



MINISTRY
ENERGY
REPUBLIC OF SOUTH AFRICA

Remarks by the Minister of Energy, Ms Tina Joemat-Pettersson, MP

The New Age/SABC Breakfast
Sandton Convention Centre, 23 June 2014

Programme Director
Chairperson of the SABC
Chairperson of Transnet
Editor of The New Age,
Honoured Guests,
Ladies and Gentlemen
Most importantly, the Viewers joining us this morning.

We gather this morning a few days after the debate on President Jacob Zuma's State of the Nation address concluded in a joint sitting of Parliament. As you would have noted Energy featured prominently in the President's address and as Energy Minister I am not surprised as Energy is the lifeblood of the economy of the country.

The President has enjoined us to do whatever is possible to unlock economic growth by eliminating impediments to such growth. In this portfolio, I am determined that we dispense with some of the issues that have been left hanging for far too long.

It is rare for our country's socio-political landscape to rally fully behind an initiative. The consensus that has been developed around the National Development Plan will assist our nation as we move forward. All that we have to do is to implement the National Development plan with all the vigour that we can master. President Zuma has made it clear that this term of government will focus on the implementation of the NDP.

On energy our marching orders are very clear. We aspire to achieve an energy mix which has greatly reduced carbon intensity. We only have 15 years to get there and my approach is that we should attain our energy security aspirations much sooner than that.

This morning my job is not to talk about targets, as these will be the subject of our soon to be held budget vote speech.. I am here to say, we have heard the President loud and clear, and we are hard at work to finalise and accelerate the plans that will help us fulfil the mandate we have been given.

We also are here to listen to the concerns of our stakeholders, and internalise the suggestions you will be giving us this morning. We meet in the middle of a winter that has further exacerbated the electricity challenge that we are having. I am aware that power interruptions have affected many communities and constrained many businesses.

The Ministries of Public Enterprises and Energy met last week with Eskom and this week the Departments of Energy, Public Enterprises and National Treasury have to meet to propose to the three Ministers a roadmap that will assist us to strengthen the position of Eskom. Key in the interventions will be to ensure that the construction of new plants is kept on track.

I have directed the Department of Energy to accelerate the pace on the Independent Power Producer programme and I will make further announcements in this regard during July.

The debate on nuclear energy has gone on for a long time and perhaps this was necessary. The time has however now come for some decisive actions to be taken in this regard. In the next few weeks, I will outline a comprehensive roadmap that will lead us to a firm decision on the nuclear build programme. 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 refurbishments at the power plant.

This is not the first time that ANC has given the Department of Energy big tasks. In the past few years, the Department was asked to roll out an energy mix with a renewable energy bias and this was done quite successfully. On IPPs we will focus on ensuring that communities derive benefit where these programmes are located.

Ladies and Gentlemen,

An area that has to begin to yield tangible progress is the biofuels sector that we have been working on the past few years. 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. Biofuels has a potential to contribute to economic development, particularly on job creation and we therefore should not be tolerant about the delays.

The ANC Government has set a target of an additional 1.3 million Solar Water Geysers to be installed in households in the next 5 years. This is a target that should be attained, and importantly, it must assist to change the consumption patterns for electricity in the country. Key to this programme is localisation of component manufacturing as well as job creation during installation and maintenance. We will not compromise on local content requirements.

You would appreciate 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. As you all heard in the President's address, the Grand Inga project will continue to be high on our list of priorities.

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. Once I have received firm commitments, I will have to consider new dates for the implementation of the enhanced clean fuels specifications. Equally the pace of radical economic transformation in this sector will have to be accelerated. An honest conversation around issues such as HDI participation in for instance, crude oil and petroleum product procurement by South Africans businesses must take place. I call on the players in the industry to come to the party in this regard.

On electrification, we cannot achieve service delivery without coordination with Municipalities and Provinces. I will work very closely with the Provincial executives and Municipalities. This will include closer monitoring of the use of the electrification funds and investments in the distribution infrastructure.

Ladies and Gentlemen,

I have decided that over and above the Department of Energy expertise, as a Ministry, we are going to need input from other experts in the energy sector. I will be inviting members of the public to recommend people that can serve on the soon to be established Ministerial Advisory Council on Energy. This proposed panel of experts will serve as a sounding board on many of the challenges that we confront in the energy sector. This will not be a statutory body and will not make decisions, as these will still be the preserve of Cabinet. I will be looking for experience and innovation. The panel will include academics, members of civil society, the labour movement and engineering expertise. We want to crowd in solutions by tapping into some of the ideas that remain unheard. Overall, central to this term of government will be enhanced engagement and coordination of all the stakeholders in the energy space. South Africa, this is our collective challenge and we cannot fail.

I cannot conclude without mentioning a low hanging fruit that will have to be driven very hard during this term of government.

Energy Efficiency has not been the success that we had anticipated. How many of us in this hall know about the level of electricity consumption in our households? How many executives are monitoring the energy consumption in their companies?

That is where we should start “Know Your Consumption”. Once this has been done, we need to ask ourselves as to whether it is well utilised and whether you cannot reduce that consumption. This is applicable to Electricity, Gas and Liquid fuels. What is your Energy Spend? I will ensure that the National Energy Efficiency Agency within SANEDI can further justify its existence, and we envisage a more determined focus and effort in this regard, mobilising the widest range of role players around this national campaign.

Ladies and Gentlemen, the scene has been set, the President has spoken, we stand ready, with your support and contributions to move South Africa forward to a sustainable energy future!

I Thank you