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Opportunities missed in delayed process to ignite renewables - council

- Cape Times
- 10 Nov 2016
- Brenda Martin

THE South African Renewable Energy Council (Sarec) has responded to the disclosures in the public protector's state capture report, which were released last week.

The renewable energy body, which acts as an umbrella body to the various renewable energy technologies such as wind, solar (photovoltaic) and hydroenergy, is of the opinion that Eskom's delay in issuing final budget quotes to preferred bidders in Round 4 and Round 4 extension of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) was definitely not economically motivated.

There are 26 preferred bidders across a range of technologies, none of which have reached financial close due to Eskom's refusal to sign further power purchase agreements (PPAs).

These projects represent a combined value of R50 billion in investment into the country that has been put on hold, which is ludicrous when considering our current economic climate.

The people of our country need jobs and our industry can provide them, considering that the unsigned projects represent more than 13 000 jobs.

The total number of jobs expected during the construction period of these projects is 13 444; where a job is defined as one job = 12 person-months and one person-month = 160 working hours.

Added to this is the overall number of jobs for South African citizens during the operations period, expected to be 1 909 a year, for a 20-year period.

It is clear from these figures that these projects represent a very significant investment in the South African economy, and are vital stimuli for job creation, local content and local economic development.

Sarec believes that this deliberate refusal to comply with the ministerial determination on renewable energy challenges the prioritisation of green energy as outlined in the National Development Plan.

It also has a negative impact on achieving government's green industrialisation objectives, and undermines the renewable industry's efforts in bringing much-needed foreign investment into the country.

Furthermore, the delay is also hindering local manufacturing opportunities, social development programmes and the benefits of community ownership, all of which are common features of all REIPPPP projects.

Over the past several months, Eskom has repeatedly avoided signing PPAs with renewable energy independent power producers (IPPs) and has failed to provide valid reasons for doing so.

At the same time, Eskom's head of generation has engaged in a sustained attack on the renewables industry in an attempt to undermine renewable energy and protect their own narrow interests.

The industry has expressed confidence in the Presidency's office, citing a cabinet statement issued on August 22, 2016, by the Minister in the Presidency Jeff Radebe, who said that "there is no way that government will change course (on the IPP programme)".

We therefore urge Minister of Energy Tina JoematPettersson and Minister of Public Enterprises Lynne Brown to take co-ordinated action and ensure that policy and procedure are adhered to without further delay.

Martin is chairperson of the SA Renewable Energy Council and chief executive at the South African Wind Energy Association