

## Welcome to our first newsletter

Welcome to the first edition of ENERGY MATTERS newsletter, produced by government for the benefit of our stakeholders. This newsletter is the first step in an evolving online project designed to encourage your participation in crucial debates over national energy policy. This first newsletter deals with the Green Economy Summit in Sandton, May 18 to 21, at which government made some bold commitments to sustainable development.

### Bold calls for a green economy

THREE weeks before the opening of the FIFA World Cup, Johannesburg hosted another summit, less visible, but perhaps more lastingly important, at which the government laid out a "green" vision for South Africa.

The Green Economy Summit, held at the Sandton Convention Centre in May by the Department of Water and Environmental Affairs, engaged 650 government, private sector, NGO and labour stakeholders in the first stages of developing a Green Economy Plan.

There was very little prevaricating at this conference. President Jacob Zuma himself set the tone in his keynote address: "We have no option but to manage our natural resources in a sustainable way. We have no choice but to be eco-friendly. We have no choice but to develop a green economy."

Tight deadlines were set. The Green Economy Plan is to be ready in just two months, before the end of July. The president said South Africa would go further than simply honouring its international obligations to lower greenhouse gas emissions. An integrated approach across all departments would ensure that all future policies and activities would be sensitive to environmental needs. And most important, the government has recognised that green economics creates employment.

This approach was spelt out most clearly in a detailed presentation by Minister of Economic Development Ebrahim Patel, who said government sought growth that is less carbon intensive but more labour-absorbing. Patel noted the challenges we face: in a dry climate, we rely heavily on dams. Our electricity is 93% generated by coal, and our liquid fuels are 33% coal-based. Two thirds of exports come from energy-intensive industries.

And yet we do not lack potential. Our long coastline and our dry areas provide excellent resources for tapping both wind energy and solar energy. If an area like the Northern Cape becomes a centre for solar energy, it would create jobs in a vulnerable province. We have sophisticated technology. The trillion rands that are to be invested in expansion of physical and social infrastructure over the next five years, can spur sustainable growth.

Patel said the experience of other countries demonstrated that green economics offers significant job creation potential. China, which has become the world's leading manufacturer of both wind turbines and solar panels, has created more than a million jobs in its green energy sector, rising by 100 000 annually. Brazil's ethanol-based biofuels industry employs about half a million people.

The Economic Development Department plans to transform the Industrial Development Corporation (IDC) into the "green industrialising" engine of the economy. The IDC will invest R11,7 billion in green industries in the next five years. The bulk of that, R8,3 billion, will go to renewable energy generation and bio-ethanol; R1 billion to the manufacturing of green industry components; R800m to resource and waste management, and R1,6 billion to energy management.

Examples of funds already allocated by the IDC include R33 million for feasibility studies into wind farms, solar thermal and photo-voltaic electricity generation, and R800 million for bio-ethanol production. One project, an investment of R5-million, captures methane gas from livestock manure and converts it to electricity.

A number of government departments have recently launched measures that contribute to the green economy, led by the Department of Environmental Affairs, which is developing the national framework and our responses to our international obligations.

#### CAN SA GENERATE ENOUGH ELECTRICITY?

The Department of Energy is facilitating the Integrated Resource Planning (IRP): a formal process to determine the requirement for investment in generation capacity for South Africa. A stakeholder plenary session was held on the 7th of June to obtain input from stakeholders in the energy environment. Find out more about this important event in the next edition of ENERGY MATTERS.

#### RESEARCH BEHIND THE PROPOSALS

A week before the Sandton summit, the inaugural meeting of the National Planning Commission was held. This is a government structure which will help in the development of long-range planning, but producing carefully researched proposals covering such areas as water, food and energy security, climate change, demographic trends, human resources, security and more. The work of this committee will have a significant influence on green economy planning over the next two decades.

#### COPENHAGEN COMMITMENTS

WHAT did South Africa commit to at the Copenhagen Accords? If we plot the likely growth of our carbon emissions up to 2020, we have committed ourselves to "nationally appropriate action" to ensure that we

- The Industrial Policy Action Plan announced by Trade and Industry Minister Rob Davies, includes incentives for green economy initiatives, including support for the biofuels industry and for those manufacturers who supply components to the green economy.
- The Department of Science and Technology is placing high priority on the development of innovative technologies, particularly in the areas of carbon capture and carbon reduction - vital to an economy which remains so reliant on coal.
- The Department of Public Works continues to retrofit public buildings to reduce their energy requirements, and is placing environmental components into expanded public works programmes that aim to create jobs. The department is also leading the government work on new building regulations that will mandate energy saving measures in new housing, including solar water geysers.
- The Department of Energy will create targets for renewable energy to encourage private sector investment in the area. It will also lead the government's Integrated Resource Planning, which will match the country's long-term energy needs with a sustainable supply.
- The Department of Higher Education will focus upon the skills required for a green economy; the Treasury will develop sustainable financing and risk-sharing models for a low-carbon economy; the Department of Transport is expanding mass transit systems, particularly inner-city transport and high-speed rail links to reduce our reliance on cars.

Joanne Yawitch, Deputy Director General at the Department of Environmental Affairs, said the summit looked at what is being done abroad, and what South Africa's potential was to replicate those lessons in such a way that we would benefit the economy and have a positive impact on both the environment and job creation.

She said the notion of a green economy, while around for some time, only really became a mainstream force during the global economic crisis. What it means is a "mass scaling up of renewable energy technologies," creating a value chain in which new, environmentally friendly technologies create new industries which create new jobs and transform the economy.

At the summit, she said, "we looked at the wind power economy, we looked at solar water heating, we looked at waste management, we looked at ways of introducing sustainable agriculture. We looked at existing government programs like working for water, and working for wetlands which already provide job opportunities, and looked at how those could be scaled up.

"The Green Economy Summit addressed those issues and as a result of the work done at the summit there is now a green economy plan that is going to the cabinet Lekgotla in July for ministers to make decisions on how that work will go forward into the future, and get integrated into the economic and industrial policies of the country."

## Just two months for a green strategy

THE Sandton summit ended by drafting a statement that acknowledged the urgent global threat of climate change and agreed that government alone could not manage the transition to a green economy without private sector and civil society help.

It was agreed that by the end of July 2010 - only two months ahead - a Green Economy Plan would be developed, outlining the work required to develop a job intensive green economy. This would include a supportive regulatory framework to encourage development, and market instruments to incentivise the production of low-carbon products.

As the draft statement says: "Putting a price on carbon and other pollution or on the over-exploitation of a scarce resource through mechanisms such as taxes, natural resource charges or tradeable permit systems, are a central element of the policy mix, most notably to provide clear and credible market signals."

## President launches solar heater program

AUSTIN MALULEKE, an unemployed man with a wife and two children, received a subsidised solar heater in his two-room home in Winterveld. It has changed his life, he told President Jacob Zuma, who visited his house in April: he can now enjoy a hot water bath straight from the geyser, instead of laboriously filling it from a kettle.

President Zuma visited Winterveld, a rural area in the north-west of Tshwane, when he launched the National Solar Water Heating (SWH) programme. Winterveld, a legacy of the apartheid-era "removals" policies, is a dense and impoverished informal settlement with a population of 150 000 and little service infrastructure. It is typical of the kind of area where solar heating offers a simple, low-cost alternative.

On the day the president visited, solar water heaters had already been installed in some 270 Winterveld houses. Ten people from the Winterveld community were trained to install the equipment, supplied by local distributor Inti Solar. Divided into five teams of two each, they can install equipment in each home in just a few hours, completing 60 to 80 units each week.

By the end of this year, some 10 400 solar water heaters will be installed

end up 34% below that figure. Five years later, in 2025, we must be 42% below the "business as usual" figure.

### MAKE YOUR VOICE HEARD ON ELECTRICITY REGULATIONS

THE Draft Electricity Regulations for the Prohibition of Certain Practices in the Electricity Supply and Compulsory Norms and Standards for Reticulation Service are regulations drafted for comments by the Department of Minerals and Energy in order to minimise electricity load shedding and blackouts, thereby improving the quality of supply.

Draft Regulations propose the activities that the licensee must prohibit in its licensed area of jurisdiction. Some of the prohibition includes proliferation of incandescent lights and use of energy efficient substitutes in unoccupied buildings especially after working hours, street and highway lighting during broad day light and disposal of a light that contains mercury in a manner which adversely impacts the environment.

Further prohibition is in respect of water heating in commercial and residential buildings, installation of an electric geyser that does not incorporate solar water heating facility to new dwelling with a value exceeding R750 000, and installation of an electric geyser that does not incorporate a solar water heating facility into new dwelling with square meters exceeding 300. Further comments and proposals for prohibitions may be forwarded to the Department for consideration. To make your voice heard, visit [www.dme.gov.za](http://www.dme.gov.za) now.

### WE'RE HOSTS AGAIN

SOUTH AFRICA is to host a major United Nations climate conference at the end of 2011. Called COP17, it is the annual Conference of the Parties who have signed the UN Framework Convention on Climate Change. In 2002, South Africa hosted a previous international climate conference, the Johannesburg World Summit.

### THE JOBS IN THE TRASH

throughout Tshwane, at homes, government departments, hospitals and schools. Similar programmes have been launched in other cities, and within four years, a million homes across the country are expected to benefit.

Solar water heating is an attractive prospect in a country like South Africa. Water heating consumes 18% of the total coal-generated electricity supply to industry, commerce and domestic sectors. Electric geysers account for between a third and half of the average domestic electricity consumption. Eskom estimates that a solar water heater could cut a typical household domestic bill by up to 70%. It has also calculated that each household with solar water heating will reduce carbon emissions by 1,8 tons per year. Among energy-generation technologies, solar is second only to bio-fuels for its potential to create new jobs.

Solar water heating was slow to come to South Africa because it could not compete with our low electricity rates. But the electricity crisis of two years ago, the erosion of Eskom's reserve capacity from 27% in 1999 to 5% today, and our increasing electricity tariffs have all helped to make solar heating far more cost-effective.

Eskom is subsidising the installation of 925 000 solar water heaters over five years, which will cut peak demand on its electricity grid by 578MW. A typical entry-level solar water heater costs Eskom about R6 000. Funding for the SWH programme comes from a number of sources, including Eskom's demand side management budget, a tariff from the proposed National Energy Regulator and from the World Bank's Clean Energy Technology fund.

At the moment, most solar heating units are imported. Energy Minister Dipuo Peters says we don't yet have enough locally produced and SABS (South African Bureau of Standards) approved equipment, but she is confident that by the second year of the SWH programme, locally produced units will be available. Testing units for SABS approval is a slow process that can take several months: units have to demonstrate how they stand up to winter and summer conditions, frost and storms, and how much heat they are able to retain. The potential for solar water heating is impressive - if the private sector can be persuaded to take up the cause. Some 100 000 new homes are built every year, and architects and property developers need to be persuaded to adopt the technology. About 30 000 homes are renovated each year and about 400 000 conventional electric geysers are replaced each year.

The president, who spoke to the people of Winterveld about the need to empower people to rise up out of poverty, told of his own childhood in the township of Nkandla, where the only source of light at night was candles. Empowerment, he said, required four things: education and employment, but also electricity and water. Solar water heating would help with the last two.

SUSTAINABLE waste collection, management, storage and disposal practices, whose benefits include improved health and less pollution, is estimated to have the potential to create 20 000 jobs within three years, and to have a value of R22 to R36 billion, the summit was told.

#### FIFA'S OFF THE ESKOM GRID

FIFA has insisted that all ten South African World Cup stadiums be fitted with diesel-powered generators at a cost of R200-million. These generators are powered up two hours before each match, and are able to provide power for two hours after the match. The stadiums will not be placing any additional burdens upon the Eskom power grid, and Eskom will only be providing back-up power. All broadcast equipment will also be running on generators.

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