

FACTSHEET: NGWAABE INTEGRATED ENERGY CENTRE (leC)

What is an integrated energy centre (leC)?

- An Integrated Energy Centre (leC) is a one-stop energy shop owned and operated by a community Cooperative and organised as a community project.
- It provides energy solutions to communities; access to affordable, safe and sustainable energy services; information on how to handle and utilise energy resources, including Illuminating Paraffin and LPGas.
- In addition, leC's promote the development of small businesses (SMMEs) through partnerships with key stakeholders, including but not limited to oil companies, the Small Enterprise Development Agency (SEDA), the National Development Agency (NDA), the Department of Rural Development and Land Reform, the Department of Cooperative Governance and Traditional Affairs (COGTA) and the Department of Trade and Industry (DTI).
- Noting the critical role of energy in improving the quality of people's lives, leC's are targeted at rural hinterlands of our country (in line with the Comprehensive Rural Development Programme Nodal Areas), which are generally plagued by energy poverty.
- The Department's partnership with the oil companies in respect of the leC Programme has thus far delivered a total of nine (9) leC's – Five (5) leC's commissioned in partnership with Sasol Oil; two (2) with Total South Africa; one (1) with PetroSA and the recent one by Shell SA.
- These leC's are located in the Eastern Cape, Northern Cape, KwaZulu Natal, Limpopo and North West provinces.
- In all instances the cooperative model of ownership and operation is used.

Offering of the leC's

There are many direct and indirect benefits that the leC offers. The service offering of the leC include:

- Sale of diesel, petrol, illuminating paraffin and liquefied petroleum gas (LPGas)
- A training / information centre
- A convenience store – including the selling of prepaid electricity and airtime
- Car wash
- Tyre repairs
- Public telephones
- ATM
- Opportunity for establishment of other SMMEs in line with the needs of community.

Benefits to the community

- The people in areas where leC's are constructed will be provided with information to utilise energy in a safer and more sustainable manner.
- They will enjoy easy and affordable access to modern energy services (because unnecessary distribution costs will be eliminated). For example, people will no longer walk long distances to fill up their LPGas cylinders or purchase basic needs because the leC has brought these services closer to them.
- The leC will also provide a focal point for communication of energy and developmental matters to the community.
- Apart from the benefits that will directly result from the service offering of the leC, the success of the leC's will also motivate other partners to come on board and invest in leC's in other parts of the country.
- Opportunities to partner with other service providers to expand and improve the service offering will be continually explored to maximize benefit to the community. Hence the leC will also serve as a trigger for further economic development in the area.

Job creation opportunities

- The leC programme augers well with the National Development Plan (NDP) which seeks to promote social equity through expanded access to energy at affordable prices.
- This expanded access to energy will lead to the betterment of rural livelihoods and the development of rural economy.
- The NDP sets out various methods to tackle unemployment, poverty, inequality and other challenges facing our country.
- A total number of 16 permanent jobs to operate the business have been created for Ngwaabe residents.
- The car wash and other SMMEs will create additional job opportunities for the local people.

The assets on the leC site comprise:

- A convenience shop, a training centre, a car wash, underground tank for Unleaded Petrol (ULP); underground tank for Diesel; underground tank for Lead Replacement Petrol (LRP) and underground tank for illuminating paraffin (IP).
- Shell SA has contributed R18 million in setting up this facility.
- It is the first leC built and completed by Shell SA.

Stake holder departments

- The leCs are not just about integration of energy services. Rather, they are primarily about integration and cooperation amongst the three tiers and structures of Government for improved (energy) service delivery to the poorest of the poor.
- The cooperation amongst the various organs of State such as the Department of Trade and Industry, the Department of Cooperative Governance and Traditional

Authority (COGTA), the Department of Rural Development and Land Reform, the Independent Development Trust (IDT), Small Enterprise Development Agency (SEDA), and others is commendable and encouraged to continue with greater vigour.

Role of the community

- Like all other government provided infrastructure, the community must treat these assets with care and an appreciation of the value adds that such developments bring to their environs.
- The community must guard all infrastructure against vandalism, theft and other forms of misuse or abuse.
- The co-operative must acknowledge and act in line with their accountability to the community - as this service point has been created for the benefit of the local people.