



**MINERAL RESOURCES AND ENERGY
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE HONOURABLE
MINISTER OF MINERAL RESOURCES AND ENERGY
MR GWEDE MANTASHE**

**PARLIAMENTARY DEBATE ON JUST ENERGY
TRANSITION
10 NOVEMBER 2022**

Honourable Chairperson

Ministers and Deputy Ministers

Honourable members

The Just Energy Transition debate is a complex and contested terrain in which countries across the globe seek to advance their own national interests.

These differences amongst others pertain to the common and differential commitments regarding emission targets in which contest on how to transition also reflects the North-South divide.

Whereas differences of opinion on how our country should transition have arisen over the years, there is consensus that it is about moving from high to low carbon emissions rather than abandoning fossil fuels.

We accept that a transition is a journey and not an event. It is a journey that must be just, characterised by,

- justice which must be seen to be done,
- people centred approach and not just about numbers,
- taking into consideration socioeconomic conditions of communities that will be affected,
- and take into consideration our country's developmental needs.

This must happen at a pace and scale that our country can afford.

Our transition cannot only be about reaching climate change targets. It must also address energy poverty which includes lack of access to energy, unaffordability of energy, and electricity interruptions or loadshedding. Hence, a combination of energy technologies as stipulated in the Integrated Resource Plan (IRP) 2019 becomes the most reliable solution to addressing energy poverty whilst transitioning to a low carbon economy.

We ought to guarantee baseload energy supply through a combination of gas, nuclear, coal, and hydro. A pendulum swing from coal powered energy generation to renewable

energy does not guarantee baseload stability. It will sink the country into a baseload crisis.

The work done by the Council for Geoscience (CGS) in collaboration with the World Bank on Carbon Capture, Utilisation and Storage (CCUS) gives us hope and belief that coal will continue to play a critical part in our Just Energy Transition. Therefore, any suggestion that coal has reached its sell by date is a myth. Hence, our coal exports have increased by over 700% since the geopolitical conflict between Russia and Ukraine.

Our country is endowed with this critical mineral and other fossil fuels which must be exploited for the benefit of the people of South Africa. This should not be misconstrued as undermining our commitments to the global decarbonisation agenda, as a signatory to the Paris Agreement.

Honourable members, our country is witnessing a rapid growth in private sector energy investments through Independent Power Producers (IPPs). This has been witnessed through the procurement of additional energy under the Renewable Energy IPP Procurement Programme (REIPPPP) for Bid Windows 5 and 6. Just today, we signed Power Purchase Agreements (PPAs) with 3 projects under Bid Window 5 which will add 364 megawatts to the national grid once completed. We intend to sign PPAs with 13 preferred bidders under this window before the end of this month.

The REIPPPP is not a replacement of Eskom. It must be clear to all, that Eskom is not for sale as it remains the country's baseload energy generator. The disaggregation of Eskom into the three utilities of Generation, Transmission, and Distribution forms part of our plan to secure energy supply to society. The amendments to the Electricity Regulation Act (ERA) and Electricity Pricing Policy are aimed at enabling a competitive market for electricity generation in the country and drive affordability through fair competition.

Africa is the least polluter of the environment, yet it is the most affected continent by climate change. Therefore, it is incumbent on the developed nations which historically benefited from industrial economic activities that polluted the world resulting in climate change to finance our transition appropriately and adequately.

The funding must respond to our programmes including:

- ending energy poverty
- improving our energy infrastructure and thereby ensuring baseload supply,
- repurposing of some of our energy generation facilities,
- investment in Carbon Capture, Utilisation and Storage (CCUS) and other mitigating technologies.
- skills development and technology transfers to communities and workers in the coal value chain.

In conclusion, honourable members, it is our collective responsibility to ensure that the people of South Africa are cushioned from the dire consequences associated with the Just Energy Transition including job losses in carbon intensive industries.

Our transition must be geared towards advancing our national interests and not hinder the country's pursuit of its socioeconomic objectives.

I thank you.