



Address by the Minister of Energy, Ms Tina Joemat-Pettersson, MP on the occasion of the Joint Sitting of Parliament for the National Freedom Day Debate

5th May 2015

“CONSOLIDATION OF FREEDOM THROUGH ACCELERATING RADICAL ECONOMIC TRANSFORMATION”

Honourable Speaker of the National Assembly and Chair of the NCOP
Deputy Speaker and Deputy Chairperson
Honourable President
Honourable Deputy President
Cabinet Colleagues
Honourable Members of the National Assembly and National Council of Provinces

Honourable Speaker

This historic occasion provides an opportunity to reflect on the successes, opportunities and challenges that we have faced as a nation since 1994. We are prepared to move South Africa forward to a sustainable energy future.

In President Zuma's State of the Nation Address earlier this year, he reaffirmed the need to address our country's energy challenges in order to create a favourable environment for economic growth and development. The path we need to follow is clear. We must find solutions to our energy constraints, in a way that balances our available alternatives. We need to work towards ensuring a sustained and secure supply of energy, especially clean energy.

Energy is the means to drive economic transformation. We have to remain adept at addressing domestic challenges and we must be resolute on delivering upon the goals as espoused in the NDP within a complex global economic environment.

Our plans have been shaped by issues such as energy security, economic growth, environmental sustainability and energy access for all.

Our immediate priority is to ensure that the Integrated Energy Plan is finalised. Our key objectives will be to look at alternative energy sources.

The Liquid Fuels Master Plan will be completed in this financial year and will be incorporated into the IEP.

One of our main objectives is to facilitate Liquefied Petroleum Gas, imports to create a fair level playing field, to unlock supply and to position LPG as a real alternative solution to some electrical usages such as hot water production, cooking and heating among others.

We are ensuring that our programmes are more responsive to the needs of our people, particularly empowerment of women, the youth and people with disabilities. To this end, we have revised our Solar Water Heater Programme to have a distinct focus to include these target groups. Our new implementation model will favour SMME's in the manufacturing, installation and maintenance of these units. Special priority will be given to training the unemployed. This will be done in conjunction with Labour, Higher Education and relevant SETA's, as well as with the Small Business Development department.

Honourable Members

We remain focussed on delivering the Eskom major build programme, including the Medupi, Kusile and Ingula Power Stations, which will go a long way to address our current supply challenges.

President Zuma, during the UN Climate Conference in 2009 in Copenhagen, stated that:

“South Africa [would] be able to reduce [its greenhouse gas] emissions by 34% below ‘business as usual’ levels by 2020 and by 42% by 2025.”

The President's clarion call on climate change and energy diversification, guides our response to the impact of our increased electricity demand.

Our key response to this call has been our highly successful Renewable Energy Independent Power Producers Programme. This programme attracted a range of both domestic and international investors.

It is hailed globally for being amongst the best, most effective and transparent public procurement initiatives during our 21 years of our democracy. It has given impetus to the establishment of the solar and wind energy industry in our country, and is a global trendsetter on many fronts. Significantly, we have contracted 5243 MW of clean energy thus far, with 1797 MW already feeding into the grid. Most of these

projects are located in the provinces of the Northern Cape, Eastern Cape and the Western Cape, due to the abundance of sun and wind natural resources in these areas.

Based on the success of this programme, an additional 6300 megawatts has been added for renewable energy. This will contribute to the sustainability of the programme and set a clear and futuristic path for investment by the private sector.

Furthermore, we have renewed 800MW of co-generation contracts by the private sector.

On 16th April, we announced the 13 preferred bidders for window 4, with the total estimated cumulative investment of projects valued at R 168 Billion.

Honourable Members,

We have altered and strengthened our Renewable Energy Programme. We can and must create black industrialists and entrepreneurs in our local communities. Through these programmes, we can and must build a strong and viable local manufacturing industry, especially targeting a balanced geographical spread and focus on all provinces.

As part of consolidating our freedom through radical economic transformation, we remain committed to a diversified energy mix that takes into account various energy sources which need to complement each other.

Our energy mix comprises of both coal and clean energy, which is hydro-electric power, nuclear and gas, and of course renewable technologies such as wind and solar.

South Africa is the only country in sub-Saharan Africa with existing nuclear power generation capacity. Our country's nuclear new build programme presents us with a mega infrastructure project which could be eligible for financing and support from the BRICS New Development Bank.

Major off shore gas discoveries in Mozambique, Tanzania and other sister African countries present South Africa with opportunities to develop our domestic economy, as well as to contribute towards regional and continental growth and development. The Gas Strategy which will include the Gas Utilization Master plan will be concluded very soon.

Together with our compatriots in the DRC, we will expand our continents hydro-power capacity. The benefits which will arise from the Grand Inga Project when constructed, will transform our African power supply.

The Grand Inga Project is a mega infrastructure Project, which will contribute significantly to President Zuma's work on the continent as he leads the Presidential Infrastructure Championing Initiative, under the auspices of the African Union.

This work will further strengthen our efforts on our beloved African continent to reduce poverty, boost economic development and opportunity, and thus address the current regional challenges of economic migrants.

Honourable Members,

We therefore have to continue to explore the viability of new technologies and approaches, including the use of fuel cells, and we must begin to seriously look at mini-grid and off grid systems, especially for the large rural population that is distant from conventional power grids. Here the role of solar, wind, biomass and mini hydro facilities must be amplified. Some of the constraints that we will have to address relate to lack of proven business models, adequate and appropriate forms of financing, established supply chains and implementation capacity. I have directed the DoE to urgently engage with these matters, and together with our implementation partners, propose innovative solutions in this regard.

Madam Speaker

Honourable Speaker

We are mindful that many still yearn for a decent standard of living especially the need for a job opportunity and security thereof. That is the reason why we are aggressively and unashamedly driving concerted efforts towards transforming our economy in a radical manner, and at the heart of this transformation is Security of Energy Supply.

At the heart of this is the need to ensure that we reach universal access to energy for all and not only 85% of our household. We are resolved that no woman must wake up early in the morning in a rural area in order to fetch wood to cook or warm water for her children to go to school.

We will, within the framework of the resources allocated, increase electrification to the remaining 25% of our people with limited or no access. Over 280 000 households are projected to be connected annually, with the key focus remaining on the provinces with the most severe back-logs being Kwa-Zulu Natal, Limpopo and the Eastern Cape.

We are resolved to address the complexities of our challenges which result in load shedding.

It has been a demanding 21 years with many challenges, but there have also been many successes.

Our next decade of freedom requires that all South Africans unite as patriots to address our current electricity challenges.

Thank you for the opportunity granted to partake in this important debate.

I thank you

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