

Remarks by the Acting President of the Republic of South Africa, Mr Jeff Radebe at the Africa Utility Week

15 May 2018

Cape Town

Programme Director;

International Dignitaries;

Company Executives and representatives;

Energy experts and representatives from various organisations;

Captains of Industry

Esteemed guests,

Ladies and Gentlemen

Good Morning!

Programme Director, allow me to express my appreciation to the organisers of this conference, **thank** you for making this platform possible. Platforms like these are important as they continue to cultivate dialogue between government and all other stakeholders in the energy sector.

African Utility Week affords us an opportunity to reflect on a number of key issues and areas particularly as they relate to delivery of energy solutions.

As many of you be are aware, the South African Government has adopted the National Development Plan (NDP) as the country road map which intends to deliver and transform the South African economic landscape. The NDP provides a shared long-term strategic framework within which more detailed planning takes place.

The NDP envisages that South Africa will have an energy sector that promotes:

- **Firstly**, Economic growth and development through adequate investment in energy infrastructure.
- **Secondly**, Social equity through expanded access to energy at affordable tariffs and through targeted, sustainable subsidies for needy households.
- **Thirdly**, Environmental sustainability through efforts to reduce pollution and mitigate the effects of climate change.

Strategic Integrated Projects have been identified to support economic development and address service delivery. While these projects focus on broad based infrastructure development in South Africa, they are linked to regional and the continental development as well.

South Africa's energy plans are shaped by issues such as energy security, economic growth, environmental sustainability and energy access for all.

While the NDP provides us the grand plan for the future, we need to keep the balancing act in respect of demand to secure energy supply especially as the country's economy steadily takes an upward trajectory.

On the supply side, the Integrated Resource Plan (the IRP) is the Electricity Generation Infrastructure Plan for the country. In addition to Medupi, Kusile and Ingula, the IRP 2010 made provisions for other various generation sources such as renewables, coal, etc with a view to have all these energy sources contributing to the grid by 2030. As you would know by now, these allocations are currently under review as part of the IRP update process, which I have committed to finalising by Mid August 2018.

In rolling out the IRP, the Department launched a very successful Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). To date, this programme has concluded 91 projects with a capacity 6 300 MW. Of these, 62 projects with a combined capacity of 3 800 MW have already connected to the grid.

This highly successful programme is applauded globally as the most effective and transparent public procurement initiatives by organisations such as the World Bank.

Independent analysis indicates that on average, 15% of this energy was delivered to the power system during system peak periods which is

positive and goes a long way in demystifying the contribution of renewable energy into the grid during peak periods.

The following statistics are worth mentioning regarding this programme since its launch:

- We have seen a significant decline in of about 55% for Wind and 76% for Solar PV;
- About R136 billion has been invested in the South African economy, with another R58 billion to be invested over the next 3 to 5 years when construction of the 27 projects signed in May has commenced.
- 39 000 job years of employment opportunities have been created for South African citizens during construction, mostly for the youth around the projects; and.
- We have achieved close to 23 million tons of carbon dioxide (Mton CO₂) reduction and saved a substantial amount of water in a water scarce country.

Using the lessons from the Renewable Energy procurement programme, we will continue to rollout other programmes in area of gas, just as I have alluded to in the earlier address I gave at the Gas to Power Africa Conference.

On the Distribution network front, the issue of ageing network infrastructure remains a concern as it compounds the supply and also limit our ability to expand electricity access to all. The Department has completed a study to estimate the backlog and work is currently underway to determine the most effective way to fund the rehabilitation of these networks and asset management going forward.

Two weeks ago, I launched the Department's Energy Month (**May**) with a public lecture on Energy Efficiency at the University of Mpumalanga in Nelspruit under the theme: ***“Promoting an affordable and sustainable energy mix in support of radical socio-economic transformation”***.

Since the release of National Energy Efficiency Strategy in 2005, the country has developed concrete regulatory frameworks to ensure prioritisation of Energy Efficiency measures across the sector to ensure that all the citizens endeavour to save energy as much as possible. This involves starting with change of behaviour even in our homes.

Noting the cross cutting nature of Energy Efficiency, the Department has consistently worked very close with other key government to strengthen energy efficiency taking into account the international commitment for the country to reduce emissions reduction by 34% by 2020 and 42% by 2025 subject to the availability of resources

The Department strives to ensure that our demand side and management and energy efficiency programmes are continuously responsive to the changing environment.

Thanks You!