

Govt to address energy constraints

PRETORIA: With the need to respond decisively to South Africa's energy constraints, government is in the process of converting the National Nuclear and Energy Executive Coordinating Committee of Cabinet into a committee that will be responsible for the oversight and direction of activities for the energy sector.



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Delivering the first State of the Nation Address (SONA) following his swearing in as President of the country for a second term, President Jacob Zuma said the country needs to respond decisively to its energy constraints in order to create a conducive environment for growth.

"To prepare the institutional capacity, we are in the process of converting the National Nuclear and Energy Executive Coordinating Committee of Cabinet, into the Energy Security Cabinet Sub-committee.

"The sub-committee will be responsible for the oversight, coordination and direction of activities for the energy sector," he said on Tuesday night.

The sub-committee will also ensure that power parastatal Eskom receives the support it needs to fulfil its mandate.

To achieve South Africa's energy security goals, state owned companies that are involved in the energy sector like Eskom, the Central Energy Fund (CEF) and South African Nuclear Energy Corporation will have to adapt to the redefined roles to achieve these objectives.

"Work needs to be done at a technical level on all forms of energy especially nuclear energy and shale gas with regards to funding, safety, exploitation and the local manufacture of components," said the President in his address to Parliament.

In March, the country experienced its first incident of load shedding in six years. Earlier this month, two units at Duvha and Kendal power stations tripped and a portion of the capacity normally imported from Cahora Bassa became unavailable leading to power cuts.

Nuclear energy

In April, the Department of Energy said it would soon make an announcement on the country's energy build future.

South Africa's nuclear energy policy was approved in 2008 and was further enhanced by the approval of the Integrated Resource Plan (IRP) 2010 - 2030, which stipulates that nuclear power will form part of the country's energy mix to a level of 9,600MW.

Koeberg remains South Africa's only nuclear station

"Nuclear has the possibility of generating well over 9000 megawatts, while shale gas is recognised as a game changer for our economy," he said.

President Zuma said South Africa's slow economic growth had been caused in part by the shortage of energy.

"The slow growth has been caused in part by the global economic slowdown and secondly by domestic conditions, such as the prolonged and at times violent strikes and also the shortage of energy."

Shale gas

In February the Department of Mineral Resources announced that the country will soon start fracking - a method of gas extraction - in the Karoo. This as the department had published the technical regulations for the development of shale gas for public comment.

The country will pursue the shale gas option within the framework of its good environmental laws, noted the President.

Medupi

Earlier this month, Eskom said it expects to have the first unit of the coal fired Medupi power plant being built in Limpopo to be operating early next year.

Medupi's Unit 6 is on track for synchronisation by December 2014. The plant, which has an expected total capacity of 4800 megawatts, first unit should be operating in early 2015.

Medupi is one of the three large scale power plants [the other being Kusile as well as the Ingula Pumped Storage Scheme] that the parastatal is building so as to ease pressure on the grid.

Eskom has said that until the new plants are ready, power supply will remain tight.

The President said there were "some urgent activities" that government is engaging in, in the short term.

"Progress at Medupi power station construction site will be accelerated. Plans on the financing of the next large coal fired power station, Coal 3, will be speeded up so that the procurement process can commence," he added.

Eskom announced last year that Medupi had experienced delays meaning that the first unit of the power station would not start generating power in December 2013.

Renewable Energy Independent Power Producers Programme (REIPP)

Government will also continue the 4th window of REIPP so as to take advantage of wind, solar, biomass and other technologies that increase the opportunity for rural development.

At the end of last year, the department announced preferred bidders under Window 3 of its flagship REIPP.

The programme is aimed at bringing additional megawatts into the country's electricity system through private sector investment in wind, biomass and small hydro, among others.

Looking beyond for energy security

South Africa signed the Grand Inga Hydro Power Project Treaty with the Government of the Democratic Republic of Congo in October last year.

"This massive and strategic project has the potential to generate 40 000 megawatts of hydro-electricity. Our country will benefit enormously from this milestone project.

"To prepare for the implementation of the energy plan, we need to finalise the legislation that relates to the restructuring of the energy industry as envisaged by the Independent System Market Operator Bill, the Integrated Resource Plan and other policies affecting the Energy sector," President Zuma explained.

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