



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

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

**SANEDI ENERGY CONFERENCE
EMPERORS PALACE, KEMPTON PARK**

21 NOVEMBER 2023

*Programme Director, **Mr. Peter Ndoro,***

*Hon. Minister of Higher Education, Science and Technology, **Dr. Blade Nzimande,***

*Chairperson of the SANEDI Board, **Mr. Sicelo Xulu and all Board members,***

*CEO of SANEDI, **Dr Titus Mathe and all executive members,***

*CEO of Central Energy Fund, **Dr. Ishmael Poolo,***

Captains of Industries,

Members of the Academia and Energy Experts,

*Team DMRE, led by **DDG Thabo Kekana,***

Distinguished Guests,

Members of the Media,

I am greatly honoured by the opportunity to engage with you at this inaugural **Energy Conference** hosted by the **South African National Energy Development Institute (SANEDI)**.

The conference convened under the theme, **“Inform and Increase Awareness on Sustainable Energy Solutions”**, is a major step towards the consolidation of our pathway to the realisation of South Africa’s strategic objective as set out in the **National Development Plan (NDP)**.

As you may all know, the **NDP** enjoins us to ensure a **decent standard of living** for all its citizens by significantly **reducing unemployment, inequality, and ultimately eradicating poverty**.

At the centre of us achieving this strategic objective, is **access to energy** by the people of South Africa. Fact of the matter is that, since this democratic government came into effect in 1994, it has successfully **increased access to electricity** from less than **34% to over 92%** today.

Despite this significant progress, we acknowledge that more needs to be done to **attain universal access**, and as a consequence, accomplish our strategic objective. The current **electricity supply-demand imbalance**, which **imposed loadshedding** on all of us, is a challenge that government is grappling, with an intention to **permanently resolve in the shortest possible time**.

The NDP foresees that, by 2030, our country will have an energy sector that provides **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.

In order to realise this NDP goal, South Africa's electricity infrastructure development plan, the **Integrated Resource Plan (IRP) 2019**, identified a diversified energy mix required to meet the country's expected electricity demand growth.

The mix, which is inclusive of **Solar PV, Wind, Coal, Nuclear, Gas, Hydro, and Battery Storage**, is necessary for the country to guarantee **reliable energy supply** to society, and ultimately **eradicate energy poverty** in our country.

On the one hand, the **mix presents** us with an **opportunity to diversify** South Africa's electricity mix by producing distributed generation and provide off-grid electricity, whereas on the other hand, it guarantees us **baseload energy** which is essential for industrialisation.

We intend to present the reviewed IRP 19 in the next Cabinet meeting, and hope that it will be released for public comments soon thereafter. Your contribution to this process will help us produce the best electricity blueprint for our country.

As we have previously pointed out, it is regrettable that **environmental preservation and climate change** are increasingly being **used** by some amongst society **to block development** in our country. Committers of this undesirable act, continue to perpetuate the polemic debates about energy technologies, and in the process, pit these energy technologies against one-another.

Fact of the matter is that, for South Africa to effectively address the triple challenges of poverty, unemployment, and inequality, it will require a more **rapid and inclusive economic growth** which will need all energy technologies to play a significant role.

A ***developing nation*** like ours, ***does not have the luxury*** to choose between these ***energy technologies***.

We appreciate that any ***transition*** to a low carbon future ***will have an impact*** on the use of ***fossil fuels***. However, in view of the fact that ***82% of energy sources*** in the world are from fossil fuels, this conference must help us determine how best South Africa can manage its transition, given its endowment with these fossil fuels.

We look up to you and your research capabilities to guide us on ***what we will do with resources such as coal, oil, and gas*** in the transition?

Our considered view is that, as we ***transition*** from high carbon emissions to low carbon emissions, we do not need to abandon these resources in the hope that something new will be greater. We must first, test the reliability, efficiency, and resilience of the new technologies before we can unbundle or phase down on the old technologies.

If this approach is workable or not, we expect you to tell us. The Chinese have demonstrated that it is workable, and we are convinced that it will work for us too.

As the Department of Mineral Resources and Energy (DMRE), we are of a firm view that a breakthrough in the development of the ***Upstream Petroleum Industry*** will catapult our economy to greater heights. Hence, we are particularly pleased with the recent approval by Parliament of the ***Upstream Petroleum Resources Development (UPRD) Bill*** which seeks to ***separate petroleum provisions*** from mineral provisions and address issues that are pertinent to the upstream petroleum sector.

The ***African Energy Chamber (AEC)*** in its “***State of the African Energy 2024 Outlook Report***” predicts that “*Global gas and Liquefied Natural Gas (LNG) demand (is) expected to outrun the supply from currently producing fields and (that the) balance (will) largely be dependent on newer projects and currently undeveloped discoveries*”.

In view of the AEC’s prediction, the approval of the UPRD Bill is indeed a major step towards the immediate development of South Africa’s Upstream Petroleum Industry which will enable ***our country to become a major player in the production and supply of oil and gas.***

In real terms, this tells us that there is no better time than now for our country to ***invest in the exploration and exploitation of the natural resources*** that it is well endowed with, including oil and gas.

As you may know, the DMRE has gazetted the ***South African National Petroleum Company (SANPC) Bill*** for public comments.

The Bill aims to establish the National Petroleum Company by providing transitional arrangements for transferring human resources and assets from *iGas, Strategic Fuel Fund (SFF), and PetroSA*.

We hope that delegates at this Conference will robustly discuss these developments and submit their comments.

As we work towards resolving the most important constraints on South Africa's economic growth and navigate the just energy transition, ***we look to institutions such as SANEDI*** and many other research institutions to lead the way and help us ***develop our critical path for this transition***, without the pressure of developed nations.

We are confident that when this conference adjourns, we will have concrete proposals that will shape the way in which South Africa can respond to its real and immediate energy challenges and help us overcome these challenges.

In conclusion, let me assure you that this government, remains committed to the cause of ***sustainable energy development***, the pursuit of ***energy security for South Africa***, and a ***just transition*** from a high to a low carbon economy.

I thank you.