



**MINERAL RESOURCES AND ENERGY
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE HONOURABLE
DEPUTY MINISTER OF MINERAL RESOURCES AND ENERGY
DR NOBUHLE NKABANE (MP)**

**FREE STATE ENERGY SECURITY INDABA
BLOEMFONTEIN, 02 NOVEMBER 2023**

Programme Director, Mr Kopuna Ralikontsane

Premier of the Free State Province, Honourable Mxolisi Dukwana

Other Premiers present here

Members of the Free State Provincial Executive

Mayors

Captains of Industries

Distinguished Guests

It is an honour and a privilege that I stand before you to engage you on a subject matter that is critical for our country's development, that being **Energy Security**.

It is also heartening that as **provinces you are beginning to engage on energy issues** with an intention to find solutions to our economic challenges and improve the standard of living for the people of South Africa, mainly those that were previously disadvantaged.

South Africa's **National Development Plan** enjoins us to ensure that, by **2030**, our energy sector delivers **reliable and efficient** energy service at **competitive rates**; that is socially equitable through **expanded access to energy at affordable tariffs**; and that is **environmentally sustainable** through reduced emissions and pollution.

This is a mission that we must achieve in our lifetime in order to realise the goal of **universal access to energy**, as a moral imperative and a basic human need.

Our country's electricity infrastructure development plan, the **Integrated Resource Plan (IRP)**, describes **energy security** as the development of

sufficient generation capacity to meet South Africa's growing demand for electricity.

To give effect to this, the ***IRP 2019 - that is currently under review*** – identified a diversified energy mix required to meet South Africa's expected electricity demand growth, whilst reducing reliance on a single or a few primary energy sources.

As you may now know, this ***energy mix*** is inclusive of ***coal, nuclear, gas, renewable technologies*** such as ***Solar PV, Wind, Hydro, and Battery Storage***.

As I engage you today, South Africa's power system consists of ***generation options*** varying from ***39 GW*** installed capacity from ***coal***, ***1.8 GW*** from ***nuclear***, ***2.7 GW*** from pumped ***storage***, ***1.7 GW*** from ***hydro***, ***3.8 GW*** from ***diesel*** peaking plants and about ***6.0 GW*** from ***renewable energy***. It is further envisaged that by 2030, renewable energy would have increased by at least ***18%***.

Notwithstanding this connected capacity, our nation continues to be subjected to ***electricity interruptions*** which impede our country's growth and development. This is a major challenge that this 6th administration has been battling with. Noting that this is culmination of not building new capacity in the late 1990s, a major contributing factor to this challenge in recent years was a ***misguided belief*** that our country must ***move away from coal*** as quickly as possible. As a result of this misguided belief, ***coal generating power stations were not maintained***, and consequently, ***Energy Availability Factor (EAF)*** dropped to ***undesirable levels***.

Fact of the matter is that ***82% of energy sources in the world*** are from ***"fossil fuels"*** which play an integral part in securing energy for the world by providing the much-needed baseload energy. Therefore, as we work

towards **eradicating loadshedding in the shortest possible time**, we must appreciate that **fossil fuels** will continue playing an important role in our energy mix.

Cognisant of the role that Gas plays in the energy mix, we are particularly pleased with the **discovery of gas** in the **Free State, Mpumalanga, and off the southern coast of South Africa**. These discoveries give us hope that the South Africa can flourish by developing these resources and make a significant contribution to the country's economic reconstruction and recovery plan.

An interesting and important development in the recent past, was the passing of the **Upstream Petroleum Development Bill** by the National Assembly which paves the way for a legislation that will accelerate exploration and production of petroleum resources in South Africa. Not only will this development guarantee policy and regulatory but will ensure a smooth development of the **upstream petroleum industry** for the benefit of the people of South Africa as whole.

With an estimated 27 billion barrels (bbls) and 60 trillion cubic feet (tcf) of prospective oil and gas resources on the south, west, and east coasts, **exploration and exploitation of these resources** can boost South Africa's **Gross Domestic Product (GDP)** and help us guarantee **energy security**, while on the other hand, **eradicate poverty, unemployment, and inequality**.

Another **impeding factor** to our concerted efforts aimed at securing energy for the people of South Africa which this Indaba must help us find solutions to, is the **unavailability of grid capacity**, particularly in the coastal provinces.

As the Department of Mineral Resources and Energy (DMRE), we are ready to procure a further **ten thousand** megawatts of **renewable energy** under **Bid Windows 7 and 8**; three thousand megawatts of **Gas-to-Power**; two thousand, five hundred megawatts of **nuclear energy**; and one thousand, two hundred and thirty megawatts of battery storage. However, these is being hindered by the lack of grid capacity.

For its part, government has taken over a portion of **Eskom's debt** to enable the power utility to **invest in transmission and distribution infrastructure**. This is essential because with the limited grid capacity, we will not be able to add new capacity to meet the country's growing demand, and thus our efforts of ensuring energy security will be undermined. We must work together to find solutions to this problem in the shortest possible time.

Let me conclude by reminding you that, whereas we are fully committed to a **just energy transition** from high carbon emissions to low carbon emissions, we must **exercise energy sovereignty, guarantee energy security**, and **eradicate energy poverty** not only in our own country, but on the African continent.

We are convinced that this can only be achieved through a **diversified energy mix**, rather than an over reliance on a single source of energy technology.

I thank you.