



energy

Department:

Energy

REPUBLIC OF SOUTH AFRICA

**Address by the Minister of Energy
Ms Tina Joemat-Pettersson, MP**

**at the Launch of the Green Economy Programme Launch
Nelson Mandela Bay Municipality**

**Port Elizabeth
Thursday 21 July 2016**

Programme Director: Councillor Maria Hermans (Speaker)

Executive Mayor, Councillor Danny Jordaan

Deputy Mayor, Councillor Bicks Ndoni

Councillors

Mr Johann Mettler, Acting City Manager

Mr Marcel Steinberg and colleagues from PowerX

Comrades and friends

Ladies and Gentlemen

Good morning!

I am very pleased to be in the Nelson Mandela Bay Municipality today for this launch and especially as this Metro is named in honour of our great hero and struggle icon whose legacy we have

been remembering this week. We use this period to celebrate Madiba's life and to remember the examples he set for us.

The launch of this programme today fits in very well with our commitments to the world's agenda on a green economy. In September 2015, the Sustainable Development Goals (SDGs) were agreed. These consist of 17 goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda replacing the Millennium Development Goals which reached their deadline in 2015. Each goal has specific targets to be achieved over the next 15 years. Goal 7 speaks directly to my portfolio and focuses on ensuring "access to affordable, reliable, sustainable and modern energy for all".

In its current form, the SDGs are focused on building productive capacity and give more weight to economic and environmental factors, which need to be key features in any countries energy policy and strategies. In South Africa's this is 100% in line our own policies such:

- National Development Plan (NDP),
- New Growth Path (NGP),
- Industrial Policy Action Plan (IPAP), and
- 9 Point Plan (9PP) announced by President Zuma and Cabinet, as a vehicle to re-vitalize the South African economy. With relation to the this plan, energy security is been promoted through energy mix or diversification of energy option in order to ensure sustainable energy supply.

The common trend in all of the international and national initiatives such as Sustainable Development Goals, are the availability of sustainable energy which is recognised as a key driver for economic growth and job creation.

The primary purpose of our energy system therefore needs to contribute to a better quality of life. To those that have it, modern energy unlocks access to improved healthcare, education, economic opportunities and, even, a longer life. To those that don't, it is a major constraint on their social and economic development. Hence Energy is key to economic development. The energy sector has enormous potential to contribute to the growth stimulus that our country desperately needs.

However, the current energy landscape is being challenged on various fronts.

The outlook for the electricity sector in South Africa has improved significantly over the last year, with more being spent over the last few years on infrastructure investment to improve:

- security of supply,
- access to electricity and
- quality of supply.

Energy is a key driver for economic growth and development

Sub-Saharan Africa has more than 620 million people living without access to electricity. It is also the only region in the world where the number of people living without electricity is increasing, as rapid population growth is outpacing the many positive efforts to provide access.

In South Africa we have moved from 36% access in 1994 to 88% in 2016 under the leadership of the ruling party ANC. In numbers it means that over 6.7 million households have received electricity as a result of the Government programme called INEP. We are not stopping at 88%, because we want universal access, meaning

everybody need to have access to energy, either by means of the grid or off-grid means.

This Metro and Department of Energy have together moved dramatically in lowering the number of households without access to energy. For instance in the last financial year we rolled out 1200 new grid connections in Warmer Township, and also approximately 3000 connections by means of off-grid technology using solar panels.

In this Metro we are also using modern energy supplies to address the backlogs to ensure that our people have access even in areas where the land is not suitable for formal structures, but we deliver even in those cases services to our people.

I want to congratulate the Mayor and his council for not being afraid to use new technologies in making sure service is rendered, as in this case using the most modern technology in the world through renewable primary source at household level.

As a result of this progress been made by the Council, Mayor, my department has agreed to assist your Metro with your progressive programme to eradicate illegal connections within the Municipality and put systems in place to ensure the long term sustainability of the electricity network. We will also to assist in making new legal connections in your Metro. In the three year plan that your Metro and my department have agreed upon, we will make 150 million Rand available over the next three financial years to address this very serious concern you and I have regarding the life threatening illegal connections that have been found in some of the areas in this Metro. The Metro will fund the programme up front and the Department make funds available as the programme progresses.

The various areas that will benefit from this special initiative have been identified between your officials and mine and we are looking forward to come back and visit you in a year's time, after your re-election as the new mayor of the Metro, to see the progress in getting rid of these illegal connections.

Generation by means of Renewable Energy

It is not possible to talk about access to electricity without considering the generation of electricity. We need to ensure that enough energy been generated to cope with the new connections. In other words we must keep the lights on without having to resort to load-shedding.

South Africa has been embarked on an energy to ensure energy security for South Africa by using a variety of technologies such as gas, coal, nuclear, solar and wind. And even some hydro mostly via imports from the region.

South Africa has embarked on a very aggressive new build programme regarding renewable energy. There is over 2600 MW of green energy currently being generated by means of solar and wind technologies, and a large portion of this has been generated in this Province.

Your Metro has been a leader in developing the first Metro based Energy plan, which took you on a path to ensure that at least 10 % of your consumption is generated by sustainable green energy.

But the Metro again took the lead by introducing the Nelson Mandela Bay Municipality green power, traded over prepaid platform. Your Metro in collaboration with POWERX, is pioneering in the trading of renewable energy in South Africa, and I am proud to announce the launch of its program to trade green energy over a prepaid platform in South Africa.

The initiative we are launching today in Nelson Mandela Bay Municipality, a city committed to being the green capital of South Africa, allows the municipality to earn and maintain a per-kilowatt hour fee in excess of its current average per kilowatt hour income. This is a win-win model for all involved.

POWERX's trading platform is the latest sign that demonstrates how the current transition to renewable energy is upending the century-old way that utilities have done business. As nations strive to lower carbon emissions in a bid to curtail global warming, power generation has moved to the edges of electrical grids and forced utilities to change their centralized approach. POWERX creates a sustainable and bankable off take which provides banks and investors with comfort in new Energy Investment sector.

Programme Director in summary

I think that we all agree that energy infrastructure is a critical building block in the economy of any country. Furthermore, the future energy needs of South Africa can only be addressed by exploring and unlocking South Africa's energy potential through provision of sufficient energy infrastructure focused on domestic access.

Broadening South Africa's energy mix through tapping our vast renewable resources and fostering partnerships with the private sector is crucial in our quest to simultaneously address all dimensions of the energy: tri-lemma, namely energy security, energy equity, and environmental sustainability.

I trust the Metro is ready to explore and unlock South Africa's energy potential for many years to come.

I thank the Mayor and the Council, as well as the organisers for the opportunity to be part of this new initiative.

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