

# What's on the agenda for Africa's energy leaders in 2014?

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With the <u>Africa Energy Indaba</u> happening next week, excitement is building up amongst global and national energy leaders as they prepare to present and attend Africa's premier energy event in Sandton, Johannesburg.



This year, the Africa Energy Indaba is pioneering an innovative new addition - the Energy Leaders' Dialogues, which will see the World Energy Council's Secretary General, Christoph Frei and Eskom CEO, Brian Dames host an invitation-only session with CEOs and energy professionals. The issues of shale gas development in South Africa and the Global Electricity Initiative (GEI) will be the two main topics of discussion. The GEI was launched in 2011 at the COP-17 summit in Durban, South Africa with the objective to enable the increase in electricity access in a sustainable and affordable manner by showcasing the voluntary action of utilities.

Christoph Frei, Secretary General of the World Energy Council, comments: "The African energy sector has long been working to widen energy access to unlock the vast potential of this dynamic region, and this issue remains a critical priority. New entrepreneurial dynamics in renewable energy and potential opportunities arising from South Africa's shale gas resources are the hot issues in the current context. At our Indaba Energy Leaders' Dialogue we will get greater clarity on the future of these issues with the most senior sector leaders."

"This year, the Africa Energy Indaba is taking itself to the next level," says Steering Committee Chair, Brian Statham. "The studies that were conducted by the World Energy Council (WEC) and published at their World Energy Congress in Daegu, Korea in October 2013, have been drawn through into the Energy Indaba programme, and will be discussed as plenary sessions, within an African context," explains Statham. "It's also the first time that the Chair of the WEC is coming to the event, in addition to the Secretary General, which underlines the importance and global stature of this event."

Delegates will be engaging with the broadest range of energy experts the continent has ever seen. From South Africa's Bonang Mohale (Shell SA; WEC Vice Chair Africa) and Dave Wright (Engen) to global leaders like Marie-José Nadeau (Chair: World Energy Council), Kenneth Fairfax (Deputy Executive Director, International Energy Agency), Mohinder Gulati (Chief Operating Officer, United Nations Sustainable Energy for All), Philippe Joubert (Executive Chair, Global Electricity Initiative), Jim Rogers (Retired Board Chairman: Duke Energy), Paivi Koljonen (Lead Energy Specialist: World Bank) and African leaders Dr Ibrahim Mayaki (CEO, NEPAD Planning & Coordinating Agency) and Dr Benon Mutambi (CEO, Electricity Regulatory Authority Uganda), energy specialists cannot afford to miss this ground-breaking event.

The Africa Energy Indaba brings together energy players from across the continent to engage, network and debate the continent's energy solutions. Delegates and attendees can also sign up for the Business Matchmaking Service and attend the popular AEI Exhibition.

"I am looking forward to this year's African Energy Indaba based on our productive experience in 2013," says Jason Schaffler, Regional Technical Coordinator for the Renewable Energy & Energy Efficiency Partnership (REEEP). "The World Energy Council discussion on regional energy scenarios and issues, along with an opportunity to engage with the organisations on the Trilemma initiative will be highlights. I look forward to the WEC updates on these and the planning for Southern Africa activities. The event is well-attended by a knowledgeable and enthusiastic cross-section of the African energy sector and embraces both the private and public sectors," says Schaffler.

Dave Wright, Special Advisor at Engen Petroleum, agrees that the Africa Energy Indaba is the not-to-be-missed annual energy event. "The speakers I am most looking forward to listening to are: Marie-José Nadeau, because she is the newly appointed Chair of WEC and this will be her first visit to Africa in her new role and I am looking forward to the message she

will have for us, as well as Dr Ibrahim Mayaki, (CEO, NEPAD Planning & Coordinating Agency) because I am interested in hearing what progress is being made on the NEPAD Energy roadmap."

Some of the topics that delegates will enjoy on this year's programme include:

#### **IPPs and PPAs:**

The current power crisis in South Africa and other African countries has given rise to huge investment opportunities as many African countries view IPPs as a way to address the burgeoning shortage of power. This workshop will examine the requirements for successful IPPs and bankable PPAs, lessons learned from recent experience across Africa and around the world, key pitfalls and how to avoid them.

### **Decentralised Energy Supply**

The network of pipelines and power lines does not reach all citizens in Africa. In many cases it is simply not economical to extend these networks into sparsely populated rural areas with low levels of economic activity. To meet the objective of all citizens having access to modern energy systems, it is necessary to consider options for decentralised or off grid energy supply. Solutions will require innovative thinking in terms of technology choices, funding and ownership models, and operation, maintenance, commercial and cross-border trading practices.

### Skills Development for Energy

The development, construction, operation and maintenance of energy infrastructure require a wide array of skills. Capacity building in the regulatory environment is also vital; however there are not sufficient indigenous African skills to meet the demand. More people need to be attracted into this sector to ensure that knowledge transfers happen across borders and across generations.

### Political Volatility and Funding Risk

The volatility of energy and associated policies makes it very difficult for businesses to project their future profitability. Uncertainties regarding the future dispensation in respect of corruption, legislation, regulation, commercial practices and property rights pose significant risks to investors. Managing these risks adds to the cost of funding and impacts on the viability of infrastructure projects. What can the public and private sectors do to mitigate these risks and stimulate investor confidence?

# The Role of Government and Market in Energy Security

There are many schools of thought on the need for and the process to achieve energy security. Some believe that market forces will in time drive towards an optimal solution while others believe that a high degree of central planning is essential. There are also considerations of who should be involved in the preparation of energy plans; is it solely a government responsibility or should private sector entities also be involved? Should planning include the reservation of natural resources for reasons of national energy security? There is also a question whether markets will naturally provide the reserve capacity necessary to compensate for intermittent energy sources or system contingency events. Are market designs adequate and are governments playing an appropriate role?

## **Electricity Storage**

As the proportion of renewables, especially solar and wind increases in the energy mix, so too does the need to deal with the problem of intermittency of these supplies. The ability to effectively and affordably store electricity is a challenge to the increased use of renewables, especially in Africa where interconnectivity is weak and the demand is concentrated in a few time zones. Electricity storage is also a consideration in the transport sector where it is influencing the conversion to electric vehicles.

Africa Energy Indaba is the continents premier event with a strong partnership with Gauteng Growth and Development Agency (GGDA). The event is strategically aligned to GGDA's mandate to be the premier catalyst for innovation, business growth and socio-economic development within the Southern African region.

#### More about the Africa Energy Indaba:

The Africa Energy Indaba is the only energy event in Africa endorsed, adopted and supported by the World Energy Council (WEC) and recognised as their Africa Regional Event. The WEC is the largest, broad based representative energy association worldwide and. Marie-José Nadeau, Chair, World Energy Council (WEC) will be delivering a plenary address at the 2014 event.

The South African National Energy Association (SANEA) has adopted the event as their annual congress. SANEA is the largest non-aligned energy advocacy association in Southern Africa and have the most members (both organisations and individuals).

The Africa Energy Indaba is supported by the African Union Commission and the NEPAD Planning & Coordinating Agency, providing insight into the cross border projects and access to key energy stakeholders in Africa.

Gauteng's Growth and Development Agency (GGDA) recently announced its partnership with the Africa Energy Indaba. The event is strategically aligned to GGDA's mandate to be the premier catalyst of innovation, business growth and socio-economic development within the South Africa region.

The Gauteng Department of Infrastructure Development (GPDID) is the official partner to the Africa Energy Indaba Exhibition. MEC Qedani Mahlangu will officially open the exhibition on the 18th February at 10h00.

The official side events have grown exponentially with the conference and now includes the IRENA Africa Clean Energy Corridor Initiative, the 5th Annual Nuclear Forum, Africa Energy Projects Roundtable, Bankable PPA's and Successful IPP's workshop and the SE4ALL workshop.

For more information, please visit: www.africaenergyindaba.com.

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