



**Address by Mineral Resources and Energy Minister,  
Mr Samson Gwede Mantashe (MP)  
to the joint sitting of Parliament on the debate to the  
Economic Reconstruction and Recovery Plan,  
21 October 2020,  
National Assembly**

Speaker of the National Assembly, Ms Thandi Modise  
Chairperson of the National Council of Provinces, Mr Amos Masondo  
His Excellencies, President Matamela Cyril Ramaphosa  
and the Deputy President David Mabuza  
Honourable Members  
Ladies and Gentlemen

From the onset of confronting the Covid-19 pandemic our rallying cry was: *Saving our lives, Saving our livelihoods.*

Our countrymen and women in the health sector steered us through the storm in their sterling effort of saving our lives.

When the pandemic descended, and our country went into lockdown to halt its spread, our economy was already in recession. Subsequent downgrades by Rating agencies sunk the economy further. Then the pandemic sounded a death knell in a climate beleaguered by inhibiting high cost of electricity. Therefore, the reliance of the Economic Reconstruction and Recovery Plan on our ability to secure reliable and affordable supply of energy. Our Plan must, however, transcend the pre-Covid-19 level to grow the economy on par with our country's development.

Expanding the country's energy generation capacity is a priority intervention to support a rapid economic rebound. This is central to us saving our livelihoods.

Honourable members,

The Department of Mineral Resources and Energy has heeded the call of the President by fully implementing the Integrated Resource Plan, IRP 2019.

The Department targets to deliver a total of sixteen thousand three hundred and thirteen megawatts (16 313 MW), from a mix of energy sources. This includes:

- Procurement of two thousand megawatts (2000 MW) of emergency power to meet the short-term electricity supply gap. We issued a Request for Proposals and Bid Submissions are closing soon. Power procured will be fully operational and connected to the national grid by June 2022.
- Procurement of eleven thousand eight hundred and thirteen megawatts (11 813 MW) from various energy sources: six thousand eight hundred megawatts (6 800MW) from renewables - PV and Wind), five hundred and thirteen megawatts (513 MW) from storage, three thousand megawatts (3 000 MW) from gas, and one thousand five hundred megawatts (1 500 MW) from coal. For this purpose, we Gazetted the **Section 34 Ministerial Determinations** with the intention to urgently connect new generation capacity to the national grid. Request for Proposals will be issued in December 2020 to enable the opening of various bid windows, including Bid Window 5 of renewable energy.
- Issuing of the **Request for Information (RFI)** for two thousand five hundred megawatts (2 500MW) for the **nuclear build programme**. Responses from the market are currently being evaluated.

Immediately,

the Department has enabled ninety-seven megawatts (97 MW) of self-generation for own use,

- through a Gazetted **amendment of Schedule 2 of the Electricity Regulation Act**, to exempt categories of generation facilities under one megawatt (1MW) and resellers from the requirement to hold a generation licence. NERSA has already registered one hundred and fifty-six (156) self-generation facilities under one megawatt (1MW) with a total installed capacity of seventy-two megawatts (72MW).
- through effecting the provision for distributed generation in the IRP 2019 for facilities of **one megawatt (1MW) and above**, thereby removing the need for Ministerial approval for deviation from the IRP before NERSA can process a generation license application. To date, NERSA has approved five (5) applications with a total capacity of twenty-five megawatts (25MW).

Further, we have Gazetted **amendments to Electricity Regulations on new generation capacity** to enable municipalities in good financial standing to develop their own power generation projects. The amendments clarify the regime applicable to municipalities when requesting Determinations under Section 34 of the Electricity Amendment Act.

Recognising Eskom's role in the electricity sector Government is working tirelessly to achieve significant systems improvement through the Eskom maintenance programme. Work is underway to achieve operational and financial stability at the entity. The process to separate and unbundle Eskom is progressing well in line with the Roadmap. These initiatives will complement efforts to secure energy supply for society.

Looking ahead, we have considered the feasibility of natural gas for economic use in the South African market, which includes accelerating the exploration of our own natural gas for domestic gas feedstock. Investment in infrastructure to import Liquefied Natural Gas (LNG) is critical. Therefore, the tabling of the Gas Amendment Bill before this House, when it happens, should be considered against this backdrop.

Pre-Covid-19, the Department was in the process of consulting stakeholders on the Upstream Petroleum Resources Development Bill. Community consultations were, however, foiled by the lockdown restrictions. Relaxation of restrictions on gatherings enable the Department to restart consultations. Finalisation of the Bill will unlock our country's untapped potential in the upstream oil and gas reserves.

Honourable members,

As directed by the President, the Economic Reconstruction and Recovery Plan, should fast-track reforms to reduce the cost of doing business in our country. This is to facilitate investment, achieve economic growth and transformation.

Government is focused to renew investment in exploration, which is the lifeblood of mining. This will further promote diversification of the economy. The mining sector is actively engaged to facilitate renewed investment through a policy framework that provides certainty, investment protection and transformation. We are also giving effect to our commitment to reduce timeframes for mining and prospecting licences. Formalising artisanal mining is being accelerated, thereby creating an avenue to mine sterilised deposits.

Honourable Speaker

*Saving our lives Saving our livelihoods* is a social compact between Government, the social actors and society, which is core to the Economic Reconstruction and Recovery Plan. This is reminiscent of our country's ability to overcome the worst, do the unimaginable, when we hold hands and act together.

I thank you