

NATIONAL ASSEMBLY

QUESTION 125

QUESTION FOR ORAL REPLY

125. Mr S C Motau (DA) to ask the Minister of Energy:

- (1) Whether her department will meet its target to introduce 10 000 GWh to the electricity grid by 2013 through renewable energy sources; if not, why not; if so, what are the relevant details;
- (2) What (i) is the contribution of renewable energy sources currently, (ii) are the relevant details of these sources and (b) how many independent power producers (IPPs) contribute to the grid;
- (3) What is the status regarding the establishment of the independent sales and marketing offices to facilitate the contribution of IPPs to the grid? NO2646E

REPLY

- (1) Over the last six years, the Department has been developing and implementing various instruments to create an enabling environment conducive for the deployment and commercial implementation of renewable energy technologies. The target will be reached as the Department has embarked on the following:
 - New Generation Capacity Regulations promulgated in 2009 which will enable the procurement of power from Independent Power Producers (IPPs) including those using renewable energy sources. These regulations define the institutional arrangement within which this procurement must be controlled. The afore-mentioned regulations are expected to expedite the procurement process of the IPPs as well as ensure that all future electricity plans are streamlined to correspond with the country's position on primary energy mix in general; clean energy power production is also prioritized.

- It is also anticipated that through the Renewable Energy Feed-in Tariffs (REFIT) (Phase 1 and 2), there will be an increased uptake of the renewable energy projects.
- The Department also made provision for Renewable Energy contribution to the energy mix for 2013 period through the Integrated Resource Plan 1 wherein the funding associated with this plan was also approved by the National Energy Regulator of SA (NERSA).
- Eskom has an allocation of about R 7 Billion to procure power from IPPs between 2010 – 2012, with these elements in place, we are confident that the more than 6000 Mw of renewable energy projects in the pipeline will exceed the 10 000 GigaWatt hour (GWh) target.

(2)(a) (i) It was reported at the Renewable Energy Summit of 2009, that as of March 2009, less than 10% has been achieved.

(ii) The sources are hydro, landfill gas and wind.

(2)(b) There are 6 Renewable Energy IPPs which were supported by the Department of Energy under the Renewable Energy Finance and Subsidy office that contribute to the grid.

(3) A working group comprising various affected government departments was established to facilitate the establishment of Independent Systems and Market Operator (ISMO). Different proposals were made to the IMC on the structure of the proposed ISMO. The department is currently preparing a Cabinet Memorandum, requesting Cabinet approval of the proposed ISMO structure, including the draft Bill for facilitating its establishment. Phase one of the proposed structure (ring-fenced business unit within Eskom) is expected to be in operation not later than December 2010.