

Several new energy projects set to serve the grid

Delivering the State of the Nation Address on Thursday evening, 10 February, President Cyril Ramaphosa said the strategy to implement "fundamental changes" to the country's electricity supply is contained in amendments to the Electricity Regulation Act which was approved by Cabinet but is still out for public comment.



President Cyril Ramaphosa delivers the State of the Nation Address (SONA) to a joint sitting of the National Assembly and the National Council of Provinces in Cape Town, 10 February 2020. Nic Bothma/Pool via Reuters

In part, amendments to the Act seek to allow private electricity producers to sell electricity and gives way for Eskom to establish its own transmission business.

"These far-reaching amendments will enable a competitive market for electricity generation and the establishment of an independent state-owned transmission company," Ramaphosa said.

He also highlighted several new energy generation projects set to come online over the next few years, including:

- Over 500MW from the remaining projects in Bid Window 4 of the renewable energy programme, which are at advanced stages of construction;
- 2,600MW from Bid Window 5 of the renewable energy programme, for which the preferred bidders were announced last year;
- up to 800MW from those risk mitigation power projects that are ready to proceed;
- 2,600MW from Bid Window 6 of the renewal energy programme, which will soon be opened;
- 3,000MW of gas power and 500MW of battery storage, for which requests for proposals will be released later this year;
- an estimated 4,000MW from embedded generation projects in the mining sector; and
- approximately 1,400MW currently in the process of being secured by various municipalities.

"Due to our aging power stations, poor maintenance, policy miss-steps and the ruinous effects of state capture, our country has a shortfall of around 4,000MW of electricity.

"[Eskom] has continued with its intensive maintenance programme to reverse many years of neglected maintenance and underperformance of existing plants," he said.



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Renewable energy

Ramaphosa said South Africa's potential in renewable energy is expected to create opportunities to better the country's economy and create a more stable power grid.

"Renewable energy production will make electricity cheaper and more dependable, and will allow our industries to remain globally competitive. Investments in electric vehicles and hydrogen will equip South Africa to meet the global clean energy future," he said.

Ramaphosa added that with South Africa's rich mineral resources, mining is also expected to benefit from a move towards cleaner energy.

"We will be able to expand our mining industry in strategic minerals that are crucial for clean energy, like platinum, vanadium, cobalt, copper, manganese and lithium. We also have a unique opportunity in green hydrogen, given our world-class solar and wind resources and local technology and expertise," he said.

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