
PROJECTS AND INFRASTRUCTURE

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ELECTRIFYING LEADERSHIP - JUST WHAT THE NATIONAL GRID CALLED FOR

Ms Tina Joemat-Pettersson, the newly appointed Minister of Energy (Minister) got off to an electrifying start when she delivered a briefing at the New Age/SABC Breakfast, held at the Sandton Convention Centre on 23 June 2014.

The Minister commenced her address advising that the Ministries of Public Enterprises and Energy had recently met and that soon the Departments of Energy, Public Enterprises and National Treasury would also meet to sketch a roadmap to assist in strengthening Eskom.

During her briefing the Minister discussed the nuclear build programme stating, "In the next few weeks, I will outline a comprehensive roadmap that will lead us to a firm decision on the nuclear build programme." The Minister went further by detailing the parameters of this 'roadmap' stating, "Key in this roadmap is ensuring that the 29 and 30 year old units at Koeberg Nuclear Power Station continue producing power for another 3 decades, this will involve some life extending refurbishment at the power plant."

The detail pertaining to nuclear energy has been difficult to digest recently with stakeholders singing from different hymn sheets, leaving the ordinary South African citizen both bemused and enraged. The Minister is clearly looking to approach the nuclear energy opportunity with a different set of gloves.

There was a softer touch with the Minister stating that, "On IPPs we will focus on ensuring that communities derive benefit where these programmes are located." Given where South Africa finds itself in as far as socio-economic development is concerned, these are encouraging words, reminding all South Africans about

the role that IPPs have in lifting communities whilst simultaneously boosting the South African economy.

The Minister seems set to re-ignite the flame of the biofuels sector, stating that, "time for certainty on the regulatory framework on pricing has come and I can assure stakeholders that I intend to engage with the obstacles to progress on this matter, and ensure that they are removed." Stakeholders will be hoping that these assurances bear fruit.

Energy efficiency appears to be quite high on the Minister's list of priorities as she dealt with this topic at length and in detail; referencing solar water geysers, regional integration and energy consumption.

The Minister pointed out that the South African Government has a set target of installing an additional R1.3 million solar water geysers in households over the next five years. She emphasised that key to reaching these stated targets was the localisation of component manufacturing as well as job creation during installation and maintenance. The Minister was firm on local content requirement stating, "we will not compromise on local content requirements."

Energy efficiency was smartly fused with the much spoken of regional integration theme. The Minister stated that, "Energy security cannot be achieved without regional integration, to this end, we will continue to work very closely with our SADC counterparts to fast track all energy generation and transmission programmes in the sub-region."

A key ingredient to the energy efficiency solution is that of energy consumption. The Minister made it clear that it was the duty of all citizens to 'know your consumption'. She went further stating that, "Once this has been done, we need to ask ourselves as to whether it is well utilised and whether you cannot reduce that consumption."

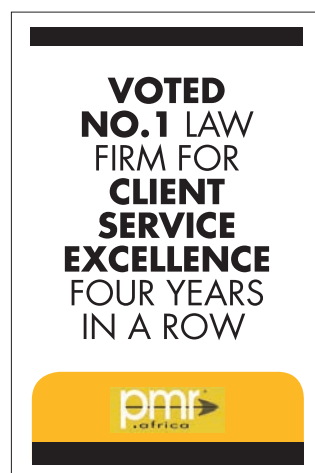
In respect of electrification, the Minister has committed to work closely with the Provincial executives and Municipalities to improve service delivery related issues. Giving detail on the implementation of this ideal the Minister stated that, "this will include closer monitoring of the use of the electrification funds and investments in the distribution infrastructure."

The oil refining sector also seems set for a 'shake-up'. The Minister stated that, "the upgrading of the oil refining sector is largely dependent on a firm cost recovery framework and in this regard the Department of Energy and National treasury will have to provide clarity in order to unlock progress on this matter." Unfortunately the scope and extent of the 'shake-up' will be unknown until the firm cost recovery framework has been completed and explained, as necessary.

Recently and particularly in the energy sector, there have been more questions than answers, leading to a great deal of concern among the ordinary South African citizen. The Minister communicated critical information in her speech, providing the ordinary South African citizen with a revived sense of hope.

Whether or not this electrifying speech will result in more mega-watts being delivered to the national grid remains to be seen, we should nevertheless take courage in the Minister's informative address.

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