



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

**REMARKS BY THE DIRECTOR GENERAL OF THE DEPARTMENT OF
ENERGY; MR THABANE ZULU AT THE 6TH ANNUAL AFRICA POWER
ROUNDTABLE**

WEBBER WENTZEL; SANDTON

10 APRIL 2018;

Senior Government Officials;
Independent Power Producers;
Distinguished Guests;
Members of the media;
Ladies and Gentlemen;

Good morning;

Allow me to convey the Minister of Energy, Mr Jeff Radebe's apology for not being able to join this auspicious occasion due to other Government programmes. However, the Minister has committed his full support for this important conference.

May I also take this opportunity to congratulate the organisers of this significant conference.

We hope that under your able leadership the Conference will come to a successful conclusion.

Ladies and gentlemen, Africa is endowed with natural resources ranging from solid minerals such as coal, gold and iron to crude oil as well as gas.

In driving its initiatives, the Department of Energy has, **Just** last week, signed 27 projects procured under the Renewable Energy Independent Power Producer Procurement Programme Bid Windows 3.5 and 4 following a long period of policy uncertainty in relation to this programme.

This act (of signing REIPPP) is one of the many actions to come that is geared at creating policy certainty within the energy sector in South Africa and the Southern African Development Community (SADC) region as a whole.

Ladies and gentlemen, it is worth noting that the procurement of these 27 new projects was the biggest IPP procurement by the Department of Energy to date, representing a total of R56 billion of investment and about 2300 MW of generation capacity to be added to the grid over the next 5 years.

We are currently in a process to publish the updated Integrated Resource Plan (IRP) to further entrench our clear message that we want to create policy certainty in the energy space.

Further to publishing of the IRP, more work is being done to clearly define how the Electricity Sector should look like in the future.

We believe that this end state definition should also take into account regional developments in respect of power generation and transmission integration.

Projects such as the Grand Inga in the Democratic Republic of Congo and the related infrastructure (*such as strengthening of transmission networks with the Southern African Power Pool*) are of strategic importance for the economy of the region.

South Africa assumed the Chairpersonship of SADC from Swaziland on the 1st August 2017 at the opening of the 37th SADC Summit of Heads of State and Government. In his acceptance speech, the former President of South Africa committed to use its Chairpersonship to drive regional **Industrialization** and

Integration, through various potential growth paths including – regional power generation and integration.

The theme of this 37th SADC Summit is “*partnering with the private sector in developing industry and regional value chains.*”

This theme is also a continuation of the industrialization trajectory of the last three summits hosted by Zimbabwe in 2014, Botswana in 2015, and Swaziland in 2016.

South Africa is demonstrating leadership as the Chair by encouraging foreign and local direct investment to provide a strong economic growth impetus in support of an economic growth through the REIPPP. This investment will certainly have a positive effect and contribute to the much needed jobs in the rural areas where these renewable energy projects are located.

With the signing of the agreements we are not only re- confirming government’s commitment to renewable energy, but also to a solid partnership with the private sector in the generation of electricity, which includes among others coal and gas, while pursuing our energy transition objectives for the future.

Whilst the private sector investment focus has been electricity generation, further opportunities exist in refurbishment of electricity distribution infrastructure. The department will in the current 2018/19 period be introducing programmes to encourage private sector investment within the electricity distribution.

In most of these projects, we have to acknowledge that, while the main objective is buying and selling of electricity, as a Country we should also be mindful of the historical imbalances and thus use these investment opportunities to contribute to the transformation agenda of the Country and the investment in the well-being and wealth creation of the people living in the adjacent areas around these projects.

South Africa has committed, together with 195 other countries around the world, to the Paris Agreement for the reduction of CO2 emissions worldwide. It also makes us part of the ever and fast changing global world of a renewable energy industry.

This commitment comes with certain conditions related to funding of clean energy projects.

South Africa's approach to infrastructure investment programme is to become an export of product and skills in itself, with an increasing number of countries in Africa and elsewhere in the world, adopting and adapting the South African Private-Public Partnership model to suit their particular Country conditions.

Today we are seeing the dawn of a new era in the investment of the renewable energy sector.

The Department would like to encourage investors to have line of sight of what will be procured in the future so as to indicate the investments needed for the sector.

The Department wishes to re-iterate that no investment decisions can be made by Multinational Corporation on a stop-start basis. To demonstrate our dedication to creating a conducive investment environment within the energy sector, the Minister of Energy has committed to provide the enabling environment for a thriving energy sector, affordable to our people. This will be done through processing of the IRP and certain legislation such as National Energy Regulator Act and Electricity Regulation Act.

Ladies and gentlemen, as you embark on this important topic of deliberating on optimizing investment in the energy sector for the benefit of our Country and the SADC region, I wish to assure you of the full support of the South African Government.

I wish You All fruitful engagement and I am looking forward to the outcome of this **Roundtable**.

I Thank you