National Infrastructure Plan, we have set our country on a course towards meaningful and sustainable development.

Through the PICC, we have identified 18 Strategic Integrated Projects at a high level to support economic development and address service delivery in the poorest areas. While they focus on broad based infrastructure development in South Africa, they are linked to regional and the continental development. SIP17 is specifically focusing on Regional Integration for African co-operation and development.

One of the biggest projects considered under the Regional Integration SIP is the development of the Grand Inga Hydro Electrical project. A Memorandum of Understanding was signed with the Democratic Republic of Congo in working towards sustainable African partnerships, aimed at developing strategies for low carbon economies and interconnected energy systems within the region.

The resilience of African countries in being responsive to the global financial crisis that caused a dent to the financing of economic infrastructure is commendable. We remain steadfast in calls for increased assistance from international financial institutions, especially with regard to the crucial processes that involve project development and packaging.

Such calls place impetus on all stakeholders in the energy sector to ensure that the regulatory environment is conducive for the injection of such resources. That would be an enormous step in addressing the situation of the depletion of Africa's resources and would in turn advance the ideals of uplifting the rural poor, particularly women and youth.

Ladies and Gentlemen,

Our continent suffers from a chronic shortage of appropriately educated and skilled people, particularly in the energy sector and in areas of engineering and science. We cannot successfully implement mega and other projects in the absence of a trained, stable and skilled labour pool.

A case in point is the current challenges we face at the Medupi Power Plant construction site, that are mainly due to not having the requisite skills and having to import labour in a sea of unemployment and poverty. Surely this situation must be addressed.

I must indicate also that the interruptions on the construction of the Medupi Power Plant and other energy construction sites have serious implications for our energy supply security. The plant was closed due to workers going on strike and the situation posed a material threat to the project's timeline.

The power station's first unit was expected to generate first power to South Africa's national grid by the end of this year. The matter is being dealt with through negotiations between industry associations and trade unions. A positive outcome is thus anticipated.

Ladies and Gentlemen,

Partners in the private sector should collaborate with government in finding amicable solutions to address the brain drain, skills shortage challenges, as the Skills Accord signed in 2011 expects them to.

Donor assistance for the pursuit of technical, artisan and energy-related studies is therefore encouraged. This can be championed through a number of programmes, including but not limited to bursaries and scholarships for undergraduate and post-graduate energy related studies and international exchange programmes.

Young people from the length and breadth of the African continent should be equipped with the cutting edge knowledge and skills that enhance their employability prospects and competitiveness in the global value chain. The entire energy sector is in dire need of specialized skills. The work the DOE, HET, the SETAs and Industry role players are doing need to be accelerated.

Understanding that neither the private sector, nor government alone can absorb all of them into the workforce, there is also a greater need to unlock entrepreneurship opportunities in the energy sector. The sustainability of such ventures is largely reliant on mentoring and coaching provided by experts within the sector.

Many countries may be discouraged by the slow progress in the attainment of some of the MDGs. However, let me hasten to say that there is remarkable progress in other areas:

- While poverty declines, decent jobs are hard to secure.
- Food price increases remain a barrier in addressing malnutrition
- Gender parity and women empowerment are a glass only half-full and poverty remains feminized. Women are most affected by lack of access to energy sources and tariff hikes.
- There is persistence of environmental challenges, further hampering and impacting on our development trajectory.
- There has been greater access to electricity for domestic dwellings, scoring 6.5% more in the period between 2006 and 2011.

The use of clean energy sources contributes immensely towards reducing poverty, mitigating climate change and the improvement of African people's health.

Poor households could flee the poverty trap by reducing their expenditure on fuel. We should assist them in replacing fuel-inefficient and polluting stoves with those with better or lesser energy-combustion properties. We should consider innovative ideas such

making available proven technologies to schools for micro biogas initiatives that could fuel school feeding schemes. Schools, clinics and other public facilities can generate their own power through solar and wind applications suitable to their size.

We should continue to fast-track access to modern energy carriers to reduce the time that women and children spend gathering firewood and fetching water – this time can then be geared towards more productive areas such as education.

There is a need for our energy solutions to address energy access and technology needs of women. This is in line with goal 3 of the MDGs. Across the continent; gender parity and women empowerment are a glass half-full, with poverty remaining feminized and stubbornly persistent – dealing with these challenges remain our focus.

In as far as food security is concerned, most countries in Sub-Saharan Africa that bear the scourge of hunger also suffer from on-farm and off-farm food losses which have a potential of being reduced through better harvesting by the introduction of modern energy, reducing large food imports.

Programme Director,

The Department of Energy launched the South African Chapter of the Clean Energy Education and Empowerment Initiative for Women or the C3E in 2011. This is one of the Clean Energy Ministerial initiatives. Through this programme, we seek to empower women of all ages to participate in clean energy space through Education in the STEM fields, business and professional networking, mentorship, coaching, training and clean energy ambassadorships.

I am glad to announce that a new programme, the “Empowering Women in Clean Energy” is being introduced as a joint venture by the Department of Energy, Cennergi and Africa Energy Indaba as one of the C3E sector implementation initiatives, one of the direct outcomes of this Indaba. The initiative will focus on:

- women in industry,
- women in education and training, and
- women in communities and enterprise.

Work on this initiative is advanced, and I am advised by my Department and its partners that we will have a formal launch very soon.

Ladies and Gentlemen,

We are about to enter window 3 of our ground breaking RE IPP Programme, having already selected bidders for a total of 2 614 MW to be added to the national grid by 2016.

Through Window One, R47 billion will be injected to finance the supply, construction, maintenance and operation of the proposed power plants in provinces with highest wind and solar resources. We have been part of a few historical inauguration ceremonies over the recent period, and look forward to celebrate this important milestone with other developers that are commencing implementation.

We have to however consistently remind successful bidders that we have put in place the necessary monitoring and tracking systems to ensure that the commitments in relation to community upliftment and localization are achieved. The measure in this regard remains the extent to which this programme contributes to meaningful local economic participation and the creation of sustainable jobs.

Furthermore, I need to re-emphasize that in as much as we have achieved the installation of 335 000 solar water heater systems thus far, we have set ourselves a target of 1 million by end 2014. Through the Green Economy Accord initiatives and consistent with the IPAP we believe that the continuous importation of the SWH geysers create a situation where we export jobs meant for South African and so Localization is the way to go. All units being installed through the fiscus funded programme must be

locally manufactured. Our government is decisively intervening in this programme to extract its maximum localization and local job creation potential.

The Standard Offer programme will be operationalised soon and this would see another step towards fostering an environment conducive for enhanced energy efficiency and saving interventions. Together with initiatives such as the DTI led programmes around energy efficient building codes, the various tax incentives and the collaboration with industry through the Energy Efficiency Business Leaders network we can significantly increase the impact of energy efficiency as part of our demand side management interventions. We make the call for all of us to join hands to scale up initiatives in this arena considerably.

Ladies and Gentlemen, if we are serious about diversification towards a low carbon economy, we cannot belittle the role that natural gas and nuclear power can play in the realization of that 2030 low carbon energy vision.

Natural gas emits significantly lower greenhouse gases than other fossil fuels like coal and crude oil. South Africa has limited known natural gas reserves and as such, if we as a country want to venture into natural gas, we have to source it from our neighbouring countries such as Namibia and Mozambique.

South Africa was in the process of finalizing the IRP 2010-2030 when the Fukushima nuclear accident occurred. The IRP envisages 9600MW of additional nuclear capacity by 2030.

Subsequent to the accident, the country, through the National Nuclear Regulator (NNR) needed to find assurance in terms of safety of existing installations and the NNR issued a directive to NECSA and Eskom to perform safety re-assessments of SAFARI-1 research reactor and Koeberg nuclear power station.

The safety of nuclear facilities is of paramount importance to the safety of workers, the environment and residents. Since the Fukushima accident, all nuclear installations safety assessment will be closely monitored by regulators. As part of the IRP implementation, the Department of Energy identified the International Atomic Energy Agency's (IAEA) Integrated Nuclear Infrastructure Review (INIR) document as a tool that can benefit the country by evaluating readiness for the addition of the 9.6 GW into the grid.

It was also very important for South Africa a member of the IAEA to do a country evaluation based on the 19 IAEA INIR milestones. We must hasten to indicate that we were not obliged to do the external INIR mission because we have been operating nuclear plants and reactors for more than 60 years.

President Zuma and his government saw the need to do this as a measure to reassure ourselves as government and the people of South Africa that safety is paramount and to check on whether there are any gaps or challenges to be addressed.

Last week marked the end of another milestone in the South African nuclear industry where the IAEA ended their peer review mission to South Africa. The IAEA has never before visited a country with existing nuclear program. That makes South Africa the first country to have such a visit.

We also hosted the IAEA's Director-General, Mr. Yukiya Amano, who had an opportunity to interact with key nuclear industry stakeholders and visited our nuclear installations.

Programme Director, the Department of Energy have promulgated a further base load determination under the IRP that on 19 December 2012.

The determination relates to base load generation capacity and includes:

- 2 500 MW of coal fire generation for introduction into the system by 2024,
- 2 652 MW of gas power by 2025,
- 2 609 MW of imported hydropower and
- 465 MW of other technology.

We need to ensure that energy security is pursued as a catalyst for economic growth and prosperity throughout the continent. In view of this, and especially relevant to our country is the potential of the shale gas deposits latent in the Karoo. We have repeatedly stated that we need to work together to find mechanisms to extract that resource safely and in a manner that is beneficial to both the Karoo communities and the country as a whole. We need to deepen this discussion, Karoo Shale gas can be a game changer for both the electricity and liquid fuels sectors in this country. Industry and the social partners need to engage in this debate in a manner that would shun emotion and deal with the facts on the table.

Our Parliament is currently seized with the finalization of the Independent Systems and Market Operator Bill that would see the attainment of a further milestone in our pursuit of energy security. The ISMO is an important vehicle that will contribute to a just and equitable electricity industry and we eagerly await the passing of the Bill by the houses of Parliament.

It is interesting to note that the International Energy Agency has done studies comparing various countries' GDPs against the level of access to energy, and has found that there is a direct correlation between the two. Therefore, the level of access to energy is an indication of the country's economic development; hence economic development is not possible without energy – this reality must remain a central pillar of all our discussions and we bear the responsibility to ensure that we contribute to a secure energy future for all.

Programme Director, Ladies and Gentlemen,

Thank you once more for this opportunity for engagement, and I wish you well over the next few days of deliberations.