



## PRESS RELEASE

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### SA becomes global renewable energy leader

South Africa has rapidly become a world player in renewable energy and is well on its way to achieving government's goal of 30% clean energy by 2025, says a new report from the Department of Energy (DoE).

The report - *State of Renewable Energy in SA* - was released by DoE acting Director General Dr Wolsey Barnard at the South African International Renewable Energy Conference (SAIREC) on Monday 5 October. It was developed with support from GIZ and the SA German Energy Programme (SAGEN).

The report says world-class sun and strong coastal wind, combined with sensible policy and government partnerships with business, have led to jobs, foreign investment and clean power which reduces load shedding.

The renewables sector has attracted R192.6 billion investment, of which 28% (R53.2bn) is much-needed foreign investment.

"We're making intelligent use of our natural advantages," said Energy Minister Tina Joemat-Pettersson. "Renewables are a massive success story for South Africa."

Renewables were catapulted to prominence by the electricity shortages of 2008, leading to bold targets in the 2010-2030 Integrated Resource Plan for 17,800MW of new power generation capacity from renewables.

The 2011 introduction of the dynamic Renewable Energy Independent Power Producers Procurement Programme (REIPPPP) was a tipping point. The REIPPPP is the fastest growing renewable energy programme in the world and one of Africa's biggest infrastructure investments.



DoE has already committed to 6 236 MW of renewable energy generation by 2019. Its world-class bidding process is investor-friendly and by mid-2015 more than 6 000MW will be procured from 92 independent producers, with 37 having started commercial operation, adding 1,860MW to the grid.

The booming sector has contributed to more than 109,000 construction jobs and cut the equivalent of 4.4 million tonnes of carbon dioxide.

“God government policy converged with market forces to deliver an unprecedented world-class programme,” said Dr Barnard.

“Renewables are delivering exactly what South Africa needs – from energy, jobs and technology to foreign investment, rural development, community benefits and working relations between government and business. The scope and scale of renewable energy development in South Africa demonstrates what is possible when government and business share a commitment to success.”

The report cites an independent study by the Council for Scientific and Industrial Research (CSIR), which found energy generated from solar and wind during the first six months of 2015 created R4 billion financial benefits.

The success of the renewables sector stems from excellent policy foundations, including the 1996 Constitution and the National Development Plan, and a 2009 government commitment to cut carbon emissions by 34% by 2020 and 42% by 2025.

In 2014 the United Nations Environment Programme put South Africa in the global top ten for renewable energy investments. It is already the world’s 10<sup>th</sup> biggest solar market for installations above 5MW.

Renewables have reduced the frequency and duration of load shedding, according to Stellenbosch University’s Centre for Renewable and Sustainable Energy Studies.

Prices of renewable energy are falling fast, with the average tariff per kWh dropping 68% since 2011. Prices are now level with the lowest tariffs in global market leader Germany.

Local communities have been big beneficiaries, with a shareholding of 10,5% in renewable projects, more than four times the required minimum of 2,5%.

Over 20 years, communities which host renewable energy projects are expected to receive net income of R29,1 billion or R1,46 billion a year. A total of R19.1 billion has been committed to socio-economic development initiatives in these communities. The total projected value of goods and services to be procured from BBBEE suppliers is more than R101 billion.

The RE sector could create up to 462 000 jobs, with more than 25,000 jobs already created, the DoE report said.

Renewables are also boosting SA manufacturing. In 2012 a solar PV manufacturing plant was built in Pinetown near Durban, employing 160 people and able to produce 250,000 solar panels a year.

A DoE solar energy technology roadmap estimates that by 2050 about 70GW of power can be generated from solar photovoltaic and concentrated solar power sources.

In addition to solar and wind power, up to 247MW of small scale hydro power could be developed in rural Eastern Cape, Free State, KZN and Mpumalanga; and work has begun on a national biomass action plan.

The Southern African Biogas Industry Association estimates that biogas can contribute 2.5GW generation capacity in the country, using wastewater, food waste, manure, agricultural residues and commercial processes including abattoirs, breweries and cheese factories.

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