



DLA CLIFFE DEKKER
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ALERT

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GAME ON?

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PROJECTS AND INFRASTRUCTURE

GAME ON?

In assessing the 2014 State of the Nation Address, it appears to be game on indeed. President Zuma signalled his clear intentions towards South Africa's energy sector when he stated that "this situation calls for a radical transformation of the energy sector, to develop a sustainable energy mix that comprises coal, solar, wind, gas and nuclear energy".

The President also expressed positive sentiments towards nuclear and shale gas, stating that, "Nuclear has the possibility of generating well over 9000 MW, while shale gas is recognised as a game changer for our economy".

Round four of the Renewable Energy Independent Power Producer Programme seems almost certain to proceed with our government seeking to take further advantage of wind, solar, biomass and other renewable technologies.



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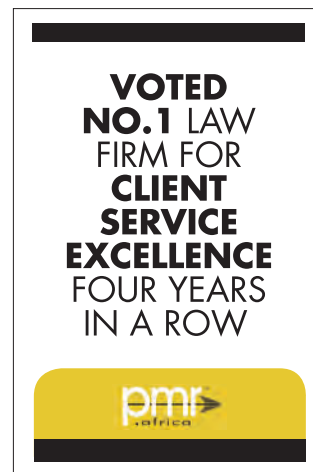
Interestingly our government seems set to embark upon the procurement of energy from the Grand Inga Hydro Power Project in the Democratic Republic of Congo, pursuant to the Grand Inga Hydro Power Treaty that was entered into between the Republic of South Africa and the Democratic Republic of Congo in October 2013.

There are also significant structural changes that are set to take place, which include the conversion of the National Nuclear and Energy Executive Coordinating Committee of Cabinet into the Energy Security Cabinet Sub-Committee. According to the President, this Sub-Committee will *inter alia* be responsible for "the oversight, coordination

and direction of activities in the energy sector". Importantly, the Sub-Committee will also play a supporting role to Eskom and assist Eskom in carrying out its mandates.

The gauntlet has been thrown down and game on it is, although many may be inclined to say that all of this 'action' is merely 'food for thought'. Regardless of which side of the fence you are sitting on, there is plenty of activity on the horizon. All stake-holders, investors, bankers, technicians, accountants, lawyers, engineers and the like would be well advised to sharpen their pencils and get sketching.

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