



Proposed Talking Points
Mr Phakamani Hadebe, Interim Group Chief Executive
Black Energy Professionals Association Event
12 April 2018

Honourable Minister of Energy, Mr Jeff Radebe

Honourable Minister of Rural Development and Land Reform, Ms Maite Nkoana-Mashabane

Black Energy Professionals Association Chairperson, Ms Meta Mahlarhi

Industry associates, experts and leaders

All stakeholders present

Distinguished guests

Ladies and gentlemen

Good evening

- It gives me great pleasure to join you at this auspicious gathering hosted by the emerging voice of transformation and empowerment in the energy sector – the Black Energy Professionals Association (BEPA).
- This event takes place at a time when the nation and the world at large are mourning the passing and celebrating the life of the Mother of the Nation, Mama Winnie Madikizela-Mandela. Mama Winnie played a key role in championing liberation and democracy. And if truth be told, were it not for the sacrifices of Mama Winnie and others, today's event would not be possible.
- Change is inevitable and is constantly moving the world of business. It provides opportunities for industries to renew themselves and to remain relevant and also sees the establishment of others. It takes many role players, who need to demonstrate courage and who need to take critical action, for change to be effective.

- The Minister of Energy, by the nature of his role and position, is able to spearhead the necessary changes deemed necessary in the energy industry.
- At this point, I would like to extend my heartfelt congratulations to the Honourable Minister of Energy, Mr Jeff Radebe for being honoured tonight.

Honourable Minister, it is your clear vision and unsurpassed drive will continue to strengthen, innovate and create stability in the energy sector.

- You can be assured of Eskom's support. We look forward to continuing our healthy relationship and to implementing key policies, such as the IRP, once they are promulgated.
- Eskom also remains proud of our investment of close to R2.4bn in the integration of IPPs. This has resulted in a total of 61 projects being successfully commissioned and a contribution of 3 520 MW to the system. IPPs are already playing a role in the electricity sector, having supplied over 11 GWh during the 2016/17 financial year.
- Ladies and gentlemen, our continent still accounts for more than 40% of all the people in the world who are still without access to electricity as noted by the International Energy Agency (IEA) which further states that more than 10 countries in Africa have 75% of their population living without electricity, followed by an additional 10 countries that have half of their population living without electricity.
- However, South Africa in its efforts to attain universal access, has made notable strides as a result of partnerships, funding and a focused drive. According to Statistics South Africa, 90% of South Africans have access to



electricity today. Eskom is now electrifying the majority of new customers in more remote and deep rural areas.

- Despite the deterioration in economic growth in Africa in 2016, Africa's economic outlook for 2017 looks positive – with the expected increase in commodity prices and demand lending itself to opportunities in terms of access to electricity through new investment
- Eskom contributes to job creation, skills development, transformation and broad-based black economic empowerment (B-BBEE), in support of the National Development Plan (NDP). As a level-2 B-BBEE contributor, Eskom has been at the forefront of skills development and community upliftment through its corporate social investment (CSI) programme administered by the Eskom Development Foundation. In the past financial year, Eskom's CSI activities have touched and changed the lives of more than 800 000 beneficiaries with a committed spend of R225.3 million.
- The fourth industrial revolution presents a window of opportunity for investment in the energy sector as technological advancements in renewable energy, distribution, generation, smart grids and others are rapidly unfolding. In a recent study on energy, PwC Africa Power & Utilities indicated that "Installed power capacity is expected to rise from 2012's 90 GW to 380 GW in 2040 in sub-Saharan Africa".
- The energy sector remains economically viable in the Republic of South Africa with electric energy showing signs of steady growth. According to global energy trends identified by Enerdata, "The electricity sector edged ahead of the oil and gas sector for the first time in 2016 to become the largest recipient



of energy investment.” A catalyst to the futuristic growth of the industry is the diversification of electricity sources in South Africa as per the government’s Integrated Resource Plan (IRP). The IRP also encourages the energy industry to intensify exploration of new low-carbon emitting technologies.

- South Africa’s energy plan is determined by the Department of Energy through an Integrated Resource Plan (IRP). The IRP also provides guidance on the opportunities for greater regional development and electricity imports outlined in South Africa’s National Development Plan.
- Investors play a critical role in this convergence of Africa’s socio-economic agenda with investment making large-scale electricity solutions possible, particularly in renewable energy, with a local and regional benefit.
- We are committed to assisting the South African government achieve its energy objectives as per the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda for Sustainable Development of ensuring global access to affordable, reliable, sustainable, and modern energy for all among other obligations. We are exploring the available energy resources such as hydro and gas through collaborative partnerships. Independent Power Procurers (IPPs) are playing an integral part in this regard.
- While we still await the final IRP, we have recently completed our Integrated Strategic Electricity Plan known in short as ISEP. This plan provides a company view of the long-term future generation expansion needs of the country, comprising an optimal mix of generation technologies until 2050, to meet customer demand and environmental requirements.



- ISEP shows a need for a new base-load plant by 2028; a total of 23 700 MW is required by 2050, to be provided from coal-fired and nuclear plant. No more than 15 300 MW will be coal-fired due to the CO2 limitations.
- Various renewable generation scenarios were considered. The final ISEP calls for additional renewable generation by 2050, with solar Photo Voltaic of 23 000 MW and wind of 42 000 MW.
- In addition, ISEP shows a significant requirement for gas-fired generation to provide a flexible generation option to the system.
- With the help of local and international investors, Eskom is currently undertaking the largest build programme in Africa which commenced in 2005 and is expected to be completed by 2022.
- Eskom is determined to increase capacity and to drive South Africa's economic growth. We also hold a key interest across our borders in the broader African region where we are interested in pursuing and partnering in hydro, gas and transmission projects.
- It is in this spirit of celebratory collaboration and partnership, that we view today's gathering as an opportunity to build relations to help move South Africa and the energy industry forward.

I thank you.

Language edited



Mafu Ramotshela

Language Services

Corporate Affairs Division