

**MINISTER OF ENERGY, DIKOBE BEN MARTINS:**  
**ADDRESS DELIVERED AT THE COMMISSIONING OF THE COEGA IDZ**  
**ENERGY PROJECTS**

PORT ELIZABETH, 9 MARCH 2014

Programme Director;

My colleague and comrade Minister of Trade and Industry, Dr Rob Davies;

Your Worship the Mayor of the Nelson Mandela Metro, Clr Ben Fihla, one of my leaders on Robben Island and comrade;

Members of the Provincial Executive Council;

Chairperson and officials of the Coega Industrial Development Zone;

Officials of the three spheres of government;

Representatives of the State Owned Companies and regulators;

Private sector leaders;

Community leaders;

Stakeholders;

Distinguished ladies and gentlemen

Good morning!

South Africa is presently one of the foremost energy markets. The Integrated Resource Plan 2010 outlines new energy generating capacity from a range of technologies that include renewables, natural gas and nuclear.

The Eastern Cape Province has a major and pivotal role to play in the realisation of the Integrated Resource Plan targets and objectives.

Numerous projects will be developed and supported in this province. The Coega Industrial Development Zone (IDZ) projects in both *conventional energy and*

*renewable energy* have built the requisite momentum for energy projects to attract and sustain investments.

The current three energy projects in the Coega Industrial Development Zone span the value chain and constitute a *generation* project, namely the Dedisa Peaking Plant Project; a renewables component manufacturing facility – namely the DCD Wind Tower facility; and the Powerway Solar Panel Modules factory.

The Department of Energy has plans to introduce two Open Cycle Gas Turbines, fuelled by Diesel with a total capacity of 1,020 MW. The Dedisa Peaking Power plant is the Open Cycle Gas Turbine with a capacity of 335MW. Dedisa is currently under construction. It will cost R3.5 billion to construct, making it one of the biggest investments in the Coega IDZ. The project has already received a generation licence, environmental authorisation and has signed a 15 year Power Purchase Agreement (PPA) has been signed with Eskom. Dedisa is expected to be fully operational by the middle of 2015.

The introduction of the Renewable Energy Independent Procurement Programme has stimulated the manufacturing of components that are used in wind and solar technologies.

The DCD Wind Towers is a joint venture between the Industrial Development Corporation and the DCD Group Pty (Ltd). The DCD Wind Tower manufacturing facility is currently under construction The site was inaugurated in May 2013 by my predecessor, Ms Dipuo Peters. I am pleased to note that the construction of the 23 000 sqm facility is progressing well and production will start in the near future.

In 2013, the Coega IDZ entered into an agreement with Powerway PV SA (Pty) Ltd, to establish a solar module assembly factory in Zone 3 of the Coega IDZ. With an annual capacity of 150 MW, this capacity has an option to increase its capacity to 600 MW. It will thus have the ability of contributing significantly to South Africa and the SADC region's energy demand. The Powerway PV plant is due to be operational in the second quarter of 2014.

The benefits that will accrue to the local economy will go beyond the acquisition of skilled jobs and training.

The interventions will unlock *value creation upstream* and *downstream* activities in the distribution and logistics channel and in the materials supply chain, maintenance, support and aftercare.

In addition, and importantly this will present opportunities for Small, Medium and Micro Enterprises (SMME), and the outlay of SMME development interventions.

It is laudable that the Eastern Cape Province is an important part of a nationwide imperative to build the local energy sector.

At a provincial level, the Coega Industrial Development Zone projects will be of benefit to communities in the surrounding areas.

The projects will also support the energy requirements for economic growth in the region and province.

The Coega projects are evidence of the drive to provide sustainability and growth to the energy sector, while advancing socio-economic development in the Eastern Cape.

These investments and others across South Africa will continue to position our country as one of the leading nations in the update and usage of renewable technologies.

We will continue to work with the Department of Trade and Industry, the Department of Mineral Resources and other departments to promote localisation to ensure that components that are utilised in the different energy programmes are manufactured in South Africa where this is possible, in order to accelerate industrialisation.

The African National Congress led government's infrastructure programme is central to government's catalytic role to create jobs and reduce poverty and inequality.

The Department and Ministry of Energy are encouraged by the contribution of Coega IDZ to create opportunities for local manufacturing.

We look forward to our continued partnership with Coega, other state entities and the private sector to make government's commitment to promote localisation a reality.

Working in partnership, we will continue to move South Africa forward.

We do have a good story to tell!

**I thank you**