

# Reliable, secure electricity supply crucial to attract investment

Energy Minister Jeff Radebe says a reliable, sustainable, competitive and secure electricity supply sector is crucial to attract investment into Africa.



Energy Minister Jeff Radebe

“It is therefore inevitable that we have to plan ahead and to coordinate our activities in a manner that improves our responsiveness,” the minister said at the Africa Energy Indaba currently underway at the Sandton Convention Centre.

Radebe said a deteriorating Eskom plant performance driven by old generation infrastructure, confirm that the country is now in need of more investment in new generation capacity to replace the old power plants.

“Carbon capture and storage, underground coal gasification, coal to liquids and other clean coal technologies are critical considerations that will enable us to continue using our coal resources in an environmentally responsible way,” Radebe said.

## Green economy is a game changer

He said the green economy is a game changer that South Africa has been very successful in adopting through the Renewable Energy IPP Programme.

“Since the inception of the programme, government has been successful in increasing the contribution of clean energy from zero percent in 2010 to over 4.5% within five years.

“Investment in this sector will now exceed R250bn, with the signing in 2018 of an additional 27 projects representing roughly 2,000MW,” Radebe said.

He said there is also a need to build infrastructure timeously to meet the energy demands required for industrialisation.

“It is evident that over the years the traditional power delivery model has been unsettled by technological developments.

“We cannot assume anymore that future power systems will be premised on large centralised power stations, delivering electricity over large distances to a captive consumer base at a load centre,” the minister said.

More and more alternative energy models have come through, all competing for the same demand.

## **Energy planning policies**

The African energy sector requires \$40bn worth of investment annually with a production capacity requirement of 7,000MW per year in order to meet demand and ensure energy access to all Africans. This demand presents a major opportunity for companies to explore business opportunities in the African energy sector.

Radebe said Africa needs energy planning policies that facilitate the development of an appropriate energy mix that includes nuclear, coal, gas, renewables and cross-border hydropower.

“Africa has not fully taken advantage of the opportunity to create jobs through energy efficiency and demand side management (or EEDSM) at the same time as balancing the electricity system,” he said.

The 2007 power crisis in South Africa emphasised the need to coordinate the planning and timing of new power investments.

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